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Template for discussion report and analysis of the board of directors of the listed public shareholding company

Date	08/03/2020
Name of the Listed Company	TAKAFUL EMARAT – INSURANCE PSC
The period of the financial statements covered by the report	Annual Financials (Year 2019)
Overview of the main results during the financial period	Total Assets – AED 1,103 million Gross Written Contribution – AED 606 million Net Earned Contribution – AED 395 million Net Loss – AED 37.8 million
Securities issued during the financial period	None
Summary of the most important non-financial events and developments during the financial period	1. Acquisition of Al HILAL Takaful no longer proceeded. 2. Appointment of new CEO – Mr. Wael Al Sharif
Summary of operational performance during the financial period	The medical insurance portfolio has recorded losses due to reduced margin and incurred higher medical claims expenses than expected. The investments have generated lower returns during the period. Furthermore, in the past couple of years the company has invested into technology digitizing its sales and operations processes. However, some of these investments did not yield the desired output leading to writing off these investments during the period.
Summary of profit and loss during the financial period	Takaful Operation deficit – AED 9.27 million WAKALA fee – AED 82.14 million Commission incurred – AED 46.09 million General & Admin expenses – AED 87.27 million Net loss (Shareholders) – AED 37.85 million

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Summary of financial position as at the end of the financial period	Assets Takaful Operations – AED 909.57 million Liabilities Takaful Operations – AED 882.82 million Qard Hassan from Shareholders – AED 9.27 million Cumulative changes FV PH – AED 17.48 million Assets Shareholders – AED 193.22 million Total Liabilities (Shareholders) – AED 101.45 million Total Equity– AED 118.52 million
Summary of cash flows during the financial period	Operating Activities – AED 686 Thousand Investing Activities – (AED 27.02) million Financing Activities – (AED 23.74) million Opening Cash & cash equivalent – AED 102.21 million Cash and cash equivalent at year end – AED 52.13 million
Main performance indicators	Loss ratio:%11 Expense ratio:%64
Expectations for the sector and the company's role in these expectations	Gross Written Premium (GWP) grew by 8.3% to AED 23.7b during 2019 for the listed companies in DFM and ADX. The Company is expected to continue its growth in terms of GWP.
Expectations regarding the economy and its impact on the company and the sector	It is expected that enhanced regulatory environment with new regulations in Life and Health will contribute positively towards the growth economy. Expo 2020 is expected to have a significant positive impact on the economy. However, there will be some market challenges are expected for e.g. as a result of falling oil prices.
Future plans for growth and changes in operations in future periods	Certain measures already taken such as reducing overhead and discretionary expenses and work is in progress for other measures such as reviewing underwriting guidelines and review loss making portfolio with a view to appropriately price them
The size and impact of current and projected capital expenditures on the company	Net capital expenditure for 2019 is 3.2 million AED and the company expect to continue spending for developing required digital platforms to boost revenue and enhance customer experience.

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The developments of the implementation of projects, plans and transactions and deals that were discussed by the company's board of directors in the report for the previous fiscal year	The Board discussed the Company's expenditure and details of projects in digital platforms in the previous fiscal year.

The name of the chairman of the company or the authorized signatory	Dr. Nooraldeen Atatreh _ Deputy Chairman
Signature and date	08/03/2020
Company's Seal	

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