

**Directors' report
for the year ended 31 December 2019**

Dear Shareholders,

Peace be upon you

On behalf of the Board of Directors, we are pleased to present the financial results of Methaq Takaful Insurance Company PSC for the year ended 31 December 2019.

Methaq succeeded in implementing its plans for the year 2019 based on achievable strategic goals. This is a reflection of the continued confidence and support of its shareholders and customers along with Methaq's team that is comprised of professionals and technical experts. Our strategic direction focuses on the following key objectives to deliver enhanced sustainable returns for the Policyholders and the Shareholders:

- Targeted profitable growth;
- Performance Management of Takaful portfolios;
- Operational excellence; and
- Optimal Retakaful agreements for all takaful portfolios.

The Company has recognized a net profit of AED 3,885,074 for the year ended 31 December 2019 compared to a net profit of AED 15,406,187 for the year ended 31 December 2018. The reason behind reduction in profit is due to investment property revaluation which resulted in decrease of the net property investment portfolios as per the market trends which witness a reduction in real estate prices during the last period.

The Company is planning in 2020 to reduce its investment property as per the market trends where we expect to see a further reduction in property investment profitability.

Management has implemented successful strategies in the year 2019 in respect of underwriting and claims management process where all takaful portfolios showed positive performance.

The results are summarized as below:

| | 2019 | 2018 |
|--|--------------------|-------------|
| | AED | AED |
| Brief of the statement of financial position: | | |
| Total assets | 685,344,840 | 623,662,184 |
| Total liabilities | 601,268,042 | 539,926,460 |
| Total Shareholders' equity | 84,076,798 | 83,735,724 |
| Brief of the income statement: | | |
| Total revenues (gross contributions written) | 282,596,590 | 317,140,888 |
| Profit for the year | 3,885,074 | 15,406,187 |
| Earning per share | 0.026 | 0.103 |

**Directors' report
for the year ended 31 December 2019 (continued)**

As for the Company's future plans for the year 2020, the Company has developed a budget plan supported by a set of ambitious goals especially takaful portfolios and retakaful agreements, operating expenses, and profitability. The company expects a significant improvement in performance and results for 2020.

Methaq has a very sound corporate governance in place and all the regulatory and legislative compliance is made timely, thereby reflecting a positive image of the Company and entrusting strong confidence amongst its customers, staff and all concerned entities.

On behalf of the Board of Directors, we reiterate our commitment to the growth and development of the UAE and particularly to Abu Dhabi's 2030 vision under the leadership of His Highness Sheikh Khalifa bin Zayed Al Nahyan, the President of the UAE and the Ruler of Abu Dhabi and His Highness Sheikh Mohammed bin Rashid Al Maktoum, the Vice President, the Ruler of Dubai, and His Highness Sheikh Mohammed bin Zayed Al Nahyan, the Crown Prince and all the Rulers of the UAE.

We also take this opportunity to thank and appreciate the staff and the management of Methaq Takaful Insurance Company PSC for their continued efforts, hard work, and sincerity. We also express our sincere thanks to the Company's Shareholders, clients, and all those institutions and individuals with whom the company deals in the UAE locally, in the region, and at the international level.



Yousif Hussain Al Sahlawi
Chairman of the Board of Directors

26 March 2020