



In the Name of God, the Most Gracious, the Most Merciful



**Shariah Supervisory Board Report for the Financial Year ended 31st of December 2018  
To the General Assembly of the Company Shareholders**

Praise to Allah and Peace be upon our Prophet Muhammad

We the Shariah Supervisory Board (the Board) of Takaful Emarat:

**Dr. Abdul Sattar Abu Ghuddah**

**Abdul Nasser Al Mannaei**

**Mufti Muhammad Hassan Kaleem**

In line with Article (63) of the Company's Articles of Association, we present the following report about the activities and accounts of the Company:

The Board reviewed the basis on which the Company's business has been conducted, the financial results, the investments and the products it has engaged in during the financial year ending on December 2018, 31, samples of the Takaful (Insurance) policies entered into by the Company and the new contracts and agreements signed by the Company and other activities in order to make the opinion on whether the Company is compliant with the Islamic provisions and principles, the advisory opinions, resolutions and directives issued by the Board.

Ensuring the Company's compliance with the Islamic provisions and principles is the responsibility of the management that is in charge of the implementation of the Company activities in accordance with its Articles of Association and in line with Islamic provisions and principles. The Board responsibility is limited to making an independent Shariah opinion based on our audit of the documents and to report accordingly.

The Board audited the Company's financial results and its financial structure by auditing the balance sheet, income statement and statement of revenues and expenses. The Board have also audited the Company investments, as well as the details of the Takaful policies dealt with in different types of Takaful insurance. The Board identified updates on re-insurance or re-Takaful, and the authorities with whom such agreements were concluded.

The Board were provided with the adequate information and interpretations to give reasonable assurance that the Company did not violate the Islamic provisions and principles in general and within the activities the Board examined.

**Our Opinion:**

1. The Company adhered in its financial structure in separating between the account of the policy holders and the shareholders' account, which is fundamental in Takaful insurance. The Company prepared its financial statements for the financial year ending on December 2018, 31 in accordance with the applicable model of the Shariah Standards according to which the Company should prepare its financial statements (under the prevailing accounting regulations) a model that expresses reality and nature of the Takaful business and its financial structure.
2. The Company only withheld from the policyholders the prescribed administration charges or less in addition to a common portion of the profit of this account being Modaraba. The Company has disclosed the charges at its policy documents for the policyholders as it is a Shariah requirement for Wakala and Modaraba.



3. The Company provided Qard Hasan to tackle the interim deficit in Takaful portfolio. The Company has recovered partially the Qard Hasan provided in previous years and suggested to obtain Annual General Assembly approval.
4. The products that the Company has offered and the investment from the policyholder fund that the Company made are acceptable in light of Shariah principles and our audit.
5. The Company confirmed that they entered into re-insurance agreements in accordance with our guidelines. We asked to minimize the re-insurance with traditional companies as possible, with priority given to the mandatory and optional re-insurance with the Islamic companies based on the Islamic insurance.
6. The Board reviewed the samples of Takaful policy documents used by the Company and found that they are in compliance with the Shariah principles.
7. The Board reviewed and approved the Zakat calculated and paid for 2017. The Board hereby announces that for 2018 the amount of Zakat due for each share is AED 0.01153.
8. The Board agreed to provide the updated training material for the training to be provided to employees for 2019 on Takaful insurance and its Shariah principles, with a view to enhance the business and to achieve the Company's objectives in compliance with the Islamic provisions.
9. The Board confirmed that the Company shall continue to use the document or instrument or contracts approved by the Board and in case of any significant change it shall be submitted to the Board again for approval.

The Board hereby issues this report and appreciated the Company's effort in complying with the rules and principles of Islamic Shariah.

May God guide the Company and those in charged with authority therein.

And in closing: "Praise be to Allah, the Cherisher and Sustainer of the worlds"

**Dr. Abdul Sattar Abu Ghuddah**

  
Signature: \_\_\_\_\_

**Abdul Nasser Al Mannaei**

  
Signature: \_\_\_\_\_

**Mufti Muhammad Hassan Kaleem**

  
Signature: \_\_\_\_\_