

Winning in Our World



AMÃNA TAKAFUL (MALDIVES) PLC

Annual Report

2022

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Winning in Our World

At the threshold of our twentieth year in the Archipelago
'Tis time to reflect on the pioneering spirit of our enterprise
One by one, the building blocks came ashore
With verdant shoots of a fragrance - a shared prize.

And so, Islamic Finance breezed upon this land
With a pure & serene brand, now entrenched and well in hand
While the tide rises and the tide falls
Takaful's shared philosophy eclipses one and all.

Stepping ashore in two thousand & three
A Two's Company journey, now counting Forty Five
Harnessing local talent to lead the industry
Setting the sails, to raise our flag, relentlessly we strive.

Our credo to serve, one and all, the Takaful way
Is embedded in our spirit not on occasion, but day by day
Advising clients, sharing concerns, as we empathize
Deploying resources for technology & training, we seldom
compromise.

World renowned reinsurers, brokers and agents are our associates
Helping to craft products and a service ethos in tandem
The insatiable desire remains to raise the stakes,
Nurturing growth & expertise in the financial ecosystem.

Innovative solutions and practices are our forte
All tuned to user friendly technology, all the way
Advising clients to anticipate & manage their risks
We pride ourselves to good governance and ethics.

Year on Year, we've posted good growth and productivity
Surpassing total Industry indices on occasions,
Meeting timely claims with utmost sensitivity
Exceeding Stakeholder needs and shareholder aspirations.

Consistently winning accolades and many an award
Has become second nature to the Takaful team
Keeps us on our toes never to drop our guard
Gold, Silver & Platinum we hold in high esteem.

Bringing forth the results for twenty-twenty two,
A Record in Written Premium, a record payout in Dividends and a
record in highest claims settlement.

We take pride as the Solus Insurer on the Maldives Stock Exchange.
Come share in our success as much as we hold steadfast to the
shared philosophy that is Takaful.

Truly, Winning in our World. Your World.

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Our Vision

"To be a world-class Takaful service provider."

We will benchmark our delivery of value to that of world-class service providers in terms of product and services, whilst upholding the principles of Takaful. Our delivery will reach all our stakeholders including customers, shareholders, suppliers, regulators, our staff and the community at large.

Our Mission

"Providing total Takaful solutions within the guidelines of Shari'ah and serving all in an admirable manner."

Our Values

"As a company and as individuals we believe, in doing what's right - for what's right is good. To uphold integrity, sincerity, honesty and mutual respect whilst committing ourselves to all our stakeholders to consistently deliver exceptional value and to take on challenges that we relentlessly strive to see through."



Winning in
our world
through our
pioneering
spirit

| | 2022 (MVR) | 2021 (MVR) |
|----------------------------|---------------|---------------|
| Revenue | 199,748,627 | 152,687,745 |
| Gross Written Contribution | 180,912,031 | 139,996,194 |
| Profit after Tax | 19,079,687 | 19,248,111 |
| Return on Equity | 14.42% | 17.40% |
| Total Investments | 204,376,218 | 165,397,932 |
| Total Assets | 263,397,499 | 228,184,333 |
| Total Revenue Reserves | 87,645,928 | 73,829,157 |
| Issued Share Capital | 26,314,583 | 26,314,583 |
| Net Assets Value per Share | 6.53 | 5.46 |





“Be it the Tsunami of 2004, the Global Financial Crisis of 2008, Economic and Political upheavals, and more recently, the Pandemic, your Company has been able to beat these ‘storms’ and emerge unscathed”

اَللّٰهُمَّ عَلَيْكُمْ وَرَحْمَةُ اللّٰهِ وَبَرَكَاتُهُ

In the Name of Allah, the most
Beneficent and the most Merciful

In presenting the Annual Report &
Accounts for Amana Takaful (Maldives
PLC) for 2022, it is my privilege to invite
you all to your Company's Annual
General Meeting.

2023 marks a milestone of Twenty
years since the advent of Takaful to the
Republic of Maldives, bringing with it a
unique proposition of Mutuality in Risk
Sharing & Benefits. Suffice to say, this
concept was a stimulus to rekindle the
financial ecosystem in the archipelago
with an Islamic perspective. Be it the
Tsunami of 2004, the Global Financial
Crisis of 2008, Economic and Political
upheavals, and more recently, the
Pandemic, your Company has been
able to beat these 'storms' and emerge
unscathed. Moreover, being the Solus
Insurer listed on the Maldives Stock
Exchange from 2011, the onus of
compliance to Regulatory procedures
is not lost on us while delivering on
stakeholder expectations, year on year,
in line with a growth trajectory ahead of
plan.

The Numbers

Shareholders will be pleased to note
that your Company reports a Top-
Line growth of 29%, Comprehensive
Income up 70% to MVR 26.95 MN, and
Investment Returns increasing by 85%
over 2021.

The Profit out-turn at MVR 19MN was
compelling, in yet another year of
extraordinary Claims, all of which have
been provided or settled in full and the
Return on Equity of 14% exceeded the
target.

In addition, shareholders benefitted
significantly with an interim dividend
of MVR 2.63 MN paid out in December.

The total dividend payout for the
previous year amounted to MVR 5.26
MN, which includes the final dividend
of 2021.

Yet again, in keeping with the tenets
of Takaful, a Surplus of MVR 809K has
been shared with our non-Claimant
certificate holders for the tenth year in
succession.

The resilience of our business model
is also recognized by the increasing
number of new certificate holders
posting a growth of 24% over the
previous year.

It may be noted that these are no mean
achievements in the larger context
of the Global Economic Recession,
Currency Devaluation, High inflation
and relative instability on many such
fronts.

Governance & IFRS

The International Financial Reporting
Standards (IFRS), a new accounting
framework, introduces a market-
value-driven consistent regime to
measure insurance contracts. It
would increase the transparency of
our reporting and render our model's
financial performance substantially
more visible with greater disclosure for
all stakeholders. It would not make a
material difference to our profitability or
impact our financial strength. Of course,
it comes with added costs.

The Board and its oversight committees
maintain a regular watching brief in line
with best demonstrated practices, in
conformance to regulation and Shari'ah
aspects, without compromise.

We eagerly await the enactment of
the draft Act in respect of Insurance
Regulation, encompassing the Takaful
form, among others.

Simplicity, Innovation & Customer Focus

The 2022-2024 strategic plan aims to
transform the Company into a simpler,
more innovative, and customer-centric
organization. The industry legacy
of traditional operations through
intermediaries is being challenged by
customers for quick solutions through
the technological interface and digitized
transactional capability, as evidenced in
our gap analysis. The platforms we have
built in recent times is a harbinger for
seamless access and a game changer
for the future.

Rapidly adapting to changing
circumstances, with continuous
improvement - a credo at Amana
Takaful, winning accolades and
recognition along the way are
commendable achievements that the
Board and I recognize. As a Team, the
solid commitment of our employees,
both professionally and emotionally
over the years, in celebrating the
company's growth with their personal
success is indeed gratifying. They
deserve our heartfelt thanks and praise.

Winning, the Takaful way

Over the next two years, we want to
focus on the key initiatives to provide
valuable services for our customers,
reduce complexity and equip for
volatility, while we accelerate the
business in all aspects, for the benefit of
all our stakeholders.

As you can see, your Company remains
an attractive and reliable investment
even in times of uncertainty and
change. On behalf of the Board and
Management, I wish to thank you for the
trust; in essence, the mutuality, that is
Takaful.



Tyeab Akbarally
Chairman

30th March 2023



“Despite the prevalence of unscrupulous market practices, ATM has managed to establish itself as a reputable, trustworthy, and popular brand that has never compromised service quality for market share”

اَللّٰهُمَّ عَلَيْكُمْ وَرَحْمَةُ اللّٰهِ وَبَرَكَاتُهُ

In the Name of Allah, the most
Beneficent and the most Merciful

It is my pleasure to present the business
performance of Amana Takaful
(Maldives) PLC (ATM) for the 2022
reporting year in this Annual Review.

Shareholders will be pleased to
note that ATM recorded yet another
exceptional year, with outstanding
achievements in exploring new
business opportunities and reaching
desired milestones in reinforcing your
Company's journey towards sustainable
growth. Throughout the year, ATM has
remained true to its commitments to all
stakeholders, shaping its strategies to
respond to evolving market conditions.

Gross-Written Contribution, fuelled by
all leading classes of products, grew at
29%. Total Comprehensive Income at
MVR 26.95 Mn registered an upside of
70% compared to the previous year's
MVR 15.87 Mn.

The non-medical product portfolio
improved significantly, particularly in
motor, hull, and engineering classes.
Meanwhile, the growing demand for
medical coverage for both locals and
expatriates resulted in an exponential
growth rate. To enable a balanced &
diversified business portfolio, we have
revitalized other product subclasses,
including offerings for micro-segments.
Our tailored solutions for niche groups
are gaining traction; we remain
committed to prudent underwriting and
pricing practices in our focus on these
segments.

In 2022, a substantial rise in claims pay-
out of MVR 92 Mn, an increase of 117%
from the previous year was attributed
largely to the Medical class, which in
itself grew by circa 39%. The spike in
medical inflation has been the primary
cause, impacting on its profitability.

Equally, the industry players too
are plagued with high claims ratios,
reporting negative underwriting results
for three consecutive quarters. Going
forward, prudent measures to revamp
product features and underwriting will
be a priority to ensure the sustainability
of the medical class.

For ATM, Investments experienced a
24% growth, with assets generating
MVR10.3 Mn, marking an impressive
85% increase from the previous year.
The gradual emergence of investment
opportunities that adhere to Shari'ah
principles in the market is providing
Islamic financial institutions in the
country with optimistic prospects.
Investment options such as Islamic
Treasury Bills and online platforms
for trading private securities, in line
with the rising demand for structured
facilities, have expanded the investment
horizon. ATM is continuously seeking
new opportunities to diversify its
investments.

Despite the prevalence of unscrupulous
market practices, ATM has managed
to establish itself as a reputable,
trustworthy, and popular brand that
has never compromised service
quality for market share. The ongoing
endorsement of ATM by the respected
reinsurance fraternity is evidence of
the company's excellent reputation in
the market. We have seen a growing
number of customers and strategic
partners who share our commitment
in maintaining high standards of
governance and accountability. I would
like to extend my gratitude to our
devoted customers, whose expectations
and needs have propelled us to create
innovative solutions while raising the
bar.

Staying steadfast to the principles
of Takaful, ATM prides itself with
an un-broken legacy in distributing
SURPLUS payments to its customers
annually, now spanning over a

decade. In 2022, the organization
disbursed a surplus amount of MVR
809K among participants who did not
make any claims. Upholding the true
tenet of Takaful, ATM has consistently
demonstrated its dedication to
providing risk management solutions
to its customers in a cooperative and
ethical manner.

ATM, a trailblazer in Islamic finance,
understands the significance of
fostering partnerships and cultivating
mutually advantageous synergies within
this sphere. In pursuit of this objective,
ATM has strategically invested in
multiple programs and initiatives
that aim to educate and advance
Islamic finance. These programs have
been executed in collaboration with
academic institutions, organizations,
and regulatory bodies to reach a diverse
spectrum of society. The primary
objective of these advocacy programs is
to raise awareness about the benefits of
Islamic finance, as well as its underlying
principles and practices. The advocacy
programs conducted by ATM have been
designed to cater to various segments
of society, which provide participants
with a comprehensive understanding of
the concepts and principles of Takaful
and Islamic finance. These programs
also aim to highlight the role of Islamic
finance in promoting sustainable
economic growth, social justice, and
financial inclusion. By doing so, ATM
has positioned itself as a thought
leader in the field of Islamic finance
and has helped to drive the growth and
development of this industry.

Progressive developments in
technological adaptation leveraged to
operational efficiency, thus enhancing
service levels in line with convenience
for our partners and customers, is a key
catalyst to our competitive edge. Our
initiatives on system automation and the
launch of new platforms and front-end
systems with simple steps have further
boosted the confidence of users.

To comply with the International Financial Reporting Standards (IFRS 17), ATM has already conducted an independent gap analysis. The industry's collective effort to defer implementation in Maldives did not materialize. Consistent efforts have been put into preparing the Financial Statements of 2023 in accordance with IFRS 17. The transition to IFRS 17 is expected to be a complex process that requires significant effort and resources. Nonetheless, ATM is committed to ensuring a smooth transition to comply with the new standard.

Despite the progress made in 2021 and 2022, the expected Insurance Act could experience further delays. Suffice to say that implementing regulatory reforms is a sine qua non in promoting best practices and ensuring continued growth within the insurance sector.

I am also delighted to announce that the Islamic Financial Forum for South Asia bestowed the Gold Award for the 'Takaful Entity of the Year' and an additional GOLD 100 accolade for being one of the "Top 100 Companies in the Maldives".

Operational excellence is an everyday battle fought by the experienced cadre in achieving new heights. Myriad activities including workshops, seminars, knowledge-sharing sessions, and online programs, to hone their skills continue unabated. These initiatives ensure that the team stays ahead of the latest industry developments. Ultimately, these efforts culminate in greater customer satisfaction.

I am deeply grateful for the continuous guidance, direction & counsel provided by the Chairman and Board of Directors throughout all of our undertakings, which greatly contributed to enhancing my ability to fulfill my responsibilities effectively.

I thank our strategic partners, brokers, and agents for their trust and continued support in providing flawless customer service.

Maintaining the ongoing trust and support of our Re Takaful partners has been crucial in enhancing our risk appetite. We remain receptive to their wisdom and recommendations.

Shari'ah Advisory Council is pivotal in staying steadfast to our principles and ethics. Their timely guidance and apt support are appreciated.

The organization is making headway in implementing its well-designed business strategies as per the business plan and has effectively executed them with prudent flexibility to attain its objectives. Despite facing obstacles in the market, it has demonstrated remarkable resilience and emerged stronger, with good promise for the future. The synergy in all functions across the Amana Group is a beacon in providing Islamic Finance services in this region and beyond. Our unwavering dedication to promoting Takaful will continue to be at the core.

Small wonder then, we are Winning in Our World.....Your World!



Hareez Sulaiman
CEO/Managing Director

30th March 2023

5 Years of Takaful Advocacy

"The insatiable desire remains to raise the stakes, nurturing growth & expertise in the financial ecosystem"

www.takaful.mv





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1. MR. TYEAB AKBARALLY

Chairman

Mr. Tyeab Akbarally is the Chairman of the Company. He has been appointed to the Board since its inception. He is also the Managing Director of Akbar Brothers Ltd., the largest tea exporter in Sri Lanka. Mr. Akbarally's business interest extends to many sectors of the economy including Pharmaceutical Trade, Hydro, Wind and Solar Power and Commodity Trading. He is also on the Board of several companies in the Akbar Brothers Group and Sunshine Holdings Ltd.

2. MR. OSMAN KASSIM

Director

Mr. Osman Kassim, the visionary and one of the main promoters of Amāna Group of Companies is renowned for his expertise in Islamic Banking & Financial Services and has participated in numerous international fora. He counts

over 35 years of senior management experience. Mr. Kassim plays a dynamic role in determining and envisaging the strategic path of Amāna Bank and the group as a whole. He has also served as the Chairman of Expolanka Holdings PLC, one of the largest conglomerates in the country. He represents Amāna Takaful Maldives on the board of Maldives Islamic Bank PLC.

Mr. Osman Kassim has an Honorary Doctorate from the Staffordshire University, UK.

3. DATO' MOHD FADZLI YUSOF

Director

Dato' Mohd Fadzi Yusof has been on the Board since its inception. He was the founder Chief Executive Officer of Syarikat Takaful Malaysia Berhad, the first Takaful Operator in Malaysia as well as in Asia, since its incorporation in 1984 until his retirement in 2005.

He obtained the professional Diploma in Communication, Advertising and Marketing (CAM) from the CAM Foundation in the United Kingdom in 1976. He started his career in broadcasting, including six years with the BBC External Service in London. Currently he is a member of the Board of Motor Research Consortium Data Sdn Bhd, a subsidiary of Hei Tech Padu Berhad.

He serves as a member of the Board of Trustees Sultan Mizan Royal Foundation an NGO institution.

4. MR. ABDULLAH KASSIM

Director

Abdullah Kassim is a young business leader with over 12 years of experience in Senior Management, specializing in Business Process Re-Engineering, Mergers & Acquisitions, High-Level Strategy, and General Management. His experience spans several industries, including Environment Management, Sustainability, Financial Services & Insurance, among others.

Abdullah is the Managing Director of Neptune Papers (Pvt) Ltd, Sri Lanka's Premier Resource Recovery, Environment Management, and Recycling Company with interests in the Paper, Fabric, and Plastic Recycling Spaces. His interests and passion in Environment Management led him to transform the company from a small recycler to the largest company in



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the country over a 10-year period. He has added on several verticals to the business, including a Recycling Tech Piece, which is expected to gather steam over the upcoming years.

Abdullah is also a Director of Aberdeen Holdings (Pvt) Ltd, a diversified conglomerate with operations spread across the world, including the UAE. He also serves as a Director at Amana Takaful PLC, Sri Lanka, and at Platinum Advisors, a boutique investment bank headquartered in Singapore. Previously he played the role of Head of Business Development of Expo Lanka Holdings PLC and was part of the core team that floated the company in the Colombo Stock Exchange.

Abdullah holds a First Class (Hons.) BBA from Staffordshire University, UK, and an M.Sc. in International Business & Management from Manchester Business School, University of Manchester, UK.

5. MR. HAREEZ SULAIMAN

CEO/Managing Director

Hareez Sulaiman joined Amana Takaful PLC, Sri Lanka in 2002. His extensive audit experience gained from working with global companies, backed by sound knowledge in finance, enabled him to make his career progression in the realm of 'Takaful' within a very short period of time.

In 2005, Amana Takaful - Sri Lanka, strategically broadened its reach



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beyond national boundaries and picked Hareez Sulaiman to spearhead the Maldivian operation. The organization, which started off as a foreign branch office, thrived and grew from strength to strength under his charismatic leadership. Currently, Amana Takaful (Maldives) PLC holds the distinction of being the trailblazer in Islamic Finance within Maldives and the sole publicly listed insurance company in the nation, having established itself as a reliable and esteemed brand.

Hareez has demonstrated a strong commitment to developing his expertise in the field of finance, both academically and professionally. He has achieved academic excellence by obtaining an Honors Degree in Accountancy from the esteemed International Islamic University of Malaysia. In addition, he has earned professional recognition as an Associate of the Chartered Institute of Management Accountants (CIMA) in the UK, further attesting to his proficiency in finance. To enhance his knowledge of Islamic finance, he has completed the study programs in Islamic Finance offered by CIMA, UK. In pursuit of his professional growth, Hareez has also completed a Master of Business Administration from Cardiff Metropolitan University in Wales.

With 21 years of Takaful experience to his credit, he now heads the company as its Chief Executive Officer cum Managing Director.

6. DR. AHMED INAZ

Independent Director

Dr. Ahmed Inaz has been appointed as an Independent Director to the Board effective from 24th May 2021.

Dr. Ahmed Inaz commenced his professional career in 1997 at the Maldives Monetary Authority. Having served as the Minister of Finance and Treasury in the past, he has held other prominent posts that include National Trade Policy Coordinator for the WTO and Deputy Minister at the Ministry of Economic Development and Trade. He is a nationally renowned speaker on economic policy. He currently serves as the Chairman for the Board of Maldives Pension Administration Office and is an Assistant Professor at the Maldives National University.

Dr. Ahmed Inaz holds a PhD from University of Auckland, Auckland, New Zealand.

7. MR. AHMED ALAU ALI

Independent Director

Mr. Alau Ali has been appointed as an Independent Director to the Board effective from 24th May 2021.

Mr. Alau Ali commenced his career in 1999 after completing tertiary education. He has gained experience both in trade and construction industry for over twenty years. Presently He is the Managing Director of ALIA Investments Pvt Ltd and serves as an Executive Director at ALIA Construction Pvt Ltd. Other notable positions currently held by Mr. Alau include the Chairman for the Board of Maldives Stock Exchange Pvt Ltd and Vice President of Maldives Association of Construction Industry.

Mr. Alau holds a Bachelor's Degree in Marketing and Communication from Western Michigan University, USA.



1. Mr. Hareez Sulaiman
CEO/Managing Director

2. Ibrahim Riyaz
General Manager

Ibrahim Riyaz joined Amana Takaful Maldives in 2017. Prior to joining, he has worked for both public and private sector for 25 years. A business development strategist by profession, he has pursued numerous assignments from conceptualizing business plans, diagnosing organizational dilemmas to crafting strategies. He possesses a successful track record in analytics, customer service, revenue growth, channel development and management. Continually focused to drive topline, profitability, planning and development processes.

He holds a Master of Business Administration (MBA) from Australian Institute of Business.

3. Asif Mohamed
Head of Human Resources

Asif Mohamed joined Amana Takaful Maldives in 2006 and he has served more than a decade in the Industry. He has an extensive knowledge and

experience acquired over the years of service in cross-functional areas of business and management.

He holds a Masters of Business Administration from Cardiff Metropolitan University, UK, a Postgraduate Diploma in Strategic Management and Leadership from BTEC Edexcel, UK, a Postgraduate Diploma in Islamic Banking and Insurance from IIBI, UK and a Diploma in Insurance from SLII.

4. Mohamed Imran Ramzan
Head of Sales and Marketing

Mohamed Imran Ramzan joined Amana Takaful Group in 2006 and has been serving Amana Takaful (Maldives) PLC over a decade with utmost dedication. He has a span of over 7 years of experience in Client Relationship Management and Hospitality prior to joining Takaful Industry which awarded him the highest sales performance in multiple years.

He holds a Master's degree in Business Administration (MBA) from University of Sunderland, UK and he also has an Extended Diploma in Strategic Management and Leadership from BTEC Edexcel, UK.

5. Mohamed Siraj Nizam
Head of Finance

Siraj Nizam, joined Amana Takaful Group in 2002, and was seconded to Maldives in 2013. He has over 20 years of experience in Accounting, Finance as well as Treasury and he has progressed through various positions during this period.

He holds a CIMA Advance Diploma in MA, UK and also holds an Award in Financial Planning with CII UK.

6. Shakir Mohamed
Head of Operations

Shakir Mohamed has been serving Amana Takaful Group for over a decade and was seconded to Maldives in 2007 from Amana Takaful PLC, Sri Lanka. He has served the company in various positions during his career including Head of Finance and is presently serving as Head of Operations.

He has been awarded as Associateship of the Malaysian Insurance Institute (AMII), ANZIIF (Snr Assoc) CIP. Dip. CII (UK), Post Graduate Diploma in Islamic Banking and Insurance from IIBI (UK), and also a Life Member of Association of Accounting Technician of Sri Lanka.

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**1. Abdul Moomin Abdul Hadhee***(Manager - ReTakaful)*

Abdul Moomin joined Amana Takaful Maldives in 2011. He has gained over 10 years of experience and knowledge in the Takaful industry.

He holds an Advance Diploma from Malaysian Insurance Institute (AMII) and is a Senior Associate CIP Member of The Australian and New Zealand Institute of Insurance and Finance.

2. Fazeel Mohamed Naeem*(Manager - Risk and Compliance)*

Fazeel Naeem joined Amana Takaful Maldives as a Trainee back in 2009 and has accumulated experience of over a decade in Islamic Finance Industry.

He is a Fellow Member of Institute of Chartered Accountants of the Maldives and Association of Chartered Certified Accountants, UK.

3. W L Vajira Kasun*(Senior Manager - Underwriting)*

Vajira Kasun joined Amāna Takaful Group in 2006 and was seconded to Maldives in 2014. He has over 15 years of experience in Underwriting and Insurance industry.

He holds a Diploma in Insurance from Sri Lanka Insurance Institute.

4. Mohamed Aathif Halaldeen*(Assistant Sales Manager)*

Mohamed Aathif joined Amana Takaful Group as a Senior Sales Executive in 2010 and He was seconded to the Maldives in 2012. He has experience in the Takaful industry for more than a decade.

He holds a Postgraduate Diploma in Professional Marketing (CIM), UK and Professional Graduate Diploma in IT from British Computer Society (BSC).

5. Rifaz Ahamed*(Senior Manager - General Claims)*

Rifaz commenced his career in the year 2005 with the Amana Group as an Underwriter prior to joining the team in Maldives in the year 2009. He has over a decade of experience in the Takaful industry.

He holds a Master of Business Administration from the Open University of Malaysia, and a Bachelor of Commerce degree from the University of Kelaniya.

6. Hisham Nimal*(Manager - Medical Takaful Operations)*

Hisham Nimal joined Amana Takaful team in 2010 as a Trainee. He has over a decade of experience in claims management and Takaful industry.

He holds a Certificate in Insurance from the Malaysian Insurance Institute (CMII).

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**7. Aminath Reesha Nafiz***(Shari'ah Officer)*

Reesha Nafiz joined Amana Takaful Maldives in 2019. Prior to joining, she has worked in the public sector for a few years gaining knowledge and experience in the fields of Human Resource and Finance.

She holds a Master of Islamic Finance and Practice (MIFP), from International Center for Education in Islamic Finance (INCEIF) in Malaysia.

8. Abdulla Murshid*(Manager - Corporate Sales)*

Abdulla Murshid joined Amana Takaful Maldives in 2011 as a Senior Sales Executive. He has over 15 years of sales and marketing experience while over a decade of experience in Takaful industry.

He holds a Master of Business Administration from University of Bedfordshire, UK.

9. Ahmed Ajwad*(Manager - Finance)*

Ahmed Ajwad joined Amana Takaful Maldives in 2007 as an Account Assistant and has gained over a decade of experience in the Takaful industry.

He holds a Diploma in Accounting and Business from ACCA, UK.

10. Sarada Lanka Jayalath*(Manager - IT)*

Sarada joined the Amana Takaful Group in 2011 as an Executive at IT department. He is an experienced Software Engineer for over 8 years prior to joining the Insurance Industry. Sarada assumed duty at Amana Takaful (Maldives) PLC in 2014.

He holds a Master of Business Administration from Asia e University, Malaysia, and a Bachelor of Science (Hons) in Computing from Wrexham Glyndwr University.

The background of the image is a light, warm-toned surface, possibly a wall or paper, covered with numerous small, irregular pieces of golden-yellow confetti. The confetti pieces vary in size and shape, some appearing as thin, curled ribbons and others as small, flat flakes. The overall effect is one of celebration and festivity. The text is centered and written in a bold, orange-brown font.

Winning in
our world
through
recognition
and
achievement



Group Medical & Surgical Takaful

Offered as a benefit for individuals in companies, organizations or any other representative groups, the Takaful schemes are designed to offer a wide range of services that safeguard the employees in your organization and help the employer fulfilling his objective providing quality health care. The group health medical is extendable to dependents – where employees can get the peace of mind enrolling their loved ones to the package, ensuring the best of healthcare from locally as well as neighboring countries.



Travel Pal

Whether travelling for business or leisure, travel insurance is an essential purchase giving the comfort of having a complete coverage when away from home. We offer a travel cover to safeguard the modern traveler against most commonly occurring risks with covers such as payment towards emergency medical treatment, emergency evacuation, repatriation of mortal remains, compassionate visit, trip cancellation, lost baggage, and personal accident benefits.



Dhahanaa

Dhahana, the Personal Accident Benefit (PAB) cover helps mitigate the financial burden arising from death or permanent disability of the breadwinner or any other who may be important for the survival of the family. This cover can be obtained by anyone between 18 to 65 years of age. The coverage also includes hospital benefits and weekly benefits due to accidents.



MyHome - Renters

This is a product crafted for the prevailing requirement, where 90% are living in rented dwellings. And majority of the dwellers have own furniture & equipment. Renters Takaful covers their belongings in case of fire, natural disasters, burglary, strikes and riots to name some major perils. The product is unique offering a lot of convenience and flexibility choosing from most affordable packages that suits you best.



Easy Marine

Marine cargo insurance – this is a highly specialized technical cover that can be used for a wide range of eventualities. The policy can be designed for a voyage basis or on a blanket basis where customer can have a cover for a period of one year. These are ideal for frequent importers or for projects that may go beyond a year.



Business Cover

Even if you own a successful business, a good insurance coverage is a prerequisite – disaster could strike any moment compelling you to shut down and cease operations. Business cover secures your investments against specific forms of destruction or loss. Business cover paves the way for you and your enterprise to operate smoothly despite unexpected calamities. It offers tailor-made solutions for a range of segments including Hardware, Groceries, Supermarkets, Pharmacies and many more.



Guesthouse Cover

The guesthouses are booming, most of all, mainstream lies on the shoreline of the inhabited islands. Travelers from around the globe flock into these guesthouses and given the economic challenges many who cannot afford resorts chose guesthouses. Same level of security, safety and comfort is expected by travelers. We have crafted the GH cover just as we do for tourist resorts – a scale down version with all major coverages. Having a valid one will surely make your entity marketable to quality conscious traveler.



Total Drive

The total drive is the coverage that most of the people are aware of due to the compulsory nature under the road safety Act of 2012. Basically, the mandatory cover is only a third-party liability cover in case you have been charged as the offender, your insurance will pay the other party for the damages you caused for him/her. On the other hand, a comprehensive cover includes the third-party liability and coverage for damages that may occur to your own vehicle.



Expatriate Takaful

Expatriate medical takaful is an enhanced version designed to meet the requirements by authorities. This is a coverage that is mandatory to all expatriates working in Maldives. The discerning attribute of the improved version is that it includes OPD with cashless offered by ATM from the wide network of empaneled service providers from every nook and corner of Maldives. The coverage also includes IPD, and repatriation of mortal remains in the unfortunate event of death.



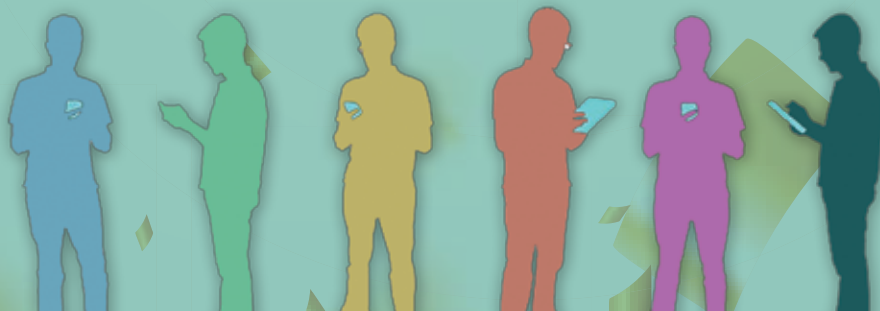
Sailor

Whether you are looking to protect a small dhoani, fishing vessel, passenger/cargo vessel or a Safari Boat, Takaful Sailor is an important product in today's marine industry. Marine Hull Takaful covers loss or damage to hull and machinery. There are two kinds of hull insurance offered, a comprehensive coverage and a total loss coverage. Former offers wider coverage, and the latter is only triggered when the vessel is irreparable.

Safety is a necessity, not an option!

“Innovative solutions and practices are our forte, All tuned to user friendly technology ...”

www.takaful.mv



1. Introduction

As a risk management model, Takaful differs significantly from mainstream insurance models. A key contrast lies in the notion of mutual assistance, whereby those involved in Takaful unite in bearing the risk of loss collectively. Takaful is also founded upon the principles of Shariah, necessitating adherence to Islamic law. This means that Takaful providers are precluded from investing in industries that cause harm to society, such as alcohol, tobacco, and gambling. Moreover, all dealings must be transparent, with equitable and impartial apportionment of profits and losses.

As a prudent takaful operator, Amana Takaful Maldives (ATM) has inculcated a culture of sustainability ever since its inception. The growth trends are a testament to its strong

emphasis on sustainability and increasing shareholder value, exemplifying ATM as a model company listed in the Maldives Stock Exchange.

As the Solus fully-fledged Takaful Operator, ATM takes pride in our status as a socially responsible corporate in presenting our latest sustainability report, built upon the distinctive Takaful model, guided by Shariah principles.

2. Creating Sustainable Value

ESG’s relevance to ATM as Takaful Operator may differ from other industries. Hence, the materiality of ESG for our core business is classified into four focus areas and codified into Environment, Social, and Governance (ESG) as a Risk Manager (Insurer).



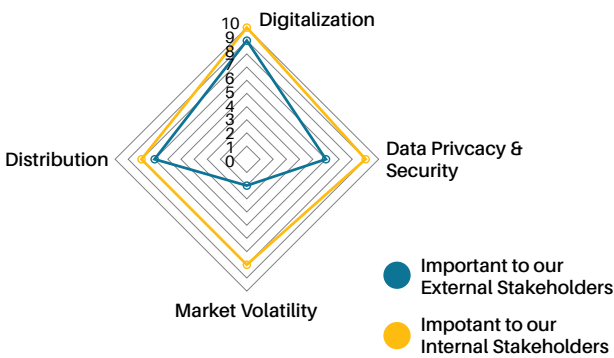
| | |
|---|---|
| <p>First Dimension Internal & social</p> | <p>As an organization, ATM thrives on the overwhelming support of its stakeholders. The objective of Dimension 1 is to create sustainable value for all our stakeholders, be it customers, regulators, communities, staff, or shareholders. Creating the right culture internally and positioning ATM as the trusted and reliable risk manager is paramount. Our internal teams are steadfast in adhering to the guidelines of Shariah and complying with governance codes while we solicit and advocate ethical dealings, prudent advice, and sustainable solutions for customers and other stakeholders.</p> |
| <p>Second Dimension Investments</p> | <p>ATMs’ investment appetite is based on integrating each of the criteria in the ESG framework into investment decision-making. From an environmental standpoint, the climate is top of mind that branches out to energy consumption, renewable or clean energy, and carbon reduction in making investments. Consistent with our governance code, they are monitored regularly. Additionally, the portfolio is channeled for projects that benefit the larger segments of the community, such as water and sewerage, sewer systems, housing development, and SME development.</p> |
| <p>Third Dimension Suppliers</p> | <p>At its core, takaful is about mutualizing and managing risks, principles that are inextricably linked to environmental, social, and governance (ESG) criteria. The objective of Dimension 3 is to educate, advocate and support sustainable practices among our suppliers. We believe that we need to reach out to our suppliers (reinsurers, intermediaries, regulators, etc.) as operational pillars in the ecosystem to ensure that we remain sustainable in the long run. The increasing frequency and severity of natural calamities and worsening climate-related stress in the Maldives in the recent past necessitates a watching brief.</p> |
| <p>Fourth Dimension Underwriting / Clients</p> | <p>The insurance industry’s core is assessing and determining how to manage health, property, and liability risks. ESG risks are no different. In certain areas, notably climate, the insurance industry can play a leading role in helping other sectors understand and act on ESG pillars, given the global insight, experience, and know-how. Moreover, insurers can significantly influence climate-impacting businesses and development initiatives because of the vital economic role as underwriters and investors. We are already taking related action, assessing, and changing underwriting and investment standards according to ESG principles -which is the 4th Dimension. ATM’s underwriting practices are regularly reviewed and monitored through internal and specialist audits to ensure that current and foreseeable risks are adequately addressed. Econometric models are also deployed in consultation with Actuarial advisory.</p> |

These four dimensions allow us to align our business to the key issues pertinent to sustainability, which are related to the climate, environment, community & financial resilience. In doing so, ATM is committed to contributing to the United Nations’ Sustainable Development Goals (UN SDG).

3. Materiality

Collaboration with our employees, customers, investors, suppliers, and communities is crucial to our mission of building a prosperous future. It’s essential that we engage these stakeholder groups in our decision-making processes and determine the issues that are most important to them. To achieve this, efforts are ongoing to solicit feedback through various channels. To determine the significance of these issues, they are typically discussed at top-management meetings before developing strategic plans. In doing so, we have identified 30 sustainability pressure points falling under three broad objective pillars.

Out of the 30, almost all were addressed in 2022. However, the relevance has significantly increased on four topics: Digitalization, Data Privacy & Security, Market Volatility, and Distribution.



3.1. Digitalization

The digitalization drive commenced in 2015 when the first mobile application was launched. The application became the first of its kind in the Insurance Industry to serve customers as an e-commerce platform. During the year in review, digital enhancement and development topped the priority list, improving the existing platforms and developing new platforms with additional capabilities.

3.2. Data Privacy & Security

There has been a global increase in ransomware attacks across sectors and governments. Data security and privacy are significant challenges. In advanced economies like Europe, an additional focus is on the ethical use of data. Cyber-attacks have accelerated by remote working practices during the pandemic; IT vulnerabilities have compelled us also to take extra steps to protect our customers’ personal data.

3.3. Distribution

Increasing the distribution touch points has always been a priority. However, post-pandemic buying behaviors have revolutionized e-commerce with smart tools such as artificial intelligence and machine learning. The digital channels are flourishing and may continue the momentum until it reaches maturity in the next 3-4 years.

3.4. Market Volatility

The insurance industry is still unsettled, causing much damage to the books of the companies. The industry is experiencing far-reaching effects from supply chain disruptions in the wake of the Covid pandemic, with inflationary pressures at unprecedented levels and still looming. As a prominent health insurance service provider, we closely monitor the escalating costs of medical claims in order to ensure the relevance & sustainability of our offerings. In addition, intense competition is driving a trend toward aggressive pricing strategies, resulting in pressure on premiums and coverage expansion.

4. Listening, Learning, and Responding

ATM’s foundation is built upon a strong sense of purpose and a set of unwavering values. These values are reinforced by a trustworthy code of conduct and serve as the fundamental principles that guide ATM in fulfilling its commitment to aiding both the people and the nation and bringing benefits to all those invested in its success, including customers, investors, communities, and employees. These values and codes are the bedrock upon which ATM stands, providing steadfast support even in the most challenging moments.

We listen to the pulse of our customers, vibes going around communities, and invaluable advice from our shareholders and employees. Learnings are prioritized, and action plans drawn up on the roadmap for a sustainable business model.

4.1. Surplus Distribution



ATM marks a decade of surplus distribution during the third quarter of 2022. To honor the ten years of surplus distribution, ATM hosted a PR event on 25th August 2022 at Mookai Suites, inviting all leading news agencies in Maldives. Following the PR event, our team attended TV talk shows to disseminate information to the public. ATM’s surplus distribution has continued consistently, commencing at 10% and progressing through to 15% as of now.



This achievement highlights ATM’s strong financial management and efficient operations and reflects our commitment to making decisions that align with the best interest of all stakeholders. ATM’s decade-long history of consistent surplus distribution stands as a testament to our dedication to long-term sustainability and adherence to principles of good governance.



4.2. Driving the Digital Agenda

- » We work fervently to create a robust framework to digitalize customer experience to increase web traffic. With new enhancements, we have relaunched our new website during the year. The website went live with new features to improve the customer journey, increase transactional capability, and intensify web security.
- » A new web portal for door-to-door operations and other mobile events was developed. This platform serves as a policy-generator, equipped with underwriting features, payment processing, and issuance of Takaful Certificates.

The platform can handle a comprehensive range of products, including Travel, Motor, Renters, Takaful, and Personal Belonging covers.

- » For quick and convenient solutions, we have integrated a live chat feature on our website. This allows customers to interact with our team in real-time during office hours. Before establishing the live chat, the customer hotline serves as the contact point. The number of incoming calls have reduced ever since.
- » We consistently strive to enhance our portals and other sub-systems that are integrated with our core system. We understand the significance of continually improving our capabilities and features to deliver the most efficient and top-notch service to our customers. Outcomes are measured, productivity is assessed, and customer satisfaction is noted.

4.3. Awards and Recognition

- » During the year in review, Corporate Maldives acknowledged ATM as one of the leading 100 companies in the country. The Gold 100 Awards celebrates the accomplishments of the most prosperous and inventive business establishments in the Maldives. This acknowledgment is evidence of the diligent efforts and commitment of Team Amana and the confidence reposed by all its stakeholders. ATM has now secured this award for the fifth year in a row, further cementing its position.



- » Amāna Takaful Maldives won the ‘Gold’ award for the ‘Takaful Entity of the Year’ category at the Islamic Finance Forum of South Asia (IFFSA), which recognizes the best Islamic Finance entities of South Asia. IFFSA awards are conferred to institutions that demonstrate outstanding performance, innovative use of technology, and contribution to society. This is a significant achievement for Amana Takaful and reflects the company’s commitment to excellence and its leadership in the takaful industry.



4.4. Corporate Social Responsibility

We may not be able to stop the flooding due to tidal waves nor by heavy rain showers, though we can help communities cope with the impacts of such events. As a Takaful Operator, the key responsibility is managing the risks to life, property, and business. Being a responsible corporate citizen, we aim to support communities for the betterment of their lives, increasing human capacity in the larger interest of the nation’s development. Every year we conduct several activities under the CSR initiatives, and a few key milestones are discussed in this section.

» As the pioneers of Islamic Finance in Maldives, ATM’s role in blending the taste of Islamic Finance into the daily lives of the masses is conceived as an obligation. During the year under review, ATM successfully concluded an Islamic Finance Forum in collaboration with the Student Union of Maldives National University. This forum was a unique opportunity facilitated by ATM and attended by policymakers, regulators, scholars, and academics. In addition to the Islamic economy, lectures enlightened attendees on the progress made by Islamic Financial Institutions in the Maldives and the global status quo with the post-pandemic perspective. The informative session facilitated by ATM’s Shari’ah board members was well received.

» ATM believes in its corporate social responsibility to empower local religious scholars with the right information on the strides made by Islamic finance globally and locally. Hence, our Shariah board met Religious Scholars at a round table to discuss the contemporary issues and findings in Islamic finance. Attended by leading scholars, the session allowed participants to have an open dialogue. A separate session with a select committee of Peoples Majlis of Maldives was held for policymakers on Takaful and Islamic Finance.



» ATM’s Takaful Advocacy program is an initiative that has emboldened its veracity to develop the Islamic Finance sector in Maldives. ATM has been conducting Takaful advocacy sessions for schools and various institutions as part of its commitment in raising awareness through educating the community about the importance of Takaful. During the year in review, ATM conducted a total of 15 advocacy sessions for over 1400 participants from different walks of life.





- » Maldives Monetary Authority (MMA), as part of its mandate in promoting Islamic Finance (IF), held a Shari’ah Scholars Dialogue with members from MMA’s Shari’ah Supervisory Board and Shari’ah Council members of the respective IF players. Deliberations were carried out on the Shari’ah aspect of new developments, concepts, challenges, and the way forward for the IF industry. ATM was represented by its CEO in the panel discussion to enlighten the key challenges faced by the Takaful Industry in Maldives.



- » To create awareness for Takaful in our community, our teams attended several TV and Radio shows hosted by various broadcasters. These programs support the cause of advocacy by disseminating information on mainstream

media. The sessions cover sharing ATM’s experiences, concepts, and solutions offered by ATM. Additionally, the Shariah component is consciously highlighted in these engagements.



- » Amāna Takaful is proud to have made a substantial impact in the community through our sponsorship efforts in the year 2022. Our sponsorship activities were carefully chosen to align with our values and to support causes that are important to our stakeholders and benefit the community at large. We believe that by making a positive impact on the communities we serve, we are not only contributing to the well-being of society but also building a stronger and more sustainable business for the future.



- » A special Shariah session was organized for both the academic and administrative staff of Villa College. A team from ATM's Shariah Advisory Council facilitated this session. Participants were enlightened on the concept and principles of Takaful.



- » In collaboration with Rainbow Children's Hospital, ATM facilitated to host a Facebook live session educating parents and caretakers on persistent fever in children. Rainbow Children's Hospital is a well-known pediatric hospital in India, an empaneled hospital of ATM. The guest speaker was Dr. Chandrika Bhat, a highly acclaimed professional in the field of pediatrics & pediatric Rheumatology in South Asia.
- » ATM has collaborated with other companies and organizations on charitable initiatives aimed at benefiting communities. We actively seek out opportunities to participate in programs that positively impact society, no matter how small our involvement may be.



4.5. New Partnerships

- » ATM partnered with Villa College on their Corporate Access to Student Talent (CAST) program. The program aims to create the right bridge between prospective talent and employers. ATM will be conducting soft skills and finance-related training sessions as part of this program. In addition, the sessions will primarily focus on insurance, takaful, risk mitigation, Islamic finance, and various other topics for Villa College students and alumni.



» The National Apprenticeship Program conducted by the Ministry of Youth, Sports, and Community Empowerment is a national initiative to engage youth and acquaint them with the work environment and provide the necessary skills and experience to build a career. We have partnered with the ministry to support this initiative. The MOU signed between the Ministry, and ATM will help both organizations achieve their objectives in placing, up-skilling, and motivating young people in their careers.



4.6. Engagements with Strategic Partners

ATM’s strategic partner cadre is growing by numbers. Several significant engagements occurred in addition to our routine activities in the past year. Among them, the Agents’ Felicitation Night stands out as an exceptional event where networking and rapport-building activities take place. However, the primary purpose of this event is to recognize and distribute awards of appreciation to our valued partners.

Regular visits are conducted on a routine basis, and there are key focal points at ATM for agents to contact on any form of service disruption or emergency.



4.7. Empanelment

ATM, a prominent medical insurance provider, is dedicated to collaborating with service providers to provide our clients with exceptional cashless services. In the reviewed period, ATM has added numerous new service providers to expand

our offerings. Our objective is to continue to extensively empanel medical outlets for our users, both domestically and internationally, so they have the freedom to select the medical facility that best meets their needs.



4.8. Publicity Campaigns

ATM strongly emphasizes making its products transparent and accessible through the simplest and most innovative ways. Our insurance products are easy to buy and manage and fast to claim via our online portal so that customers consistently have the best experience across the entire journey. Apart from that, we also conduct Roadshows together with our strategic partners and door-to-door campaigns to promote the concept of Takaful and the products.



Strategy is designed to align with our Company’s Corporate Goals, allowing us to nurture our business while cascading human resource principles to all parts of our organization.



Our company’s identity, values, and behavior are defined by our cultural attributes, which we consider fundamental. These attributes set the standard of conduct and are a crucial part of ATM’s Code of Ethics and Conduct. To foster a culture of excellence across the organization, we regularly review and implement our approach to employee engagement with careful consideration.



In addition, we also participate in exhibitions and expos that are relevant and beneficial to ATM.



5.1. Open door policy

At our company, we believe in a management philosophy that encourages employees to communicate openly with anyone in the organization, including managers and executives, without fear of retribution or reprisal. Our open-door policy creates a more inclusive and positive workplace culture by promoting transparency, collaboration, and innovation. This approach fosters a sense of trust and mutual respect between employees and management, resulting in better decision-making and problem-solving. By actively seeking and listening to employee feedback and ideas at all levels, we have improved operational efficiency, increased employee engagement and job satisfaction, and ultimately achieved greater success.

5. PEOPLE AND CULTURE

Our company considers Human Resources as one of its most valuable assets and recognizes their critical role in shaping our corporate culture. They are instrumental in developing, reinforcing, and driving the necessary changes to achieve our growth objectives. For this reason, our Human Resources

5.2. Recruitment & Induction

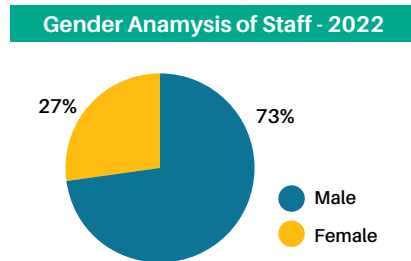
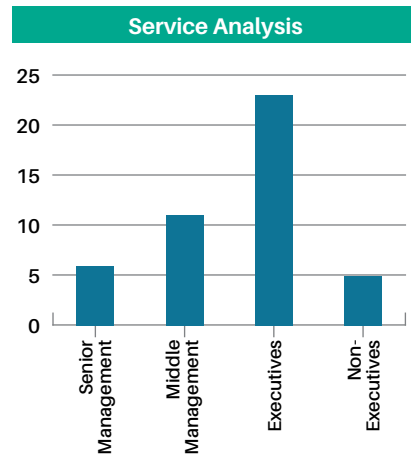
Our recruitment process is a critical component of the organization’s overall success. The recruitment model is specifically designed to promote diversity and inclusivity, with the primary objective of identifying and attracting the best talent, regardless of gender.



Furthermore, our induction program is subject to regular review and improvement, tailored to each recruit's corporate and job-specific requirements. This comprehensive program aims to provide our team members with a holistic understanding of the organization, its concepts, and solutions by providing relevant information, training, and knowledge.



The key objective of our recruitment and induction processes is to create a strong foundation for building a successful and sustainable workforce. Hence, we ensure that new hires are a good fit for the role and aligned with the company culture. This also helps fulfill experience that ingrains the company's work ethics and values in our team members, aligning with our corporate goals while facilitating the achievement of their personal objectives.



5.3. Professional Development of Employees

Professional development is an essential aspect of any organization's success. Investing in the development of employees not only increases their skills and knowledge but also helps to foster a culture of learning and growth.



During the year, we have provided several professional development opportunities for our employees to acquire new skills, explore new areas of expertise, and improve their overall job performance. Hence, our staff members joined numerous workshops, seminars, and refresher sessions.



Our approach to professional development is holistic, focusing on the individual's growth and long-term career aspirations. Our commitment to employee development is reflected in our success as an organization and the satisfaction of our employees.



5.4. Developing Young Talent

Our organization believes in developing young talent by providing them with the necessary exposure to successfully enter the job market. Over the past few years, we have expanded our internship opportunities for graduates with a progressively refined approach each year.

Our internship program selectively admits graduates of Islamic Finance, providing them with hands-on experience in their respective fields. We offer comprehensive training and

mentorship programs, allowing them to learn from seasoned professionals and hone their skills. We are committed to helping young talent reach their full potential by providing a nurturing environment that fosters growth and development.



We are proud to invest in the future of our industry by developing young talent and helping them build successful careers. Our goal is to support them in realizing their dreams while contributing to the growth and success of our organization.



5.5. Work Environment

Our goal at ATM is to cultivate a work environment that supports teamwork, entrepreneurialism, and success. To achieve this objective, we believe in upholding high standards and principles, guided by our values, for all members of our organization. We encourage personal integrity, innovative thinking, a strong commitment to our clients, openness, empathy, and respect for each other, fostering an inclusive and supportive culture.



Our employees have access to various opportunities to create their career paths and establish rewarding and profitable careers. We promote an open culture encourages learning, growth, and improved performance. We offer regular training, mentorship programs, and other professional development opportunities, ensuring our employees have the resources and support they need to succeed. We recognize the importance of a positive work environment for the success of our organization and our employees.

5.6. Striking a Balance - Work vs. Life

Achieving a balance between work and personal life is crucial for employees’ overall well-being, and we recognize its significance in our organization. We aim to create an environment that supports work-life balance, and this balance is essential for employees to achieve optimal productivity, engagement, and satisfaction. This approach enables our employees to strike a healthy balance between their work and personal lives, which helps to reduce stress, boost morale, and promote overall well-being.



To promote work-life balance, we sponsor recreational trips and other gatherings that provide opportunities for employees to unwind, foster camaraderie with colleagues, and find solace in life. During the year, several activities were conducted, such as fishing, recreational games, and team-building exercises that reignited our sense of unity as a team.

In addition, the Amana Takaful Welfare Association (ATWA) is a crucial conduit in our organization that provides opportunities for employees to come together for various activities beyond their workplace duties. By promoting work-life balance, we can create a healthy and productive work environment that benefits both our employees and our organization

5.7. ATWA

Amana Takaful Welfare Association (ATWA) is an integral part of our organization that prioritizes the well-being of our employees and strengthens the bond between our staff members and their families. Throughout the year, ATWA conducts a variety of activities, such as social events, sports competitions, and fishing expeditions, which encourage positive bonding among our employees and their families. These events provide an opportunity for our employees and their families to interact outside of the workplace, fostering a sense of community and camaraderie.



By promoting a positive work environment and building a dedicated team that is committed to our organization’s success, ATWA plays a critical role in our organization. We believe these activities help our employees feel valued, supported, and connected to each other and our organization, ultimately contributing to a happier, healthier, and more productive workplace culture.

We can surely say that we are Winning in Our World!



Our Credo to serve

*"Our credo to serve, one and all, the Takaful way
is embedded in our spirit not on occasion ..."*

www.takaful.mv



The background is a light orange color with a subtle grid pattern. Scattered throughout are numerous pieces of golden confetti, including long, wavy ribbons and smaller, irregular fragments, creating a celebratory atmosphere.

Winning in
our world
through
digital
innovation

Amana Takaful (Maldives) PLC

Chairman:
Tyeab Akbarally

Principle Objective:
Leading the Board to ensure effectiveness in all aspects of its role.

Board of Amana Takaful (Maldives) PLC

Principle Objective:
Collectively to ensure the long-term success of the Company.

Audit and Compliance Committee

Two Independent Non-Executive Directors and one Independent Director

Principle Objective:

To ensure that the interest of shareholders are properly protected in relation to financial reporting and internal controls.

Audit and Compliance Committee report on page 50.

Risk Management Committee

Two Independent Non-Executive Directors and One Independent Director

Principle Objective:

Review and realign the risk appetite of the Company at strategic and various functional levels.

Risk Management Committee report on page 42.

Investment Committee

Four Members including One Independent Director and One Executive Director

Principle Objective:

to ensure that a healthy investment portfolio is maintained within the investment guidelines of Shari'ah Advisory Council.

Remuneration Committee

Three Independent Non-Executive Directors

Principle Objective:

To develop policy on executive remuneration and set the remuneration of the Chairman of the Board, the Managing Director and Senior Managers of the Company.

Remuneration Committee report on page 39.

Executive Committee

Four Members including One Independent Director and One Executive Director

Principle Objective:

To monitor the implementation to the business strategies of the Company.

Nomination Committee

Three Independent Non-Executive Directors

Principle Objective:

To recommend new appointments to review The mix and skills of the Board.

Nomination Committee report on page 39.

The Board is responsible for the corporate governance of Amāna Takaful (Maldives) PLC. The Board believes that good corporate governance practices enable the company to operate more efficiently, mitigate risks and facilitate better governance of the business. Good governance practices allow the company to be more transparent and accountable, and contribute towards value creation for all its stakeholders. As an Islamic financial institution, the very basic foundation of Amāna Takaful (Maldives) PLC is structured on all these values and attributes.

Corporate governance is described as a management process in which a corporate body, business entity or an organisation is directed, managed and controlled. As a public quoted company, it naturally follows that the Board will be accountable to the shareholders so that the affairs and dealings of the Company are conducted with professionalism, and in compliance with rules and practices of Shari'ah, which are paramount in protecting and enhancing the shareholders' value. The success of any good governance practice initiative depends on how the people are led and the policies as well as the processes are implemented.

In order to create and increase the shareholders' value and gain market confidence, Amāna Takaful (Maldives) PLC is committed to adopt best practices. It is also committed to maintain the smooth functioning of the Company's operations.

CAPITAL STRUCTURE AND SHAREHOLDING

Amāna Takaful (Maldives) PLC has at its foundation a capital structure consisting of an issued share capital of MVR 26,314,583/-.

The Company has 854 shareholders as at 31st December 2022, while over 90% of the shares are held by corporate entities. Details of the main shareholders are given on page 92.

BOARD OF DIRECTORS AND BOARD COMMITTEES

There are seven members on the Board of Amāna Takaful (Maldives) PLC, of whom six are Non-Executive Independent Directors. The Directors have been drawn from a cross-section of industries. Their expertise and experience in various fields as well as insights have contributed immensely to making effective and informed Board decisions. The selection of the appropriate and suitable candidates with the right skills, attributes and experiences is crucial in order to ensure its efficiency and effectiveness. For it is believed that a healthy Board culture will help to encourage and safeguard good governance practices which in turn will ensure shareholders' interests are always protected. The names of the Board of Directors are given on page 41.

CORPORATE GOVERNANCE FRAMEWORK

Amāna Takaful (Maldives) PLC and the Group operate within a clear governance framework, which is outlined in the diagram at the beginning of Corporate Governance Report.

BOARD SIZE AND COMPOSITION

Overall, the Board is responsible in ensuring that operations of Amāna Takaful (Maldives) PLC are as set out and intended in the declared goals of the Company. Therefore, the Board is empowered to make decisions on all matters relating to the Company's business operations in accordance with the various rules and regulations. The size and composition of the Board and its committees are regularly reviewed

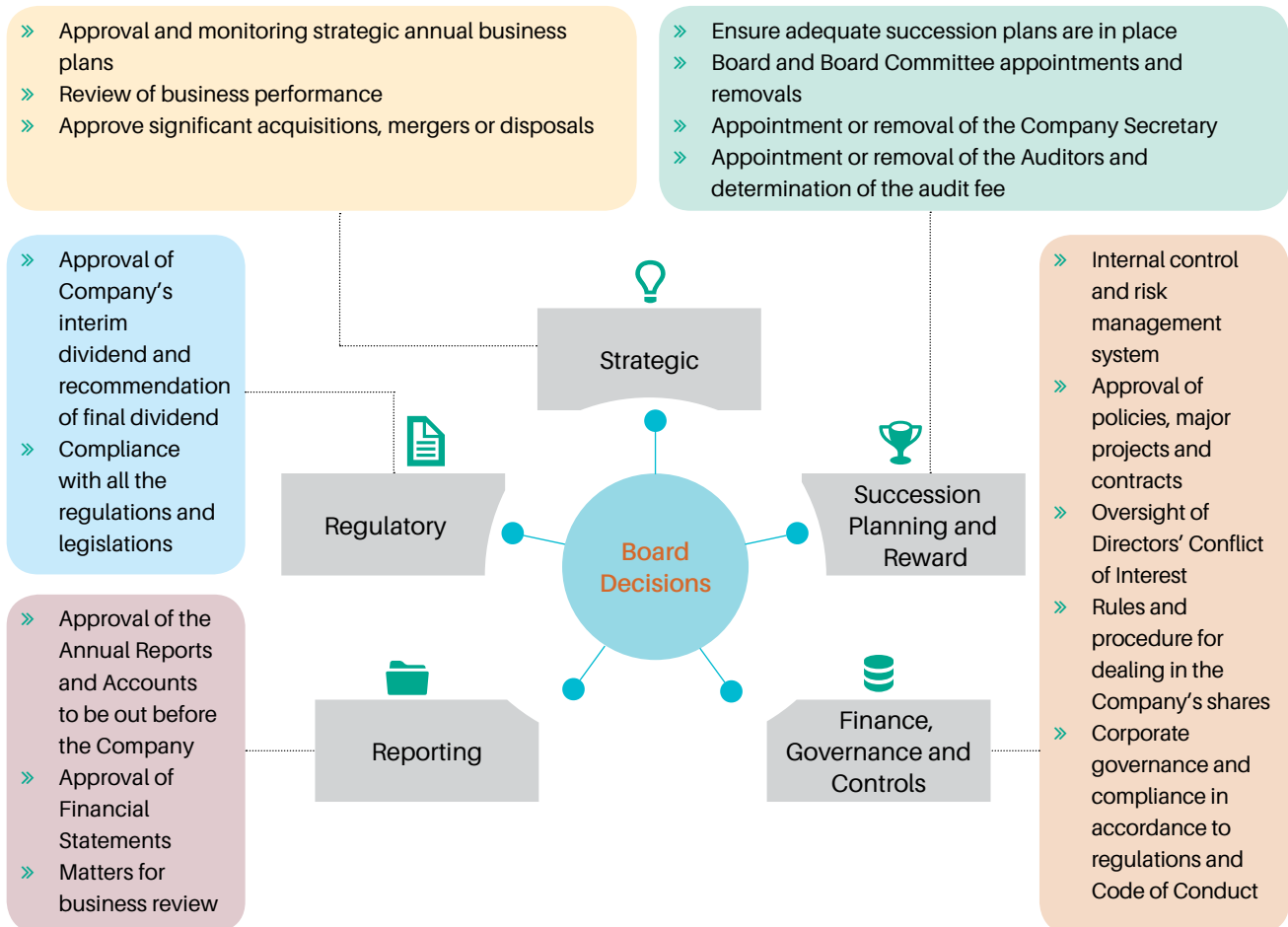
by the Board and, in particular, by the Nomination Committee to ensure that there is an appropriate balance and diverse mix of skills, experience, independence, and knowledge of the Group. More details of our Board members can be found on pages 12 to 13.

The Board is collectively responsible for the long-term success of the Company. The Managing Director/CEO is responsible for the day-to-day management in running the business and ensuring that the necessary financial and human resources are in place to achieve the Company's strategic aims. He is answerable to the Board in ensuring that the Company is conducting and operating its business properly and effectively.

The Non-Executive Independent Directors are responsible for constructively challenging and helping develop proposals on strategy; scrutinising the performance of management; satisfying themselves that financial controls and systems of risk management are robust; determining levels of remuneration; satisfying themselves on the integrity of financial information; and succession planning for the Managing Director.

The Board reviews strategic issues on a regular basis and exercises control over the performance of the Company by agreeing budgetary targets and monitoring performance against those targets. Certain matters are reserved for approval by the Board and the Board has overall responsibility for the Company's system of internal controls and risk management, as described on pages 38 and 42.

A formal schedule of matters reserved for approval of the Board is maintained which covers items that are significant to the Company due to its strategic, financial or reputational implications. A summary of these matters includes:



The main functions of the Board of Directors are as follows:

- » to formulate, review and monitor implementation of competitive business strategies including long-term business plans.
- » to approve new investments, divestments, or acquisitions.
- » to ensure appointment of a competent Chief Executive Officer and an effective management team including an evaluation of their performances, as well as to review the Company's succession plans including fixing their compensation package.
- » to secure a sound and an adequate risk management system.
- » to review the integrity and effective information, control and audit systems.
- » to ensure all facets of the operations are in conformity with rules and practices of Shari'ah.
- » to approve policies of corporate conduct that continue to promote, maintain, and sustain the integrity of the Company.
- » to ensure compliance with legal/ethical standards.

BOARD'S ROLES AND RESPONSIBILITIES

CHAIRMAN

The role of the Chairman (or Chair) is to:

- » Lead the Board to ensure effectiveness in all aspects of its role
- » Plan agendas and timings for Board meetings;
- » Ensure the membership of the Board is appropriate to meet the needs of the business;
- » Oversee that the Board Committees carryout their duties including reporting to the Board;
- » Establish appropriate personal objectives for the Chief Executive;
- » Ensure the Directors are up to date with training and development;
- » Provide necessary information for Directors to take a full and constructive part in Board discussions
- » Promote an open culture of debate; and
- » Develop and maintain effective communication with shareholders.

CHIEF EXECUTIVE OFFICER

The role of the Chief Executive Officer (or Chief Executive or CEO) is to:

- » Run the day-to-day business and operations of the Company;
- » Lead the development and delivery of strategy to enable the Company to meet there requirements of its shareholders;
- » Lead and oversee the executive management of the Company
- » Meet the Company's budget and strategic plans; and
- » Provide the appropriate environment to recruit, engage, retain and develop the personnel needed to deliver the strategy.

The responsibilities of the Chairman and Managing Director have been clearly established, adhering to best corporate governance practices. The responsibility and task of the Chairman and the Managing Director are separated in order to facilitate better workings of the Company.

New Directors are nominated to bridge identified knowledge gaps. Independent Directors are elected to the Board by shareholders at the Annual General Meeting. The Board meets quarterly, and the agenda is circulated to the members well ahead of the scheduled date. The Chairman of the Board as well as the members chairing the various committees of the Board will outline the agendas for the Board and various committee meetings respectively. Each member is free to suggest items for the agenda or raises issues and concerns at these meetings.

Amāna Takaful (Maldives) PLC has outsourced its secretarial functions to a qualified company of secretaries.

The following Committees of the Board have been formed with the objective of improving governance, viz:

- i. Audit and Compliance Committee
- ii. Risk Management Committee
- iii. Investment Committee
- iv. Remuneration Committee
- v. Nomination Committee
- vi. Executive Committee

Each committee has a defined Terms of Reference approved by the Board, outlining the respective committees' authorities and responsibilities. The Board may, from time to time, establish and maintain additional committees. All members of these committees are expected to attend all meetings.

i. The Audit and Compliance Committee

The Audit and Compliance Committee comprises three Independent Non-Executive Directors. It is chaired by Dato' Mohd Fadzli Yusof who is an Independent Non-Executive Director of the Company. The Chief Executive Officer, Manager Finance, other Senior

Managers, and Internal Auditors are invited to be present at the meetings, as and when invited. Exit meetings are held after each internal audit assignment with all relevant managers present where rectification actions reported in the audit findings are discussed. Particulars of the Audit Committee and its composition are provided in the Report of the Board Audit and Compliance Committee on page 50.

ii. The Risk Management Committee

The Risk Management Committee of the Board comprises three Independent Non-Executive Directors.

It is chaired by Dato' Mohd Fadzli Yusof. The main function of this Committee is to manage risks relating to Takaful in line with the risk appetite of Amāna Takaful (Maldives) PLC. The Committee also scrutinizes risks associated with the operations, investments and business risks in general under the Enterprise Risk Management Framework. The details of the Risk Management Committee are provided on page 46.

iii. The Investment Committee

The Executive Committee (EXCOM) of the Company acts as the Investment Committee. The Committee recommends investment strategies including long-term and maintains an investment portfolio that ensures not only in conformity with regulatory and "Shari'ah" requirements but also endeavouring to match assets of the Company against its liabilities. The Committee convenes its meetings once a quarter.

iv. The Remuneration Committee

The Remuneration Committee is composed of three Independent Non-Executive Directors of the Board. This Committee is entrusted with the responsibility of maintaining a reasonable and competitive

remuneration package in line with the Company's financial performance. The Committee reviewed and compared the overall executive compensation program, benchmarking against the industry, for the determination of the Board. It also recommended the package for the Executive Directors/ the Chief Executive Officer and other Senior Officers of the management staff, taking into cognizance the practice of the industry and corporate goals of the Company. In relation to this, the Remuneration Committee considers key result areas linked to the performance of the Senior positions of the Management relative to the target sets and periodical assessments.

With the exception of the Managing Director, all other Directors are entitled

to an annual retainer fee as per the Remuneration Committee's decision. Directors are also entitled to an attendance fee for Board/ Committee meetings.

Independent Directors may not receive, directly or indirectly, any incentives, consulting, advisory, or other compensatory fees from the Company. Further, no Directors are entitled to any stock options from the Company. Details of the composition of the Committee are set out on page 41.

Directors' and the members of the senior management's salary and emoluments are categorized under remuneration. Details of total aggregate remuneration of Directors/Top Management for the financial year under review are as follow:

| Category | Below MVR 100,000/- | MVR 100,000/- - MVR 200,000/- | MVR 200,000/- - MVR 400,000/- | MVR 400,000/- and above |
|-------------------------------------|---------------------------|--|--|----------------------------------|
| Independent Non-Executive Directors | | | | |
| Tyeab Akbarally | ✓ | - | - | - |
| Osman Kassim | ✓ | - | - | - |
| Dato' Mohd Fadzli Yusof | ✓ | - | - | - |
| Abdullah Kassim | ✓ | - | - | - |
| Independent Director | | | | |
| Dr. Ahmed Inaz | ✓ | - | - | - |
| Ahmed Alau Ali | ✓ | - | - | - |
| Executive Director | | | | |
| Hareez Sulaiman | - | - | - | ✓ |
| Top Management | - | - | - | ✓ |

v. The Nomination Committee

The Nomination Committee has been vested with the responsibilities to identify, select, and recommend new appointments to the Board. The Committee reviewed the existing board's effectiveness, committees of the Board, and each Director's contribution as per the Board Performance Evaluation. The performance of the Managing Director is evaluated directly by the Chairman of the Board bi-annually/annually. Further, the Committee assists the board review the Board's required mix of skills, capabilities, and experience. The Committee further evaluates various aspects, including competencies, commitment, contribution, and performance of a candidate.

As per the Articles of Association of the Company, a minimum of four Directors of the Board shall be appointed by the majority shareholders. Therefore, such appointed Directors shall continue to hold their office unless they resign or are removed. At least one-fourth of the Directors shall be from persons nominated by the Nomination Committee and elected at the AGM

as Independent Directors. The Independent Directors appointed at the tenth AGM in 2021 were chosen for a term of two years. As the current term of these Directors ends at the twelfth AGM, the Committee has sought approval from the Board to reappoint the current Independent Directors for another two years. Independent Directors shall be re-elected at the AGM. The Committee acknowledges that one of the Independent Directors on the Board also holds a position on a regulatory Board. Effective from 1st January 2022, the revised Corporate Governance Code has expanded the definition of a "Fit and Proper" person to serve as a director in a listed company. Hence, if any matter discussed during Board or committee meetings creates a conflict of interest for any Director, it is standard practice for that Director to declare their interest and abstain from participating in the discussion and decision-making process by leaving the meeting.

Amana Takaful Maldives recognizes the importance of gender diversity in its Board Charter and strives to cultivate a diverse and inclusive culture that welcomes a range of perspectives. The company is dedicated to maintaining a Board with varied skills, expertise, experience, age, and independence, while also taking into account the Board's requirements. Regular assessments of the directors will be conducted to ensure they meet these criteria.

For the board's composition, the Nomination Committee shall continue to select competent candidates who would contribute to achieving the Board's objectives.

The detailed composition of the Committee is set out in the table shown at the end of the Corporate Governance.

vi. The Executive Committee

The Executive Committee or (EXCOM) is composed four members and is chaired by Abdullah Kassim. The Committee is entrusted with the responsibility of monitoring the implementation of the business strategies of the Company.

The members of the Committee are as follows:

Abdullah Kassim - Chairman
Osman Kassim
Ahmed Alau Ali
Hareez Sulaiman

ETHICAL STANDARDS

Amāna Takaful (Maldives) PLC aspires to adopt the highest ethical standards which contain the following elements:

- » Honesty and fairness
- » Compliance with regulatory requirements
- » Accountability - provision of accurate, timely and essential information to stakeholders
- » Avoiding conflict of interest
- » Professional judgment
- » Maintaining privacy and confidentiality of customer-related information
- » Corporate and social responsibility
- » Maintaining best practices in marketing and advertising

EXECUTIVE MANAGEMENT

The Managing Director deliberates strategic issues with the General Management Committee (GMC) at regular meetings, in order to obtain feedback on the effective implementation of strategies. Corporate governance and compliance is a key function of the GMC. The Company's performance dashboard is a key evaluation and measurement tool in this process. The entire executive staff is subjected to a performance evaluation biannually/annually.

INTERNAL CONTROLS

The Board of Directors acknowledges the imperative of a sound and strong internal control environment for the purpose of attaining good governance. The internal control system, among others, covers risk management and organisational, operational, financial, compliance and business development controls. Towards this end, the Board has entrusted the responsibility of establishing an effective internal control system to the Audit and Compliance Committee, which is also responsible for the regular monitoring of such controls. In addition to the routine audits, the team also conducts internal audit on the systems and various aspects of the operations in accordance with the risk-based principle. The findings are conveyed to the Audit Committee, which, in turn, briefs the Board on areas of concern.

COMPLIANCE WITH "SHARI'AH" REQUIREMENTS

Amāna Takaful (Maldives) PLC takes the utmost care in adhering to Shari'ah principles and practices. Shari'ah department conducts quarterly reviews on the policies and operations. Findings are tabled and deliberated at the Shari'ah Advisory Council (SAC) meetings and the management is given guidance and counsel on the areas concerned. The department also conducts regular training programmes to members of staff in order to disseminate the knowledge of Shari'ah, in particular that relates to the operations of Takaful and Islamic finance in general. The Statement of Compliance is a part of the Annual Report and is provided on page 52.

REGULATORY COMPLIANCE

The Audit Committee is responsible for regulatory compliance. In addition, a Compliance Unit has been set up to

monitor and investigate into all compliance-related matters across the Organisation. It keeps a close track of all new legislative requirements, regulations, and directives; and notifies and guides the respective departments accordingly.

Amāna Takaful (Maldives) PLC is committed to the highest standard of compliance due standards of disclosure, transparency, accountability and integrity requirements and any legislation relating thereto. The Company has established a Whistle-Blowing Policy with the main objective of providing an avenue for employees to raise concerns and define a way to handle any concerns of integrity and misconduct.

RELATIONSHIP WITH STAKEHOLDERS

The Board of Directors discloses policy decisions and operations affecting shareholders through its quarterly disclosures and/or Annual Reports. The Board entertains questions from shareholders at Annual General Meetings ensuring shareholders' participation and interaction.

Amāna Takaful (Maldives) PLC believes in delighting its customers through an exemplary service credo. An interactive website provides access to the public on the Company's activities.

Corporate Governance Disclosures in Relation to Directors of the Company:

| Areas of Compliance | Current Status | Remarks |
|------------------------|--|--|
| Board of Directors | Independent Non-Executive Directors Tyeab Akbarally – <i>Chairman</i> Osman Kassim Dato' Mohd Fadzli Yusof Abdullah Kassim | All the Independent Non-Executive Directors have submitted the annual declaration of their independence to the Board of Directors. |
| | Independent Director/s Dr. Ahmed Inaz Ahmed Alau Ali | Submitted the annual declaration of independence to the Board of Directors. |
| | Executive Director/s Hareez Sulaiman | Does not serve as Non-Executive Director in any other company. |
| Remuneration Committee | Dato' Mohd Fadzli Yusof – Chairman Osman Kassim Abdullah Kassim | |
| Nomination Committee | Dato' Mohd Fadzli Yusof – Chairman Osman Kassim Abdullah Kassim | |
| Audit Committee | Dato' Mohd Fadzli Yusof – Chairman Dr. Ahmed Inaz Abdullah Kassim | |

As the pioneer Takaful operator, risk management is at the heart of what the Company undertakes and is the source of value creation as well as a vital form of control. It is an integral part of maintaining financial stability for the Company’s takaful participants, shareholders and other stakeholders. The Company’s sustainability and financial strengths are underpinned by effective risk management, which allows it to prepare for future challenges, move speedily and facilitate better decisions, in particular the participants, giving them peace of mind.

The Company’s Risk Management Strategy is to operate within the risk appetite guidelines set by the Board Risk Committee (RISCO) and approved by the Board of Directors, which are then reviewed on a quarterly basis, with an eye on the changing corporate risk environment. Given the increased level of awareness and assertiveness from the perspective of regulatory requirement and, the connected risk involvements, the Company has widened its scope to an Enterprise Risk Management (ERM) Framework.

Though the risk elements are managed on a daily basis at operational levels, the RISCO formally monitors the Key Risk Indicators through Enterprise Risk Register for key segments of the operations. This section elaborates the Company’s ERM Framework and the Key Risk Management activities.

DEFINITIONS OF RISK AND RISK MANAGEMENT

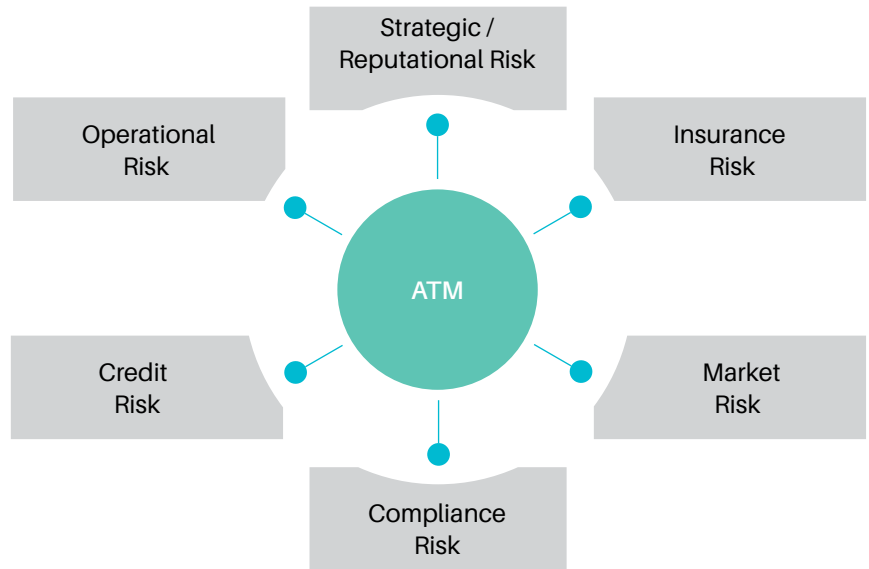
Risk in general could be defined as ‘The combination of the probability of an event and its negative consequences’, in other words, the barriers in meeting the corporate objectives.

Risk management can be defined as an efficient and effective process of minimising risks in meeting stakeholder requirements. However, ERM is

not strictly a serial process, where one component affects only the next. It is a multidirectional interactive process in which almost any component can and does influence another.

RISKS FACED BY INSURANCE COMPANIES

It appears that in general, many organisations are experiencing pressure and recognising that change in the organisation’s overall approach to risk oversight is warranted, with the status quo no longer acceptable. Insurance companies whose business model is based on risk management require special attention with regard to its management. As a Takaful operator (insurance business based on Shari’ah requirements and practices), the Company has identified the following risk categories as illustrated in the diagram below which risk management professionals refer to this as the ‘Risk Wheel’, viz.:



1. INSURANCE RISK

As a Takaful operator, risks related to the core business of the Company - insurance risk becomes primary in the list. Takaful is all about managing risks on behalf of its participants. In this respect, the Company has identified other two major risk areas under this category as depicted below:

| Insurance Risks | Control |
|---|--|
| Underwriting Risk – At the time of underwriting of a risk (business/asset) it is the Company’s duty towards the participant to analyse and evaluate the risk proposed for participation. Therefore, the Company is bound to charge the appropriate rate of takaful contribution (premium) that will be pooled into a defined takaful fund belonging to all participants for the purpose of paying any defined loss suffered by any of the participants. | A robust underwriting regime is in place with well-experienced and qualified professionals in the team. A well-scrutinised set of SOP’s are formulated and implemented. |

| Insurance Risks | Control |
|---|---|
| Product Design - Designing the product offers and benefits with the right pricing is very critical to the Takaful Business operation. | The Company has appointed a Research and Development Team and a Technical Team with a set of hand-picked members from Sales & Marketing, Underwriting, Retakaful and Claims. The Team met periodically and reviewed existing product features while researching for new product requirements. |
| Actuarial calculations and provisions carry claims risks of General Insurance business. | A qualified and well-experienced professional firm has been contracted to carry out the actuarial function. |

A. CLAIMS RISK

| Claims Risk | Control |
|--|--|
| Potential loss of values is the primary risk that any insurance businesses, including takaful undertake to manage. | At the time of planning for the years ahead, the management along with the underwriting and sales decided the product mix targets taking the claims experiences pertaining to the specific classes. It also evaluated the future potential on agreed assumption. |
| The risk of overpayment or underpayment of claims arises from the claims assessment process and the level of decision-making competency of the staff involved. | Continuous training and development programmes were in place with supervision of well-experienced senior staff to mitigate such risks. |

B. RETAKAFUL RISK

| Retakaful Risk | Control |
|---|--|
| Credit risk can also be a factor with respect to Retakaful. Should a takaful operator/ reinsurance company be either slow to pay its claims/ contributions or unable to make such payments, the effects on an insurance company performance (and hence value) could be significant. | Retakaful placements were contracted with retakaful operator/reinsurers having good credit ratings. The services of professional retakaful brokers were also obtained for this purpose. |
| Accepting risks beyond the Company's retention limits. | System controls are in place to avoid such instances. However, to further enhance the control measure, certain critical processes were being automated. Additionally, all cases were handled through an evaluation process. Where appropriate a survey of the risk to be covered would be undertaken, |

2. MARKET RISKS

Market risks are wider risks that any company is exposed to in terms of demand and supply for any types of goods and services, and cost. The increased competition from the industry players in terms of rates, products, marketing etc., are continuous risks. Entry of new players and changes to the regulations in the industry are also considered as market risks.

Furthermore, for insurance companies which are heavily dependent on investment income, healthy market conditions underpinned by solid economic conditions are deemed vital. Therefore, in addition to the overall economic growth conditions, key economic variables such as interest rates, inflation, stock market performance and exchange rates expose enormous speculative risks to the Company.

3. STRATEGIC AND REPUTATIONAL RISK

Achievement of overall business goals is the top most priority for any company and justifies the purpose and existence of organisations in the long run. However, companies need to achieve their corporate goals consistently in the short run in order to achieve long-term success. Thus, achieving annual targets in terms of revenue and profitability along with other operational targets become critical to an organisation. Even though, the overall ERM Framework embraces this objective, specific strategies and action plans to support and ensure achievements of annual targets are vital.

Due to internal and external reasons, the Company could be exposed to serious risks to its reputation and may impacted its overall image, which could in turn affect the performance and achievement of corporate goals.

The Company via its Marketing Department maintains a watching brief and monitors all news items related to the Company in the public domain.

4. OPERATIONAL RISKS

Operational risks result from inadequate or failed internal processes, people and systems which cover a wider area of operational aspects:

| Operational Risks | Controls |
|---|---|
| Sudden Disasters/ Calamities | A detail DRP is in force to recover the data. |
| BCP/DRP Failures | Tested periodically. |
| Not having the right people at the right place | A semi-annual performance appraisal system is in place to scrutinise the performance of key staff members including the top management personnel. |
| Process failures – SOPs do not capture important controls | The Risk Committee reviews the SOPs periodically along with internal audit and makes modifications when required. |
| Potential fraud and errors | Strict implementation of the SOPs will minimise the risks involved in this area in addition to the supervisory controls. |
| Liquidity crunch | The finance team prepares a cash-flow forecast on a weekly basis. |
| Technology failure | The Disaster Recovery Plan covers such risks. |

5. COMPLIANCE RISK

Compliance risk results from failure to comply with the regulatory requirements. Changes to relevant laws and regulations are updated to the HODs regularly.

The key compliance risks and the control measures are listed below:

| Compliance Risk | Controls |
|--|--|
| Unable to comply with the applicable regulatory requirements | <p>The first item of the agenda for the regular Executive Committee was set on compliance matters to prioritise the discussion on the subject. Any significant issues would then be escalated to the Audit/Risk Committees and the Board.</p> <p>All Heads of Departments were made aware of the applicable laws and regulations. Further, the regulatory requirements would then be cascaded down to relevant staff members.</p> <p>A monthly sign-off was obtained on a compliance checklist covering applicable laws and regulations. This checklist was tabled at the Executive Committee meetings.</p> <p>A periodic internal audit exercise was also carried out on the compliance function and a report tabled at the Audit Committee meetings.</p> |

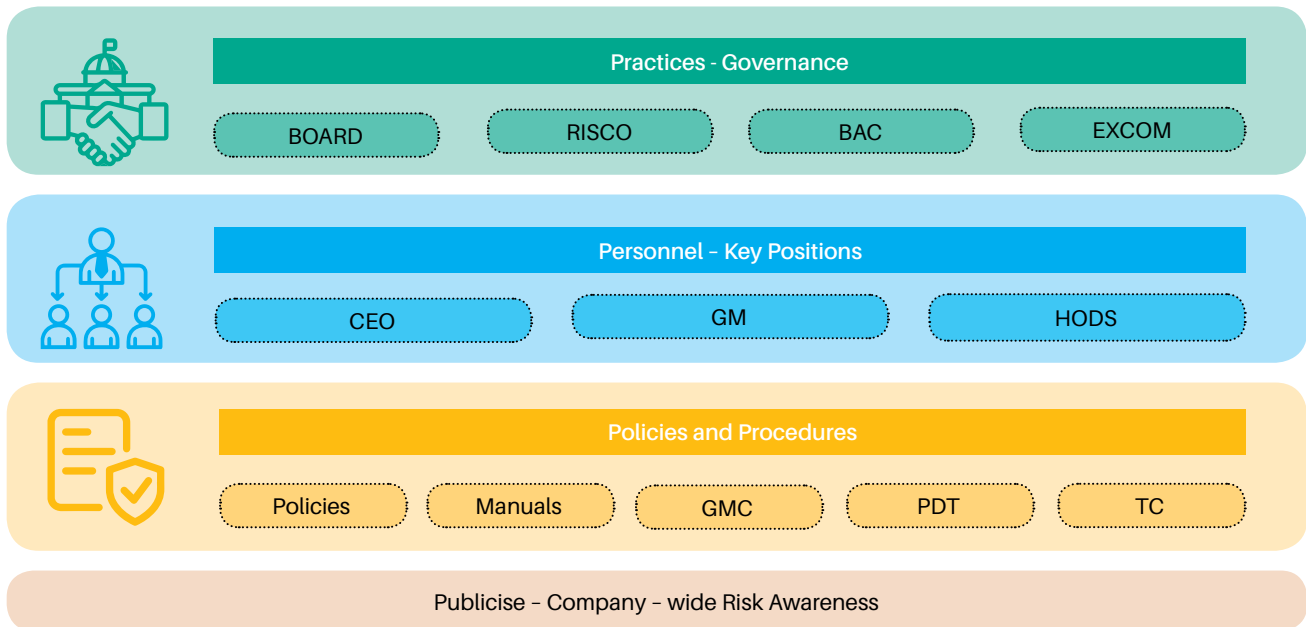
6. CREDIT RISK

With the deteriorating market practices on credit due to competitive pressures, the Company heightened its credit arrangement process through strict control measures and improved the credit policy as described below:

| Credit Risk | Controls |
|---|---|
| Unable to collect/recover takaful contributions given on credit | SOP on credit approval covered authorisation and approvals controls Credit policy linked to the Sales Commission and Incentive scheme. Weekly Credit Review undertaken. |
| Risk in recovering Retakaful | Rated Retakaful Operators/Reinsurance Companies. |
| Unable to recover capital value of investments | Close monitoring by the Board Investment Committee. |

ATM ENTERPRISE RISK MANAGEMENT FRAMEWORK

In the ERM Framework of ATM, the entire Company (Enterprise) has been structured into a four-stage cascade viz; Practices, Personnel, Procedures and Publicise from a risk management perspective, as illustrated below:



| | | |
|-------|---|---|
| Board | - | The Board of Directors |
| RISCO | - | Board Risk Committee |
| BAC | - | Board Audit Committee |
| EXCOM | - | Executive Committee/act as Investment Committee |
| CEO | - | Chief Executive Officer |
| GM | - | General Manager |
| HODs | - | Heads of Departments |
| SOPs | - | Standard Operating Procedures |
| GMC | - | General Management Committee |
| PDT | - | Product Development Team |
| TC | - | Technical Committee |

The ERM Framework operates on a bottom-up approach in terms of its Lines of Defence.

1. FIRST LINE OF DEFENCE

Publicise - Educating the staff at shop floor level with the appropriate level of authority helps them take the right decision at the right time. The Company recognised that staff in the front line were exposed to the market and most often encountered various challenges. Cognisant of the challenge in communicating the entire ERM Framework and strategies to manage risks, the Risk Management Unit has adopted a simplified cascading process to the wider audience to mobilise support and upscale knowledge at all levels in the Company.

2. SECOND LINE OF DEFENCE

Policies and Procedures - Policies and Procedures play a vital role through proper internal control mechanisms in mitigating several risk factors. Further, the Company also has restructured the Management Review Process through the General Management Committee (GMC), widening the participation of Key Management Personnel with specific roles in each of the groups.

3. THIRD LINE OF DEFENCE

Key personnel being appointed at key positions in any organisation mitigates a major part of the risk. The Company believed in its human capital, especially personnel in key positions, that they will take prudent business decisions in pursuit of corporate objectives.

4. FINAL LINE OF DEFENCE

Governance Practices are activities that take place at Board level in order to ensure delivery of promises made to the stakeholders. In addition to the scheduled Board meetings and deliberations, there are Subcommittees at Board level such as the Investment, Board Audit, Risk Management and Executive Committees. These committees independently met periodically with the Key Management Personnel and review performance, challenges and opportunities under the respective areas and report to the Board accordingly.

RISK MANAGEMENT PROCESS

In the process of managing its risks the Company has identified the following Key Risk Indicators. These indices were monitored through a dashboard reviewed at GMC. Corrective actions had been taken as and when significant deviations were observed in the relevant areas as shown below:

| Risk Area | Key Risk Indicator |
|---------------------------------|---------------------------------------|
| Takaful Risk | Average Rates by Sub-Classes |
| | Retakaful Covers Vs Risk Accumulation |
| Strategic and Reputational Risk | Variance Analysis |
| Market Risk | Equity Market Movement |
| | Economic Indicators |
| | Changes in Tax Regulations |
| | Changes in Government Policies |
| Operational Risk | Staff Turnover Ratio |
| | Internal/External Audit Findings |
| | Combined Ratio |
| Credit Risk | Debtors Turnover Ratio (Days) |
| Compliance Risk | Queries Raised by Regulator |
| | Pending Legal Matters |
| | Unresolved Audit Queries |
| | Items in the Management Letter |
| | Investment Portfolio Mix |

KEY RISK MANAGEMENT ACTIVITIES DURING 2022

RISCO, the Board Risk Committee, reviewed the Risk Registers on a quarterly basis and monitored the Key Risk Indicators covering all aspects of the business.

The Executive Committee reviewed and monitored the quarterly performance of the Company especially with regard to managing claims cost and deteriorating pricing on a quarterly basis and made several steps to mitigate further damages.

The staff were educated through training programmes to elevate their knowledge on risk management and the significance in adhering to the set systems and procedures.

MEETING

The mandate for the RISCO is to undertake regular meetings, at least once in every quarter and the reporting should be directed to the Board. All reports pertaining to the risks and findings were tabled at and deliberated by the latter.

In relation to the above, during the year under review, the Committee convened its meeting four (4) times, at quarterly intervals.

| Members | No. of Meetings Attended |
|------------------------------------|--------------------------|
| Dato' Mohd Fadzli Yusof (Chairman) | 4 out of 4 |
| Dr. Ahmed Inaz | 4 out of 4 |
| Abdullah Kassim | 4 out of 4 |

CHAIRMAN'S REMARK

RISCO expresses its satisfaction that effective measures have been in place to deal with an appropriate risk management process of Amāna Takaful (Maldives) PLC. It was able to identify the risk profiles properly recorded, and in line with this developed a Risk Management Manual and a Register, taking into account of all possible risks associated with the business activities. The RISCO and the Board believe that Amāna Takaful (Maldives) PLC is in the right direction in terms of developing a sound system and process to manage and mitigate these risk profiles accordingly.



Dato' Mohd Fadzli Yusof

Chairman

Risk Management Committee

30th March 2023

ANNUAL REPORT OF THE BOARD OF DIRECTORS ON THE AFFAIRS OF THE COMPANY

The Directors are pleased to submit their report, together with the audited accounts for the Company, for the year ended 31st December 2022, to be presented at the Annual General Meeting of the Company.

REVIEW OF THE YEAR

The Chairman's review on page 6 describes the Company's affairs and mentions important events that occurred during the year and up to the date this Report. The CEO's Review on page 8 elaborates the financial results of the Company. These reports together with the audited Financial Statements, reflect the state of the affairs of the Company.

PRINCIPAL ACTIVITIES

The principal activity of the Company is General Takaful Business.

FINANCIAL STATEMENTS

The Financial Statements are prepared in conformity with the International Financial Reporting Standards and comply with the requirements of Section 65 of the Companies Act No. 10/96.

INDEPENDENT AUDITORS' REPORT

The Auditors' Report on the Financial Statements is given on page 56 of this Report.

ACCOUNTING POLICIES

The Accounting Policies adopted in preparation of the Financial Statements are given on page 63.

FINANCIAL RESULTS AND APPROPRIATIONS

Consolidated Profit after Taxation of the Company for the year was MVR 19.07 Mn.

PROPERTY, PLANT & EQUIPMENT

During the year under review, the capital expenditure on Property, Plant & Equipment for the Company amounted to MVR 0.33 Mn.

Information relating to movement in Property, Plant & Equipment during the year is disclosed under Note 12 to the Financial Statements on page 79.

INVESTMENTS

Details of Investments held by the Company are given in Note 14 to the Financial Statements on page 80.

RESERVES

Total revenue reserves as at 31st December 2022 for the Company amounted to MVR 87.64 Mn. The break up and the movement are shown in the Statement of Changes in Equity in the Financial Statements.

SHARE CAPITAL

The share capital of the Company as at 31st December 2022, was MVR 26,314,583/- represented by 20,241,987 ordinary shares. The details of the share capital are given in Note 20 to the Financial Statements on page 82.

CONTINGENT LIABILITIES

There were no material contingent liabilities outstanding as at 31st December 2022.

POSTBALANCE SHEET EVENTS

There were no material events occurring after the Reporting date that require adjustments or disclosure in the Financial Statements.

DIRECTORS' RESPONSIBILITIES

The Statement of the Directors' Responsibilities is given on page 54 of the Annual Report.

CORPORATE GOVERNANCE

The Company has complied with the Corporate Governance Rules laid down by the Capital Market Development Authority of Maldives. The report on Corporate Governance is given on page 35.

STATUTORY PAYMENTS

The Directors, to the best of their knowledge and belief, are satisfied that all statutory payments in relation to all relevant regulatory and statutory authorities have been paid within the stipulated period.

MATERIAL CONTRACTS

A wakalah facility has been provided by Amana Takaful (Maldives) PLC to Amana Takaful PLC to support working capital requirements.

Abdullah Kassim serves as a Director of both Amāna Takaful (Maldives) PLC and Amāna Takaful PLC.

INTERESTS REGISTER

Directors, interest in contracts of the Company, both direct and indirect during the year under review, are included in Note 25 in the Related Party Disclosures to the Financial Statements.

There were no unexpired service contracts within one year, without payment of compensation of any Directors proposed for election.

Directors or the Chief Executive Officer do not have any specific rights to subscribe for equity or debt securities of the Company nor any other contracts or dealings with the Company, other than what is disclosed in this Report.

ANNUAL REPORT OF THE BOARD OF DIRECTORS ON THE AFFAIRS OF THE COMPANY

Director of the Company, who sits on the Board of related entities as at 31st December 2022:

| Company | Name of Director | Position | Relationship |
|-------------------------------------|------------------|-------------------|-----------------|
| Amāna Takaful PLC, Sri Lanka | Abdullah Kassim | Director | Parent Company |
| AG Capital (Private) Ltd., Maldives | Abdullah Kassim | Managing Director | Related Company |

BOARD COMMITTEES

Audit Committee

Following are the names of the Directors comprising the Audit Committee of the Board;

1. Dato' Mohd Fadzli Yusof - Chairman
2. Dr. Ahmed Inaz
3. Abdullah Kassim

The Report of the Audit Committee on page 50 set out the manner of compliance by the Company.

Remuneration Committee

Following are the names of the members comprising the Remuneration Committee;

1. Dato' Mohd Fadzli Yusof - Chairman
2. Osman Kassim
3. Abdullah Kassim

The particulars of the Remuneration Committee are mentioned in the Corporate Governance Report on page 39.

Directors

The Directors of the Company during the year are as follows:

| | Date of Appointment/ Reappointment | Date of Resignation |
|-------------------------|------------------------------------|---------------------|
| Tyeab Akbarally | 14.02.2018 | - |
| Osman Kassim | 14.02.2018 | - |
| Dato' Mohd Fadzli Yusof | 14.02.2018 | - |
| Abdullah Kassim | 14.02.2018 | |
| Dr. Ahmed Inaz | 24.05.2021 | |
| Ahmed Alau Ali | 24.05.2021 | |
| Hareez Sulaiman | 20.05.2012 | - |

A brief profile of the Directors' are given on pages 12 to 13 of this Annual Report.

Directors' Shareholding

The interest of the Directors in the shares of the Company as at 31st December 2022, were as follows:

| | No. of Ordinary Shares as at 31.12.2022 |
|-------------------------|---|
| Tyeab Akbarally | NIL |
| Osman Kassim | NIL |
| Dato' Mohd Fadzli Yusof | NIL |
| Abdullah Kassim | NIL |
| Dr. Ahmed Inaz | 10 |
| Ahmed Alau Ali | 57,500 |
| Hareez Sulaiman | 1,380 |

INDEPENDENCE OF DIRECTORS

Particulars of Independent Directors are mentioned under Corporate Governance Report on page 41.

Nomination Committee

Following are the names of the members comprising the Nomination Committee;

1. Dato' Mohd Fadzli Yusof - Chairman
2. Osman Kassim
3. Abdullah Kassim

The particulars of the Nomination Committee are mentioned in the Corporate Governance Report on page 39.

SHARE INFORMATION AND SUBSTANTIAL SHAREHOLDINGS

The substantial shareholdings and market value of shares are given on page 92.

The earnings per share, dividends per share and net assets per share are given on page 92.

ANNUAL REPORT OF THE BOARD OF DIRECTORS ON THE AFFAIRS OF THE COMPANY

BOARD MEETINGS

The composition of the Board, together with details of attendance of each member at meetings during the period under review, are as follows:

| Name of the Director | Board Meetings | | Remuneration Committee/Nomination Committee Meetings | |
|----------------------------|----------------|-----------------|--|-----------------|
| | <i>Held</i> | <i>Attended</i> | <i>Held</i> | <i>Attended</i> |
| Tyeab Akbarally - Chairman | 4 | 4 | | |
| Osman Kassim | 4 | 4 | 2 | - |
| Dato' Mohd Fadzli Yusof | 4 | 3 | 2 | 2 |
| Abdullah Kassim | 4 | 4 | 2 | 2 |
| Dr. Ahmed Inaz | 4 | 4 | | |
| Ahmed Alau Ali | 4 | 4 | | |
| Hareez Sulaiman | 4 | 4 | | |

GOING CONCERN

The Directors, after making necessary inquiries and review of the financial position and future prospects of the Company, have a reasonable expectation that the Company has adequate resources to continue to be in operational existence for the foreseeable future. Therefore, the going concern basis is adopted in the preparation of the Financial Statements.

AUDITORS

The resolutions to appoint the present Auditors, Messrs Ernst & Young Chartered Accountants, who have expressed their willingness to continue in office, will be proposed at the Annual General Meeting.

The audit fee paid to the Auditors is disclosed in the Note 6.2 on page 76. The proposed external audit fee for the year 2023 is to be a maximum of MVR 122,404.

As far as the Directors are aware, the Auditors are free of any conflict of interest and fully independent.

The Audit Committee reviews the appointment of the Auditors, its effectiveness and its relationship with the Company including the level of audit fees paid to the Auditors. Details on the work of the Audit Committee are set out in the Audit Committee Report.

NOTICE OF ANNUAL GENERAL MEETING


The Annual General Meeting will be held on 22nd May 2023 at 2.30 p.m. at virtually local time.

The Notice of the Annual General Meeting appears on page 94.

For and on behalf of the Board.



Hareez Sulaiman
Managing Director/CEO



Abdullah Kassim
Chairman - EXCOM



Mohamed Hilmy
Managing Partner
For and on behalf of
Vakeelu Chambers LLP
Secretaries

Amāna Takaful (Maldives) PLC

30th April 2023
Malé

COMPOSITION

The main objective of the Audit Committee is to present an independent oversight of Amāna Takaful (Maldives) PLC's financial reporting and internal control system as well as providing checks and balances within the establishment. Membership of the Committee, appointed by and answerable to the Board of Directors, presently comprises four members, all of whom are Independent Non-Executive Directors. Bringing along with the experience of both Takaful and insurance sectors coupled with varied expertise and knowledge in finance and law, the Committee has the right mix to effectively carry out their duties and responsibilities. The Committee meets at least four (4) times a year, usually at quarterly intervals, to review and approve the annual external and internal audit plans; ensure the independence and objectivity of the External Auditors review the internal audit process, adequacy of internal controls and assess various transactions of related parties. In addition, the Committee also plays the role of a platform for the Management to raise concerns on possible irregularities for investigation.

The composition of the Committee and details of attendance of each member at meetings of the Committee during the period under review are as follows:

| Members | No. of Meetings Attended |
|---|--------------------------|
| Dato' Mohd Fadzli Yusof (<i>Chairman</i>) | 4 out of 4 |
| Dr. Ahmed Inaz | 4 out of 4 |
| Abdullah Kassim | 4 out of 4 |

Agendas and reports to be tabled and deliberated at the meetings were prepared and distributed sufficiently in advance to members, along with the appropriate briefing materials.

The Managing Director attended all the meetings of the Committee during

the period under review. The Manager, Internal Audit Department also attended all meetings in the capacity of Secretary to the Audit Committee. Other members of the Management were also invited to attend the meeting when required. The Committee is given direct communication channel with Internal and External Auditors, and personnel at all levels, including with External Auditors. The Board also authorises the Committee to investigate any matter within its terms of reference.

OBJECTIVES, DUTIES AND RESPONSIBILITIES

The key objectives of the Audit Committee are:

- » To satisfy themselves that the good financial reporting system is in place in order to present accurate and timely financial information to the Board of Directors, regulators and shareholders and to make sure that these are prepared in accordance with International Financial Reporting Standards and other relevant laws and regulations.
- » To satisfy themselves of the effectiveness of the Company's risk management process in order to identify and mitigate risks.
- » To review the design and implementation of the internal control system and take steps to strengthen them as necessary.
- » To ensure that the contact of the business is in compliance with the applicable laws and regulations of the country and the policies and procedures of the Company, including its conformity with the requirements and practices of Shari'ah.
- » To assess the independence of the External Auditors and monitor the performance of Internal and External Auditors.
- » To assess the Company's ability to continue as a going concern in the foreseeable future.

The primary duties and the responsibilities of the Committee are as follows:

1. Review the adequacy of the internal audit program and plan, internal audit findings and recommend actions to be taken by the Management of deficiencies in controls, processes and procedures.
2. Assessment of the independence and performance of the Company's External Auditors.
3. Review the Management Letter and follow-up on its recommendations.
4. Ensure preparation and presentation of financial reports in line with accounting standards and ensuring the adequacy of disclosure in such report.
5. Review the effectiveness of internal controls and risk management processes.
6. Ensure compliance with Regulatory Affairs and Corporate Governance.

Internal Audit

The internal audit functions of the Company are undertaken by the Internal Audit Department. The Department is independent of the activities and operations of other departments and units. It reports directly to the Committee and presented to the Committee the Comprehensive Audit Plan for the financial year under review and instructed the Internal Auditors on the approach to be adopted in their auditing processes. Apart from the Audit Plan, the Committee also instructed the Auditors to carry out investigation, inspection and auditing on certain issues deemed necessary to maintain and ensure the adequacy and effectiveness of internal controls and principles of best practice.

The Committee deliberated and reviewed a number of internal audit reports on a multitude of operational areas such as Reinsurance (Retakaful), various types of reserve including

technical reserve, claims and underwriting as well as Treasury matters. To ensure key decisions and recommendations of the Committee are efficiently implemented a process of follow-up programs have been put in place. Where necessary, Auditors were directed to conduct follow-up audits and inspections.

EXTERNAL AUDIT

The Committee reviewed the Management Letter and other recommendations submitted by the External Auditors, Ernst & Young, and noted the issues raised during the financial year under review.

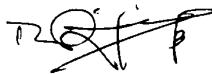
The Committee further made recommendations in relation to the remuneration, functions and terms of engagement of the External Auditors, particularly in relation to their auditing work.

PROVISION OF NON-AUDIT SERVICE

The Committee is responsible for reviewing the nature of non-audit services that the External Auditors may undertake in order to ensure that the Auditor's independence is not impaired in such circumstances.

CONCLUSION

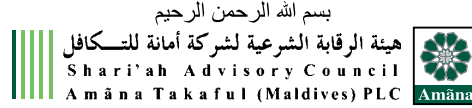
The Committee is satisfied that effective measures, in respect of internal control of the Company, are in place. The accounting standards are duly followed, and the activities and the functions of the Company are in compliant with regulatory and statutory provisions. The Committee is also comfortable that the assets of the Company have been adequately safeguarded, and the requirements of independence of Internal and External Auditors are met. With the transparent and appropriate relationship established with the External Auditors, the latter have an obligation to raise and highlight any significant defects or weaknesses in the Company's system of internal control and compliance to the attention of the Management, the Committee, and the Board. Overall, the Committee strongly believes that the Company is in the right direction in terms of Corporate Governance and best practices.



Dato' Mohd Fadzli Yusof

Chairman

Audit and Compliance Committee of the Board



SHARI'AH AUDIT REPORT TO THE SHAREHOLDERS OF AMANA TAKAFUL (MALDIVES) PLC

السلام عليكم ورحمة الله وبركاته

We have examined the operations of Amāna Takaful (Maldives) PLC (the "Company") for the year ending 31st December 2022. We have also conducted our review to form an opinion as to whether the Company has complied with Shari'ah Rules and principles and also with the specific fatwas, regulations and guidelines issued by the Shari'ah Advisory Council.

Responsibilities

It is our responsibility, as Shari'ah Advisory Council, to check that the takaful operations, contracts and investments entered into by the Company with its participants, clients and stakeholders are in compliance with Shari'ah rules and principles. It is the responsibility of the Company's Management to ensure that all rules, principles and guidelines set by the Shari'ah Advisory Council are complied with, and that all policies and services being offered are duly approved by the Shari'ah Advisory Council.

Scope of Audit

The scope of our audit primarily involved reviewing, either directly or through a representative of the Shari'ah Advisory Council, the Company's compliance with the Shari'ah Regulations and Guidelines. Our review also included interviewing staff, examining different activities conducted by the Company based on samples/ documents. This included reviewing:

1. Audited Financial Statements
2. Underwriting of different types of policies
3. Claims
4. Review of Related Documentation
5. Re-takaful and Re-insurance
6. Investments
7. Charity and Welfare Account (Inflows and Outflows)
8. Mandatory placement of funds with the MMA

Findings:

Based on our findings we drew attention of the Management to the following;

- a) An amount of money credited to the Waqf fund from mandatory interest-based placement with the MMA has been designated to be paid to charity. Management has been advised to continue to canvass the MMA to convert this placement to a Shari'ah Compliant placement.

Opinion

In our opinion and to the best of our information and belief and according to the explanations given to us:

- i. The Takaful Operations, Financial transactions and General Operations undertaken by the Company during the year under review were generally in accordance with the guidelines prescribed by the Shari'ah Advisory Council.

- ii. Muslim Shareholders are advised to disburse Zakaah on their shares as per the Islamic Laws of Zakaah. Management has been asked to calculate, in consultation with the Shari'ah Advisory Council, the Zakaah per share that is due by shareholders.

We seek Allah the Almighty to grant us all success and straight-forwardness.

والسلام عليكم ورحمة الله وبركاته

Mufti M I M Rizwe
Chairman- Shari'ah Advisory Council

Mufti Shafique A Jakhura
Member- Shari'ah Advisory Council

Sheikh Ali zahir Bin Saeed Gasim
Member- Shari'ah Advisory Council

Moulavi Muhammad Huzaifah
Member- Shari'ah Advisory Council

Financial Reports

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STATEMENT OF DIRECTORS RESPONSIBILITIES

This statement sets out the responsibilities of the Directors in relation to Financial Statements of the Company. The Directors confirm that the Financial Statements for the year 2022 prepared and presented in this Annual Report are consistent with the requirements of the Companies Act No. 10 of 1996.

In preparing the Financial Statements, the Directors have adopted appropriate accounting, principles and policies and where relevant, disclosed and explained material departures, if any. The Directors ensure that applicable accounting standards have been followed and that the judgments and estimates provided are reasonable and prudent and provide a true and fair view of the state of affairs as well as the profitability of the Company. The Directors also state that the Financial Statements are prepared on a going concern basis and a review of the Company's performance indicates that the Company has adequate resources to continue in operation.

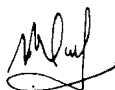
The Directors have taken proper and sufficient care to ensure the maintenance of adequate accounting records in conformity with the applicable provisions and any other legislation including the Companies Act No. 10 of 1996 to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

The Company possesses an effective internal audit system commensurate with the size and nature of its business. Steps have also been taken to ensure that proper records are maintained, and the information generated is reliable.

It is the responsibility of the Directors to provide the Auditors every opportunity to carry out necessary audit work to enable them to present their audit report. The Directors are satisfied that all statutory payments in relation to all relevant regulatory and statutory authorities which were due and payable by the Company as at the Balance Sheet date have been paid or where relevant provided for.

The Directors are of the view that they have to the best of their knowledge, discharged their responsibilities as set out in this statement.

For and on behalf of the Board,



Tyeab Akbarally
Chairman

Male', Republic of Maldives
30th March 2023



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50250 Kuala Lumpur, Malaysia
+603 2161 0433 Fax +603 2161 3595
www.actuarialpartners.com

CERTIFICATION OF INCURRED BUT NOT REPORTED (IBNR) CLAIMS AND LIABILITY ADEQUACY TEST (LAT)

I, Zainal Abidin Mohd. Kassim, being the actuary performing the estimation of the general takaful liabilities of Amāna Takaful (Maldives) PLC, to the best of my knowledge certify that the net IBNR estimate inclusive of expense provision, amounting to MVR2.0 million, together with the net case reserves held by the Company of MVR17.4 million, is expected to be adequate to meet the Company's future claims liability in respect of claims incurred up to 31 December 2022.

I certify that the accounting net UCR provision of MVR39.5 million is expected to be adequate to meet the future liabilities in respect of the unexpired risks as at 31 December 2022.

I also certify that the results set out in this report satisfy the Liability Adequacy Test (LAT) requirements under the IFRS 4.

In performing the estimation of the general takaful liabilities of the Company, I have taken all reasonable steps to ensure the accuracy and completeness of the data.

**For and on behalf of
Actuarial Partners Consulting**

A handwritten signature in black ink, appearing to be "Zainal Abidin Mohd Kassim".

Signature :
Name : Zainal Abidin Mohd Kassim
Qualification : Fellow of the Institute of Actuaries
Date : 30 March 2023



Ernst & Young
Chartered Accountants
G. Shafag, 2nd Floor
Rahdhebai Magu
Malé, Republic of Maldives

Tel: +960 332 0742
eymv@lk.ey.com
ey.com
Reg. No: P-0192/1995

KR/TD/UP

Independent Auditor's Report To the Shareholders of Amana Takaful (Maldives) PLC

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Amana Takaful (Maldives) PLC ("the Company"), which comprise the statement of financial position as at 31 December 2022, and the statement of profit or loss and comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements of the Company give a true and fair view of the financial position of the Company as at 31 December 2022 and of its financial performance and its cash flows for the year then ended in accordance

with International Financial Reporting Standards (IFRSs).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (including international independence standards) (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of

the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

| Key audit matter | How our audit addressed the key audit matter |
|--|---|
| <p>General Insurance Contract Liabilities General Insurance Contract liabilities amounting to MVR 63.3 Mn. (Note 21) represent 48% of total liabilities of the Company as at 31 December 2022.</p> <p>Such General Insurance Contract Liabilities consist of provision for unearned contribution (premiums), provision for reported claims, provision for Incurred But Not Reported (IBNR) and which are determined as described in note 21.</p> <p>This was a key audit matter due to:</p> <ul style="list-style-type: none"> » materiality of the reported General Insurance Contract Liabilities. » the degree of assumptions, judgements and estimation uncertainty associated with the actuarial valuation of General Insurance Contract Liabilities and liability adequacy test carried out to determine the adequacy of the carrying value of General Insurance Contract Liabilities. <p>Key areas of significant judgments, estimates and assumptions used in the valuation of the General Insurance Contract Liabilities included the following:</p> <ul style="list-style-type: none"> » the determination of historical experience and business expectations such as previous claim experience, existing knowledge of risk events, industry ultimate loss ratio, claims handling expenses and management expenses, and » the determination method used for unearned premium calculations. | <p>To assess the reasonableness of the General Insurance Contract Liabilities, our audit procedures included the following, based on the best available information up to the date of our report:</p> <ul style="list-style-type: none"> » We assessed the competency, capability and objectivity of the management specialist engaged by the Company. » We obtained an understanding of the liability valuation process. » We checked the completeness and accuracy of the data used in the valuation of General insurance contract liabilities by agreeing key information to source documents and accounting records. » We engaged expert resources to assess the reasonableness of the assumption used in the actuarial valuation of the General insurance contract liability and liability adequacy test with reference to the industry data and considering both historical experience and business expectations. » We test-checked the unearned premium calculations. » We assess the adequacy of the disclosure note 21, 21.1, 21.2 and 21.3 to the financial statements. |

Other information included in the Company's 2022 Annual Report

Other information consists of the information included in the Annual Report, other than the financial statements and our auditor's report thereon. Management is responsible for the other information.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management and those charged with governance for the financial statements

Management is responsible for the preparation and true and fair view of the financial statements in accordance with International Financial Reporting Standards (IFRSs), and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going

concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- » Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- » Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- » Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

Auditor's responsibilities for the audit of the financial statements (Continued)

- » Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- » Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with ethical requirements in accordance with the Code of Ethics regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The partner in charge of the audit resulting in this independent auditor's report is Krishna Rengaraj.



For and on behalf of Ernst & Young
Partner: Krishna Rengaraj
Licensed Auditor: ICAM-IL-PKC

Male'
20th April 2023

STATEMENT OF PROFIT OR LOSS AND COMPREHENSIVE INCOME

| Year ended 31 December 2022 | Note | Year ended 31.12.2022 MVR | Year ended 31.12.2021 MVR |
|--|------|---------------------------------|---------------------------------|
| Gross written takaful contribution (premium) | 5 | 180,912,031 | 139,996,194 |
| Less: Contribution (premium) ceded to re-takaful (net of re-takaful commission income) | 5 | (41,515,863) | (34,767,185) |
| Net written takaful contribution (premium) | | 139,396,168 | 105,229,009 |
| Net change in reserve for unearned takaful contribution (premium) | 5 | (11,029,511) | (11,221,781) |
| Net earned takaful contribution (premium) | | 128,366,657 | 94,007,228 |
| Benefits, losses and expenses | | | |
| Takaful (insurance) claims and benefits (net of re-takaful recoveries) | 5 | (86,392,952) | (48,341,320) |
| Acquisition cost | 5 | (7,288,787) | (8,438,848) |
| Underwriting results | | 34,684,918 | 37,227,060 |
| Other Revenue | | | |
| Investment income | 5.1 | 7,594,976 | 6,278,815 |
| Fair value (loss)/gain on investments | | 2,783,933 | (673,516) |
| Other income | 5.2 | 8,457,687 | 7,086,252 |
| Expenses | | | |
| Other operating, investment related and administrative expenses | 6 | (29,306,697) | (26,097,895) |
| Amortisation | 7 | (498,993) | (384,538) |
| Marketing expenses | | (909,372) | (892,459) |
| Finance cost | | (426,977) | (448,764) |
| Profit before taxation | | 22,379,475 | 22,094,954 |
| Income tax expense | 8 | (3,299,788) | (2,846,844) |
| Profit for the year | | 19,079,687 | 19,248,111 |
| Basic, diluted earnings per share | 10 | 0.94 | 0.95 |
| Other comprehensive income | | | |
| Profit for the year | | 19,079,687 | 19,248,111 |
| Net change in fair value of Available-for-Sale Financial Assets | | 7,875,000 | (3,375,000) |
| | | 26,954,687 | 15,873,111 |
| Total comprehensive income for the year | | 26,954,687 | 15,873,111 |

The accounting policies and notes on pages 63 through 91 form an integral part of the financial statements.

STATEMENT OF
FINANCIAL POSITION

| As at 31 December 2022 | Note | As at 31.12.2022 MVR | As at 31.12.2021 MVR |
|--|------|----------------------------|----------------------------|
| Assets | | | |
| Intangible assets | 11 | 5,344,340 | 5,674,636 |
| Property, plant and equipment | 12 | 1,194,882 | 1,268,440 |
| Right-of-use assets | 9.1 | 15,308,615 | 16,602,301 |
| Deferred tax assets | 8.2 | 675,876 | 774,292 |
| Financial assets | 14 | 204,376,218 | 165,397,932 |
| Deposit with Maldives Monetary Authority | | 2,000,000 | 2,000,000 |
| Re-takaful (Re-insurance) receivables | 15 | 7,276,487 | 10,917,968 |
| Contribution (premium) receivables | 16 | 12,640,489 | 14,570,558 |
| Amounts due from related parties | 17 | 205,446 | 139,519 |
| Other assets | 18 | 8,556,218 | 6,468,513 |
| Cash and cash equivalents | 19 | 5,818,928 | 4,370,175 |
| Total assets | | 263,397,499 | 228,184,333 |
| Equity and liabilities | | | |
| Shareholders' equity | | | |
| Issued share capital | 20 | 26,314,583 | 26,314,583 |
| Available for sale reserve | | 18,295,200 | 10,420,200 |
| Revenue reserves | | 87,645,928 | 73,829,157 |
| Total equity | | 132,255,711 | 110,563,940 |
| Liabilities | | | |
| Lease liability | 9.1 | 6,379,005 | 6,726,123 |
| Takaful (Insurance) contract liabilities | 21 | 63,287,945 | 56,318,396 |
| Re-takaful (Re-insurance) payables | | 11,791,760 | 12,514,332 |
| Employee benefits | 22 | 3,980,427 | 3,964,833 |
| Amounts due to related parties | 23 | 119,591 | 54 |
| Other liabilities | 24 | 45,583,060 | 38,096,656 |
| Total liabilities | | 131,141,788 | 117,620,394 |
| Total equity and liabilities | | 263,397,499 | 228,184,333 |

The Board of Directors is responsible for these financial statements.

Signed for and on behalf of the Board by,

Tyeab Akbarally
Chairman

Hareez Sulaiman
Managing Director

Dato' Mohd. Fadzil Yusof
Director

Siraj Nizam
Head of Finance

The accounting policies and notes on pages 63 through 91 form an integral part of the financial statements.

20th April 2023
Male'

STATEMENT OF CHANGES IN
EQUITY

| | Share capital MVR | Available for sale reserve MVR | WAQF fund MVR | Retained earnings MVR | Total equity MVR |
|---|-------------------------|--------------------------------------|---------------------|-----------------------------|------------------------|
| Balance as at 1 January 2021 | 26,314,583 | 13,795,200 | 1,542 | 59,184,555 | 99,295,880 |
| Final dividend - 2020 | - | - | (1,973,594) | (1,973,594) | |
| 1st Interim dividend - 2021 | - | - | - | (2,631,458) | (2,631,458) |
| Transfer of realized gain on Available For Sale Financial Assets to profit or loss | - | (3,375,000) | - | - | (3,375,000) |
| Profit for the year | - | - | - | 19,248,111 | 19,248,111 |
| Balance as at 31 December 2021 | 26,314,583 | 10,420,200 | 1,542 | 73,827,615 | 110,563,940 |
| Final dividend - 2021 | - | - | - | (2,631,458) | (2,631,458) |
| 1st Interim dividend - 2022 | - | - | - | (2,631,458) | (2,631,458) |
| Net change in fair value of Available for Sale Financial Assets | - | 7,875,000 | - | - | 7,875,000 |
| Profit for the year | - | - | - | 19,079,687 | 19,079,687 |
| Balance as at 31 December 2022 | 26,314,583 | 18,295,200 | 1,542 | 87,644,386 | 132,255,711 |

The accounting policies and notes on pages 63 through 91 form an integral part of the financial statements.

| Year ended 31 December 2022 | Note | Year ended 31.12.2022 MVR | Year ended 31.12.2021 MVR |
|--|------|---------------------------------|---------------------------------|
| Profit before taxation | | 22,379,475 | 22,094,954 |
| Non-cash adjustment to reconcile profit to net cash flows | | | |
| Amortisation of intangible assets - software | 11 | 498,993 | 384,538 |
| Depreciation | 12 | 323,448 | 482,257 |
| Fair value gain on investments | | (2,783,933) | 673,516 |
| Investment income | 5.1 | (7,594,976) | (6,278,815) |
| Finance cost | | 426,977 | 448,766 |
| Right of use assets depreciation | | 1,293,686 | 1,293,686 |
| Loss on disposal | | 7,998 | - |
| Working capital adjustments: | | | |
| Decrease/(increase) in re-takaful (re-insurance) assets | | 3,641,481 | (7,164,010) |
| Decrease/(increase) in contribution (premium) receivables | | 1,930,069 | (3,774,911) |
| Decrease in other assets | | 321,331 | 1,647,662 |
| Increase in amounts due from related parties | | (65,927) | (31,721) |
| Increase in takaful contract liabilities | | 6,969,548 | 24,625,099 |
| (Decrease)/Increase in re-takaful (re-insurance) payable | | (722,572) | 200,488 |
| Increase in other liabilities | | 7,390,060 | 4,876,913 |
| Increase in Employee benefits | | 15,594 | 755,006 |
| Increase in amounts due to related parties | | 119,537 | 5 |
| | | 34,150,789 | 40,233,434 |
| Income tax | 8 | (3,105,028) | (2,846,844) |
| Net cash generated from operating activities | | 31,045,761 | 37,386,590 |
| Investing activities | | | |
| Investment in financial asset | | (27,799,257) | (32,332,324) |
| Acquisition of property, plant and equipment | 12 | (257,887) | (324,910) |
| Acquisition of intangible assets | 11 | (168,697) | (866,367) |
| Investment income received | | 5,185,940 | 4,672,192 |
| Investment in shares | | (520,096) | (847,472) |
| Net cash used in investing activities | | (23,559,997) | (29,698,882) |
| Financing activities | | | |
| Dividend paid | | (5,262,916) | (4,605,052) |
| Lease liability payment | | (774,095) | (774,096) |
| Net cash used in financing activities | | (6,037,011) | (5,379,148) |
| Net Increase in cash and cash equivalents | | 1,448,753 | 2,308,560 |
| Cash and cash equivalents at 1 January | | 4,370,175 | 2,061,615 |
| Cash and cash equivalents at 31 December (Note 19) | | 5,818,928 | 4,370,175 |

The accounting policies and notes on pages 63 through 91 form an integral part of the financial statements.

1. Corporate information

1.1 General

Amana Takaful (Maldives) PLC (“the Company”) is a public limited liability Company incorporated and domiciled in Maldives. The registered office of the Company is located at H.Palmyarah, Sosun Magu, Male’ 20069, Republic of Maldives.

Until 4th March 2010, the company operated through a local agent with a temporary license. On receiving a license from Maldives Monetary Authority, the regulator, the company ceased its operations through the agent and commenced functioning independently.

On 23rd March 2011, ongoing public, Amana Takaful (Maldives) Private Limited was re-registered with Ministry of Economic Development as Amana Takaful (Maldives) PLC as a public limited company. The shares of the Company are listed on the Maldives Stock Exchange.

1.2 Principal activities and nature of operations

During the year, the principal activity of the company was providing Takaful, Shari’ah compliance insurance solutions.

1.3 Parent enterprise

The company’s parent undertaking is Amana Takaful PLC, a public limited company, incorporated in Sri Lanka and listed on the Colombo Stock Exchange.

1.4 Date of Authorisation for issue

The Financial Statements of Amana Takaful PLC for the year ended 31 December 2022 was authorized for issue by the Board of Directors on 20 April 2023.

1.5 Responsibility for financial statements

The Board of Directors is responsible for these financial statements.

2. Basis of Preparation

The Company’s Statement of Financial Position represents the assets, liabilities and equity of General Takaful fund and Shareholders’ Fund.

The Company’s Statement of Profit or loss and Other Comprehensive Income reflects the underwriting results of General Takaful business and investment and other income of General Takaful fund and Shareholders’ Funds and related expenses.

2.1 Statement of Compliance

The Statement of Financial Position, the Statement of Profit or loss and Other Comprehensive Income, Changes in Equity and Cash Flows, together with accounting policies and notes, (“Financial Statements”) as at and for the year then ended, have been prepared and presented in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

2.2 Basis of Measurement

The Financial Statement of the Company have been prepared on the historical cost basis except for the following material items in the Statement of Financial Position:

- » Financial instruments at fair value through profit or loss are measured at fair value
- » Available-for-sale financial assets are measured at fair value
- » The liability for employee benefits are actuarially valued and recognized at the present value
- » Incurred but not reported / Incurred but not enough reported liability – actuarially determined values based on internationally accepted actuarial policies and methodologies

2.3 Functional and Presentation Currency

All foreign currency transactions are converted to Maldivian Rufiyaa, These

Financial Statements are presented in Maldivian Rufiyaa, which is the Company’s functional and presentation currency.

2.4 Use of Estimates and Judgments

In the process of applying the Company accounting policies, management is required to make judgments, apart from those involving estimations, which has the most significant effect on the amounts recognized in the Financial Statements. Further, the management is required to consider key assumptions concerning the future and other key sources of estimation uncertainty at the Reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year. The respective carrying amounts of assets and liabilities are given in related notes to the Financial Statements. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognized prospectively.

The key items as such are discussed below.

2.4.1 Assumption and Estimation Uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ending 31 December 2022 is included in the following notes:

2.4.1.1 Actuarial Valuations of the Insurance Provisions

The valuation General Insurance Provisions were carried out by Actuarial Partners Consulting Sdn. Bhd. (formerly known as Mercer Zainal Consulting Sdn. Bhd).

Note 21.1 - General Insurance Provision
Non-life insurance contract liabilities are recognized when contracts are entered into and premiums are charged. These liabilities are known as the outstanding claims provision, which are based on the estimated ultimate cost of all claims incurred but not settled at the Reporting date, whether reported or not, together with related claims handling costs and reduction for the expected value of salvage and other recoveries. Delays can be experienced in the notification and settlement of certain types of claims, therefore the ultimate cost of these cannot be known with certainty at the reporting date. This calculation uses current estimates of future contractual cash flows, after taking account of the investment return expected to arise on assets relating to the relevant non-life insurance technical provisions. If these estimates show that the carrying amount of the unearned premiums is inadequate, the deficiency is recognized in the Statement of Profit or loss and Other Comprehensive Income by setting up a provision for liability adequacy. The liability is not discounted for the time value of money. No provision for equalization or catastrophe reserves is recognized. The liabilities are derecognized when the contract expires, is discharged or is cancelled.

The provision for unearned premiums represents premiums received for risks that have not yet expired. Generally, the reserve is released over the term of the contract and is recognized as premium income. At each reporting date, the Company reviews its unexpired risk and a liability adequacy test is performed to determine whether there is any overall excess of expected claims and over unearned premiums. This calculation uses current estimates of future contractual cash flows after taking account of the investment return expected to arise on assets relating to the relevant non-life insurance technical provisions.

If these estimates show that the carrying amount of the unearned premiums is inadequate, the deficiency is recognized in the Statement of Profit or loss and Other Comprehensive Income by setting up a provision for liability adequacy.

2.4.1.2 Note 22 - Employee Benefits

The Defined Benefit Obligation and the related charge for the year are determined using assumptions required under actuarial valuation techniques. The valuation involves making assumptions about discount rates, future salary increases, staff turnover rates etc. Due to the long-term nature of such obligations these estimates are subject to significant uncertainty.

2.4.1.3 Note 8.2 - Deferred Tax Asset

Deferred tax assets are recognised for all unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgment is required to determine the best estimate of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies.

2.5 Measurement of fair values

A number of the Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

When measuring the fair value of an asset or a liability, the Company uses market observable data as far as possible. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- » Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

- » Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- » Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability might be categorized in different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Further information about the assumptions made in measuring fair values is included in the following notes:

- » Note 14 - Financial Assets

2.6 Going Concern

These Financial Statements are presented on the assumption that the Company is a going concern. The Directors have neither the intention nor the necessity of liquidation or of curtailing materially the scale of its operations in all sectors of the Company. There are no going concern issues identified during the current financial year 2022.

3 Summary of significant accounting policies

The Company has consistently applied the following accounting policies to all periods presented in these Financial Statements.

The comparative information has been re-classified wherever necessary to conform with the current year's

presentation in order to provide a better presentation.

3.1 Foreign Currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of Company companies at exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated to the functional currency at the exchange rate at the reporting date.

Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated to the functional currency at the exchange rate when the fair value was determined. Non-monetary items that are measured, based on historical cost in a foreign currency, are translated using the exchange rates as at the dates of the initial transactions.

Foreign currency differences are generally recognized in profit or loss.

However, foreign currency differences arising from the translation of available-for-sale equity investments (except on impairment, in which case foreign currency differences that have been recognized in OCI, are reclassified to profit or loss); are recognized in OCI.

3.2 Income Tax

Income tax expense comprises current and deferred tax. It is recognized in profit or loss except to the extent that it relates to a business combination, or items recognized directly in equity or in OCI.

3.2.1 Current Tax

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the Maldives Inland Revenue Authority (MIRA). The tax rates and tax laws used to compute

the amount are those that are enacted or substantively enacted by the reporting date.

The provision for income tax is based on the elements of income and expenditure, as reported in the Financial Statements and computed in accordance with the provisions of the Income Tax Act, No. 25/2019.

3.2.2 Deferred Taxation

Deferred income tax is provided, using the liability method, on all temporary differences at the Reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognised for all taxable temporary differences.

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax assets and unused tax losses can be utilised.

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the Reporting date.

3.3 Intangible Assets

Intangible assets acquired separately are measured on initial recognition at cost. Following the initial recognition of the intangible assets, the cost model is applied, requiring the assets to be carried at cost less any accumulated amortisation and accumulated impairment losses.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at each financial year end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortisation period or method, as appropriate and treated as changes in accounting estimates.

The amortisation expense on intangible assets with finite lives is recognised in the Statement of Profit or Loss and Other Comprehensive Income in the expense category consistent with the nature of the intangible asset. Amortisation commences when the assets were available for use.

The useful lives and the amortization methods of intangible assets with finite lives are as follows:

| Class | Useful Life | Amortization method |
|-------------------|-------------|----------------------|
| Computer Software | 08-20 years | Straight line method |

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit or Loss and

Other Comprehensive Income when the asset is derecognised.

3.4 Prepaid Expenditure

Expenditure which is deemed to have a benefit or relationship to more than one financial year is classified as prepaid expenditure. Such expenditure is written off over the period, to which it relates, on a straight-line basis.

3.5 Retakaful (Reinsurance) and Contribution (Premium) Receivable

The Company cedes insurance risk, in the normal course of business for all of its businesses. Reinsurance assets represent balances due from reinsurance companies. Amounts recoverable from reinsurers are estimated in a manner consistent with the outstanding claims provision or settled claims associated with the reinsurer's policies and are in accordance with the related reinsurance contract.

Reinsurance assets are reviewed for impairment at each Reporting date or more frequently when an indication of impairment arises during the Reporting year. Impairment occurs when there is objective evidence as a result of an event that occurred after initial recognition of the reinsurance asset that the Company may not receive all outstanding amounts due under the terms of the contract and the event has a reliably measurable impact on the amounts that the Company will receive from the reinsurer. The impairment loss is recorded in the Statement of Profit or Loss and Other Comprehensive Income.

The Company also assumes reinsurance risk in the normal course of business for non-life insurance contracts where applicable. Premiums and claims on assumed reinsurance are recognized as revenue or expenses in the same manner as they would be, if the reinsurance were considered direct business, taking into account the

product classification of the reinsured business.

Reinsurance liabilities represent balances due to reinsurance companies. Amounts payable are estimated in a manner consistent with the related reinsurance contract. Premiums and claims are presented on a gross basis for both ceded and assumed reinsurance.

Reinsurance assets or liabilities are derecognized when the contractual rights are extinguished or expired or when the contract is transferred to another party.

Insurance receivables are recognized when due and measured on initial recognition at the fair value of the consideration received or receivable. The carrying value of insurance receivables is reviewed for impairment whenever events or circumstances indicate that the carrying amount may not be recoverable, with the impairment loss recorded in the Statement of Profit or Loss and Other Comprehensive Income.

3.6 Other Assets & Receivables

Other assets & receivables are stated at their estimated realizable value.

3.7 Property, Plant and Equipment

3.7.1 Cost

The Property, Plant and Equipment are stated at cost less accumulated depreciation and any accumulated impairment losses.

The cost of Property, Plant & Equipment is the cost of acquisition or construction, together with any expenses incurred in bringing the asset to its working condition for its intended use. When parts of an item of Property, Plant & Equipment have different useful lives, they are accounted for as separate items (major components) of Property, Plant & Equipment.

Expenditure incurred for the purpose of acquiring, extending or improving assets of a permanent nature by means of which to carry on the business or to increase the earning capacity of the business has been treated as capital expenditure.

An item of Property, Plant & Equipment is derecognised upon disposal or when no future economic benefits are expected from its use. Any gain or losses arising on derecognition of the asset is included in the Statement of Profit or Loss and Other Comprehensive Income in the year the asset is derecognised.

3.7.2 Depreciation

The provision for depreciation is calculated by using a straight-line method on the cost of all Property, Plant & Equipment, in order to write-off such amounts less their estimated residual values over the estimated useful economic lives. Leased assets are depreciated over the shorter of the lease term and their useful lives, unless it is reasonably certain that the Company will obtain ownership by the end of the lease term.

The estimated useful lives of Property, Plant & Equipment are as follows:

| Class | Useful Life |
|----------------------|-------------|
| Motor Vehicles | 04 Years |
| Computer Equipment | 03 Years |
| Other Equipment | 04 Years |
| Furniture & Fittings | 05 Years |

The Company provides depreciation from the date the assets are available for use, up to the date of disposal.

3.8 Financial Assets

The Company classifies non-derivative financial assets into the following categories: financial assets at Fair Value through Profit or Loss, Loans and Receivables and Available-For-Sale financial assets.

The Company classifies non-derivative financial liabilities into the Other Financial Liabilities category.

The classification depends on the purpose for which the investments were acquired or originated. Financial assets are classified as at fair value through profit or loss where the Company's documented investment strategy is to manage financial investments on a fair value basis, because the related liabilities are also managed on this basis. The available-for-sale and held-to-maturity categories are used when the relevant liability (including shareholders' funds) is passively managed and/or carried at amortized cost.

The Company's financial assets include cash and short-term deposits, trade and other receivables, loan and other receivables, quoted and unquoted financial instruments, and derivative financial instruments.

The Company's existing types of financial instruments and their classifications are shown in the table below.

| Financial Asset | Category |
|---|--|
| Treasury Bills | Loans and Receivables |
| Equity Shares | Fair Value Through Profit or Loss and Available-for-Sale |
| Unit Trust | Available-for-Sale |
| Bullion | Fair Value Through Profit |
| Mudharaba deposits, Murabaha, Wakalah, Ijarah and Sukuk investments | Loans and Receivables |
| Loans & Receivable | Loans and Receivables |

3.9 Recognition of financial assets

The Company initially recognizes loans and receivables on the date that they are originated. All other financial assets (including assets designated as at Fair Value through Profit or Loss) are recognized initially on the trade date, which is the date that the Company becomes a party to the contractual provisions of the instrument. Financial assets and financial liabilities are offset and the net amount presented in the Financial Position when, and only when, the Company has a legal right to offset the amounts and intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

3.9.1 Measurement

(a) Financial assets at Fair Value through Profit or Loss

Financial assets at fair value through profit or loss include financial assets held-for-trading and those designated at fair value through profit or loss at inception. Investments typically bought with the intention to sell in the near future are classified as held-for-trading. For investments designated as at fair value through profit or loss, the following criteria must be met.

The designation eliminates or significantly reduces the inconsistent treatment that would otherwise arise from measuring the assets or liabilities or recognizing gains or losses on a different basis; or the assets and liabilities are part of a Company of financial assets, financial liabilities or both which are managed, and their performance evaluated on a fair value basis, in accordance with a documented risk management or investment strategy.

These investments are initially recorded at fair value. Directly attributable transaction costs are recognized in the Statement of Profit or Loss and Other Comprehensive Income as incurred. Subsequent to initial recognition, these investments are remeasured at fair value. Fair value adjustments and realized gain and loss are recognized in the Statement of Profit or Loss and Other Comprehensive Income.

(b) Loans and Receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. These investments are initially recognized at cost, being the fair value of the consideration paid for the acquisition of the investment. All transaction costs directly attributable to the acquisition are also included in the cost of the investment. After initial measurement, loans and receivables are measured at amortized cost, using the effective interest rate method. Gains and losses are recognized in the Statement of Profit or Loss and Other Comprehensive Income when the investments are derecognized or impaired, as well as through the amortization process.

(c) Cash and Cash Equivalents

Cash and cash equivalents are defined as cash in hand, demand deposits and short-term highly liquid investments, readily convertible to known amounts of cash and subject to insignificant risk of changes in value.

For the purpose of Cash Flow Statement, cash and cash equivalents consist of cash in hand and deposits in banks net of outstanding bank overdrafts. Investments with short maturities i.e., three months or less from the date of acquisition are also treated as cash equivalents. Interest and dividend received are classified as operating cash flows.

(d) Available-For-Sale financial assets

Available-For-Sale financial assets are non-derivative financial assets that are designated as Available-For-Sale or are not classified in any of the three preceding categories. These investments are initially recorded at fair value plus any directly attributable transaction costs. After initial measurement, Available-For-Sale financial assets are measured at fair value.

Fair value gains and losses are reported as a separate component in other comprehensive income and accumulated in the available-for-sale Reserve until the investment is derecognized or the investment is determined to be impaired.

On derecognition or impairment, the cumulative fair value gains and losses, previously reported in equity, are transferred to the Statement of Profit or Loss and Other Comprehensive Income.

(e) Other Financial Liabilities

Other Financial Liabilities are non-derivative financial liabilities, which are initially recognized at fair value less any directly attributable transaction costs. Subsequent to initial recognition, these liabilities are measured at amortized cost using the effective interest method.

3.9.2 Impairment of financial assets

Financial assets, not classified as at fair value through profit or loss, are assessed at each Reporting date to determine whether there is objective evidence of impairment.

Objective evidence that financial assets are impaired includes:

- » default or delinquency by a debtor;
- » restructuring of an amount due to the Company on terms that the Company would not consider otherwise;
- » indications that a debtor or issuer will enter bankruptcy;
- » adverse changes in the payment status of borrowers or issuers;
- » the disappearance of an active market for a security; or
- » Observable data indicating that there is measurable decrease in expected cash flows from a Company of financial assets.

(a) Assets carried at amortized cost

If there is objective evidence that an impairment loss on assets carried at amortized cost has been incurred, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future expected credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced and the loss is recorded in the Statement of Profit or Loss and Other Comprehensive Income.

The Company first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant and individually or collectively for financial assets that are not individually significant. If it is determined that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, the asset is included in a Company of financial assets with similar credit risk characteristics and that Company of financial assets is collectively assessed for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to

be, recognized are not included in a collective assessment of impairment. The impairment assessment is performed at each Reporting date.

If, in a subsequent period, the amount of the impairment loss decreases and that decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed.

Any subsequent reversal of an impairment loss is recognized in the Statement of Profit or Loss and Other Comprehensive Income, to the extent that the carrying value of the asset does not exceed its amortized cost at the reversal date.

(b) Available-For-Sale financial investments

If an available-for-sale financial asset is impaired, an amount comprising the difference between its costs (net of any principal repayment and amortization) and its current fair value, less any impairment loss previously recognized in other comprehensive income, is transferred from equity to the Statement of Profit or Loss and Other Comprehensive Income. Reversals in respect of equity instruments classified as available-for-sale are not recognized in the Statement of Profit or Loss and Other Comprehensive Income.

Reversals of impairment losses on debt instruments classified at available-for-sale are reversed through the Statement of Profit or Loss and Other Comprehensive Income if the increase in the fair value of the instruments can be objectively related to an event occurring after the impairment losses were recognized in the Statement of Profit or Loss and Other Comprehensive Income.

(c) Financial assets carried at cost

If there is objective evidence that an impairment loss has been incurred on

an unquoted equity instrument, that is not carried at fair value because its fair value cannot be reliably measured, or on a derivative asset that is linked to and must be settled by delivery of such an unquoted equity instrument, the amount of the impairment loss is measured as the difference between the carrying amount of the financial asset and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment losses shall not be reversed.

3.10 De-recognition of financial assets

A financial asset (or, when applicable, a part of a financial asset or part of a Company of similar financial assets) is derecognized when,

- » The rights to receive cash flows from the asset have expired
- » The Company retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a 'pass-through' arrangement
- » The Company has transferred its rights to receive cash flows from the asset and either:
 - » Has transferred substantially all the risks and rewards of the asset, or
 - » Has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

When the Company has transferred its right to receive cash flows from an asset and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognized to the extent of the Company's continuing involvement in the asset. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

When continuing involvement takes the form of a written and/or purchased option (including cash settled option or similar provision) on the transferred asset, the extent of the Company's continuing involvement is the amount of the transferred asset that the Company may repurchase, except that, in the case of a written put option (including a cash settled option or similar provision) on an asset measured at fair value, the extent of the Company's continuing involvement is limited to the lower of the fair value of the transferred asset and the option exercise price.

The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled or expire.

3.11 Leases

Recognition

At inception of a contract, the Company assess whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assess whether:

- » the contract involves the use of an identified asset
- » the Company has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
- » The Company has the right to direct the use of the asset.

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right of use assets of the Company consists of office premises.

Measurement

The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability

(present value of future lease payments discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined Company's incremental borrowing rate) adjusted for any lease payments made at or before the commencement date less any lease incentives received, plus any initial direct costs incurred.

Where the Company is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognised right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right of use asset or the end of the lease term. Right-of-use assets are subject to impairment.

Office Premises 15 years .

Estimating the incremental borrowing rate

As the Company cannot readily determine the interest rate implicit in the lease, it uses its incremental borrowing rate ("IBR") to measure the lease liabilities. The IBR is the rate of interest that the Company would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Company "would have to pay", which requires estimation when no observable rates are available (or when they need to be adjusted to reflect the terms and conditions of the lease).

The Company estimates the IBR using observable input when available and is required to make certain entity-specific adjustments

3.12 Liabilities and Provisions (Excluding Insurance Contracts)

Liabilities

All known liabilities have been accounted for in preparing the Financial Statement.

Provisions (Excluding Insurance Contracts)

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, where it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. The unwinding of the discount is recognized as finance cost.

3.13 Employee Benefits**Defined Benefit Plan - Gratuity**

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The liability recognised in the Financial Statements in respect of defined benefit plans is the present value of the defined benefit obligation as at the reporting date. The defined benefit obligation is calculated by management as at the Reporting date using the Projected Unit Credit (PUC) method as recommended by IAS 19 - 'Employee Benefits'.

However, under the company policy of gratuity, the liability to an employee arise only on completion of five years of continued service. The Company is liable to pay gratuity in terms of relevant statute. In order to meet this liability, a provision is carried forward in the statement of financial position.

The item is stated under Employee benefits in the Statement of Financial Position.

Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognized for the amount expected to be paid, if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

3.14 Impairment of Non-Financial Assets

The Company assesses at each Reporting date, whether there is an indication that an asset may be impaired. If any such indication exists or when annual impairment testing for an asset is required, the Company makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets.

Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, an appropriate valuation model is used. These calculations are corroborated by valuation multiples or other available fair value indicators.

Impairment losses of continuing operations are recognised in the Statement of Profit or Loss and Other Comprehensive Income in those expense categories consistent with the function of the impaired asset, except for property previously revalued where

the revaluation was taken to equity. In this case, the impairment is also recognised in equity up to the amount of any previous revaluation.

For assets, an assessment is made at each Reporting date, as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Company makes an estimate of recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount, since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the Statement of Profit or Loss and Other Comprehensive Income, unless the asset is carried at revalued amount, in which case the reversal is treated as a revaluation increase.

3.15 General Takaful Business (Non-Life Insurance Business)**3.15.1 Gross Written Contribution (Gross Written Premium)**

Contributions (Premiums) are recognized earlier of the entity being on risk to provide coverage to the policyholders for insured event and the signing of the insurance contract. Upon inception of the contract, contributions (premiums) are recorded as written and are earned primarily on a pro rata basis over the term of the related policy coverage. However, for those contracts for which the period of risk differs significantly from the contract period, contributions (premiums) are earned over the period of risk in proportion to the amount of insurance protection provided.

3.15.2 Unearned Contribution (Premium)

The Unearned Contribution (Premium) Reserve represents the portion of the contributions (premiums) written in a year but relating to the unexpired terms of coverage.

The Unearned Premium is calculated applying 1/365 method on the net premium (Gross Written Premium minus Reinsurance and Allocation Fee).

3.15.3 Claims

General insurance, include all claims occurring during the year, whether reported or not, related internal and external claims handling costs that are directly related to the processing and settlement of claims, a reduction for the value of salvage and other recoveries and any adjustments to claims outstanding from previous years.

Claims expense and liability for outstanding claims are recognized in respect of direct and inward Retakaful (reinsurance) business. The liability covers claims reported but not yet paid, Incurred But Not Reported claims ('IBNR') and the anticipated direct and indirect costs of settling those claims. Claims outstanding are assessed by review of individual claim files and estimating changes in the ultimate cost of settling claims. The provision in respect of IBNR is actuarially valued to ensure a more realistic estimation of the future liability, based on past experience and trends.

Whilst the Directors consider that the provision for claims are fairly stated on the basis of information currently available, the ultimate liability will vary as a result of subsequent information and events. This may result in adjustments to the amount provided. Such amount is reflected in the Financial Statements for that period. The methods used and estimates made are reviewed regularly.

3.15.4 Deferred Acquisition Cost and Deferred Income

Acquisition cost / Income is directly attributable to the profit or loss when policy is underwritten.

3.15.5 Retakaful Contracts (Reinsurance Contracts)

Outward Retakaful contributions (reinsurance premiums) are recognized when payable. Retakaful (Reinsurance) recoveries are credited to match the relevant gross claims.

3.16 Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue and associated costs incurred or to be incurred, can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable net of trade discounts and sales taxes. The following specific criteria are used for the purpose of recognition of revenue.

3.16.1 Wakalah Fee (Management fee)

- » Wakalah Fee (Agency/Allocation Fee) on Takaful Contribution (Insurance Premium)

The Shareholders' Fund is entitled for Allocation Fee on every Takaful Contribution (insurance premium) received in respect of the business received during the year on following basis.

- » Share of profit on investment income

The Shareholders' Fund is entitled for 50% of investment income.

3.16.2 Investment Income

Share of profit on investments with Islamic Bank. Income is recognized on cash basis since the Company cannot reliably estimate the same.

- » Other investment income
All other investment income is recognized on an accrual basis

3.16.3 Interest income on deposit with Maldives Monetary Authority

Interest income is recognized on accrual basis. The basis of recognition of interest income is discussed under note

5.2 in the financial statements.

All authorized insurance undertaking, whether life or general insurance shall at all times maintain a deposit of MVR. 2,000,000/- with Maldives Monetary Authority (the Authority), for each type of insurance (life or general insurance) the undertaking is authorized to engage in.

3.16.4 Realised/Unrealised Gains and (Losses)

Realized gains and losses, recorded in the Statement of Profit or Loss and Other Comprehensive Income on investments, include gains and losses on financial assets and investment properties. Gains and losses on the sale of investments are calculated as the difference between net sales proceeds and the original or amortized cost and are recorded on occurrence of the sale transaction.

3.16.5 Others

Other income is recognized on an accrual basis.

3.17 Expenditure Recognition

Expenses are recognized in the Statement of Profit or Loss and Other Comprehensive Income on the basis of a direct association between the cost incurred and the earning of specific items of income. All expenditure incurred in the running of the business and in maintaining the Property, Plant & Equipment in a state of efficiency, has been charged to the Statement of Profit or Loss and Other Comprehensive Income.

Surplus refund is made only when the Fund is in a surplus and to those participants who have not made any claims during the policy period.

For the purpose of presentation of Statement of Profit or Loss and Other Comprehensive Income, the Directors are of the opinion that nature of expenses method, presents fairly, the elements of the Company's performance, and hence such presentation method is adopted.

3.18 Events after the Reporting Date

Events after the reporting period are those events, favorable and unfavorable, that occur between the reporting date and the date when the financial statements are authorized for issue. All material events after the reporting date have been considered and where appropriate, adjustments or disclosures have been made in the respective notes to the financial statements.

3.19 Capital Commitments and Contingencies

Contingent liabilities are possible obligations whose existence will be confirmed only by occurrence or non-occurrence of uncertain future events not wholly within the control of the Company or present obligations where the transfer of economic benefits is not probable or cannot be reliably measured.

Capital commitments and contingent liabilities of the Company are disclosed in the respective notes to the financial statements.

3.20 Stated Capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognized as a deduction from equity, net of any tax effects.

3.21 Earnings per share (EPS)

The Company presents basic earnings per share data for its ordinary shareholders. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares determined in accordance with IAS 33.

3.22 Statement of Cash Flows

The Cash Flow Statement has been prepared using the direct Method of preparing Cash Flows in accordance with the International Accounting Standard (IAS 7) 'Statement of Cash flows'.

For cash flow purposes, cash and cash equivalents are presented net of bank overdrafts.

4 Standards issued but not yet effective as at reporting date

Impending Accounting Standards/ Standards issued not yet effective
Certain new accounting standards and amendments / improvements to existing standards have been published, that are not mandatory for 31 December 2022 reporting periods. None of those have been early adopted by the Company.

4.1 IFRS 17 Insurance Contracts

As recommended by the International Accounting Standard Board (IASB) the effective date of IFRS 17 to period beginning on or after 1 January 2023.

IFRS 4 permitted insurers to continue to use the statutory basis of accounting for insurance assets and liabilities that existed in their jurisdictions prior to January 2005. IFRS 17 replaces this with a new measurement model for all insurance contracts.

IFRS 17 requires liabilities for insurance contracts to be recognized as the present value of future cash flows, incorporating an explicit risk adjustment, which is updated at

each reporting date to reflect current conditions, and a contractual service margin (CSM) that is equal and opposite to any day-one gain arising on initial recognition. Losses are recognized directly into the income statement. For measurement purposes, contracts are grouped together into contracts of similar risk, profitability profile and issue year, with further divisions for contracts that are managed separately.

Profit for insurance contracts under IFRS 17 is represented by the recognition of the services provided to policyholders in the period (release of the CSM), release from non-economic risk (release of risk adjustment) and investment profit.

The CSM is released as profit over the coverage period of the insurance contract, reflecting the delivery of services to the policyholder. For certain contracts with participating features (where a substantial share of the fair value of the related investments and other underlying items is paid to policyholders) the CSM reflects the variable fee to shareholders. For these contracts, the CSM is adjusted to reflect the changes in economic experience and assumptions. For all other contracts the CSM is only adjusted for non-economic assumptions.

IFRS 17 introduces a new measure of insurance revenue, based on the delivery of services to policyholders and excluding any premiums related to the investment elements of policies, which will be significantly different from existing premium revenue measures, currently reported in the income statement. In order to transition to IFRS 17, the amount of deferred profit, being the CSM at transition date, needs to be determined.

IFRS 17 requires, this CSM to be calculated as if the standard had applied retrospectively. If this is not practical, an entity is required to

choose either a simplified retrospective approach or determine the CSM by reference to the fair value of the liabilities at the transition date. The approach for determining the CSM will have a significant impact on both shareholders' equity and on the amount of profits on in-force business in future reporting periods.

IFRS 17 Implementation Programme

IFRS 17 is expected to have a significant impact, as the requirements of the new standard are complex and requires a fundamental change to accounting for insurance contracts as well as the application of significant judgement and new estimation techniques. The effect of changes required to the Company's accounting policies as a result of implementing these standards are currently uncertain, but these changes can be expected to, among other things, alter the timing of profit recognition. Given the implementation of this standard is likely to involve significant enhancements to IT, actuarial and finance systems of the Company, it will also have an impact on the Company's expenses.

The Company has an implementation programme underway to implement IFRS 17 and IFRS 9. The scope of the programme consists of setting accounting policies and developing application methodologies, establishing appropriate processes and controls, sourcing appropriate data and implementing actuarial and finance system changes.

The Steering Committee chaired by both Managing director and Head of finance provides oversight and strategic direction to the implementation programme along with the involvement of external consultants.

The Company remains on track to providing IFRS 17 financial statements in line with the requirements for

reporting as at 31st December 2023 with comparative figures for 2022.

4.2 Temporary Exemption from IFRS 09 and IAS 39

An insurer that meets the criteria in paragraph 20B of IFRS 4 (amended) provides a temporary exemption that permits but does not require the insurer to apply IAS 39 – Financial Instruments: Recognition and Measurement rather than IFRS 9 for annual periods beginning before 1 January 2023.

An insurer may apply the temporary exemption from IFRS 9 if, and only if;

- 1) It has not previously applied any version of IFRS 9, other than only the requirements of the Presentation of gains and losses on financial liabilities designated as at Fair Value Through Profit or Loss and;
- 2) Its activities are predominantly connected with insurance, at its annual reporting date that immediately proceeds 01 April 2016, or at a subsequent annual reporting date.

Having considered the above criteria, since Amana Takaful (Maldives) PLC is connected with insurance activities, the Company may continue to apply IAS 39 – Financial Instruments: Recognition and Measurement rather than IFRS 9 for annual periods beginning before 01 January 2023. As at reporting date insurance related liabilities are above 90% which is the minimum percentage eligible to exemption as per IFRS 9.

4.3 Amendments to IAS 1: Classification of Liabilities as Current or Non-current

In January 2020, the IASB issued amendments to paragraphs 69 to 76 of IAS 1 to specify the requirements for classifying liabilities as current or non-current. The amendments clarify:

- » What is meant by a right to defer settlement
- » That a right to defer must exist at the end of the reporting period
- » That classification is unaffected by the likelihood that an entity will exercise its deferral right
- » That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification

The amendments are effective for annual reporting periods beginning on or after 1 January 2023 and must be applied retrospectively.

4.4 Definition of Accounting Estimates - Amendments to IAS 8

In February 2021, the IASB issued amendments to IAS 8, in which it introduces a definition of 'accounting estimates'. The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. Also, they clarify how entities use measurement techniques and inputs to develop accounting estimates.

The amendments are effective for annual reporting periods beginning on or after 1 January 2023 and apply to changes in accounting policies and changes in accounting estimates that occur on or after the start of that period. Earlier application is permitted as long as this fact is disclosed.

The amendments are not expected to have a material impact on the Company's financial statements.

4.5 Disclosure of Accounting Policies - Amendments to IAS 1 and IFRS Practice Statement 2

In February 2021, the IASB issued amendments to IAS 1 and IFRS Practice Statement 2 Making Materiality Judgements, in which it provides guidance and examples to help entities apply materiality judgements

to accounting policy disclosures.

The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

The amendments to IAS 1 are applicable for annual periods beginning on or after 1 January 2023 with earlier application permitted. Since the amendments to the Practice Statement 2 provide non-mandatory guidance on the application of the definition of material to accounting policy information, an effective date for these amendments is not necessary.

The Company is currently revisiting their accounting policy information disclosures to ensure consistency with the amended requirements.

5. Gross written takaful contribution (premium) and net underwriting income

| | Year ended 31.12.2022 MVR | Year ended 31.12.2021 MVR |
|--|---------------------------------|---------------------------------|
| Gross written takaful contribution (premium) | 180,912,031 | 139,996,194 |
| Less: Contributions (premiums) ceded to re takaful (re-insurers) | | |
| Treaty | (9,862,731) | (9,416,692) |
| Facultative | (29,071,821) | (22,284,665) |
| Excess of loss | 2,581,311) | (3,065,828) |
| Net written takaful contribution (premium) | 139,396,168 | 105,229,009 |
| Gross provision for unearned takaful contribution (premium) | | |
| Opening balance | 28,441,748 | 17,219,967 |
| Closing balance | 39,471,259 | 28,441,748 |
| Provision for unearned takaful contribution (premium) | (11,029,511) | (11,221,781) |
| Total underwriting income | 128,366,657 | 94,007,228 |
| Gross benefits and claims paid | (92,733,708) | (42,685,584) |
| Surplus refund | (1,506,840) | (2,056,395) |
| Re-Takaful (re-insurance) claims recoveries | 4,777,143 | 8,814,468 |
| Increase in provision for gross claims payable | 3,308,335 | (12,444,954) |
| (Increase)/decrease in provision for claims IBNR | (237,882) | 31,145 |
| Takaful (insurance) claims and benefits (net) | (86,392,952) | (48,341,320) |
| Acquisition cost | (7,288,787) | (8,438,848) |
| Net underwriting income | 34,684,918 | 37,227,060 |
| 5.1 Investment income | | |
| Dividend income | 1,981,608 | 1,688,373 |
| Murabaha, Wakalah and Ijarah income | 3,102,667 | 2,840,217 |
| Mudarabah income | 968,599 | 1,012,526 |
| Sukuk income | 449,560 | 447,570 |
| Income from Islamic T-Bills | 1,035,299 | - |
| Net realised capital gain | 57,243 | 290,129 |
| | 7,594,976 | 6,278,815 |
| 5.2 Other income | | |
| Income from deposit with Maldives Monetary Authority | 19,998 | 19,998 |
| Management fee income | 5,657,291 | 5,465,598 |
| Sundry income | 2,780,398 | 1,600,656 |
| | 8,457,687 | 7,086,252 |

Interest income from security deposit with MMA has been recognised as an income and expensed to charity as donation.

6 Other operating, investment related and administration expenses

| | Year ended 31.12.2022 MVR | Year ended 31.12.2021 MVR |
|--|---------------------------------|---------------------------------|
| Staff expenses (6.1) | 14,506,429 | 18,219,347 |
| Administration & establishment expenses | 13,460,786 | 6,675,401 |
| Depreciation | 400,360 | 482,258 |
| Consultancy fees | 939,122 | 720,890 |
| | 29,306,697 | 26,097,896 |
| 6.1 Staff expenses | | |
| Wages, salaries & bonuses | 11,920,754 | 11,123,850 |
| Defined benefit plan | 15,594 | 772,739 |
| Staff welfare | 93,945 | 85,862 |
| Staff training | 167,516 | 62,731 |
| Medical claims | 191,389 | 104,595 |
| Staff incentives | 1,157,501 | 2,549,969 |
| Other staff cost | 959,729 | 3,519,601 |
| | 14,506,429 | 18,219,347 |
| 6.2 Included in Administrative Expenses | | |
| Audit fee | 116,576 | 144,416 |

7 Amortisation of Intangible Assets

| | Year ended 31.12.2022 MVR | Year ended 31.12.2021 MVR |
|----------|---------------------------------|---------------------------------|
| Software | 498,993 | 384,538 |

8 Income tax expense

| | Year ended 31.12.2022 MVR | Year ended 31.12.2021 MVR |
|--|---------------------------------|---------------------------------|
| Income tax on profit (Note 8.1) | 3,201,372 | 2,995,006 |
| Deferred tax charge/(reverse) during the year (Note 8.3) | 98,416 | (148,162) |
| | 3,299,788 | 2,846,844 |

8.1 Income tax on profit

A reconciliation between tax expense and the product of accounting profit multiplied by Maldives's domestic tax rate for the year ended 31 December is as follows:

| | Year ended 31.12.2022 MVR | Year ended 31.12.2021 MVR |
|---|---------------------------------|---------------------------------|
| Accounting profit before income tax | 22,379,475 | 22,094,954 |
| Non-deductible expenses for the tax purpose | | |
| Depreciation and amortization charge for the period | 899,354 | 866,796 |
| Other disallowable expenses | 28,218,821 | 24,787,169 |
| Deductible expenses for the tax purpose | | |
| Capital allowances | (823,148) | (787,893) |
| Other allowable expenses | (28,832,025) | (26,494,318) |
| Taxable Profit before adjustments | 21,842,477 | 20,466,707 |
| Tax free allowance | (500,000) | (500,000) |
| Taxable profit | 21,342,477 | 19,966,707 |
| Income tax on taxable profit @ 15% | 3,201,372 | 2,995,006 |
| 8.2 Deferred tax asset | | |
| Temporary difference on assets and liabilities | (525,418) | (1,197,113) |
| Defined employee benefits | (3,980,427) | (3,964,832) |
| Total temporary difference | (4,505,845) | (5,161,945) |
| Tax rate | 15% | 15% |
| Deferred tax asset as at 31 December | (675,876) | (774,292) |

The provision on deferred tax is made on temporary differences between the accounting base and tax base of assets and liabilities and define employee benefits. The Company's management expects to earn future taxable profits and therefore deferred tax asset is recognised.

| | Year ended 31.12.2022 MVR | Year ended 31.12.2021 MVR |
|--|---------------------------------|---------------------------------|
| 8.3 Movement in deferred tax | | |
| At 1 January | (774,292) | (626,129) |
| Charge/(Reversal) made during the year | 98,416 | (148,162) |
| As at 31 December | (675,876) | (774,292) |
| 8.4 Income tax payable | | |
| Tax payable as at 1 January | 1,584,977 | 2,208,852 |
| Income tax expense for the year | 3,201,372 | 2,995,006 |
| Tax paid during the year | (3,105,028) | (3,618,881) |
| Tax payable as at 31 December | 1,681,321 | 1,584,977 |

9 Dividends Paid and Proposed

| | Year ended 31.12.2022 MVR | Year ended 31.12.2021 MVR |
|---|---------------------------------|---------------------------------|
| Declared and paid during the year | | |
| Cash dividends on ordinary shares: | | |
| Final dividend for 2021: MVR 0.13 cents (2020 MVR 0.10 cents) | 2,631,458 | 1,973,594 |
| Interim dividend for 2021: MVR 0.13 cents (2020 MVR 0.13 cents) | 2,631,458 | 2,631,458 |
| Total dividends paid in the year | 5,262,917 | 4,605,052 |

10 Earnings per share

Earnings per share is calculated by dividing the profit for the year attributable to equity shareholders of the parent by the weighted average number of ordinary shares outstanding during the year. The following reflects the income and share data used in the earnings per share computation.

| | Year ended 31.12.2022 MVR | Year ended 31.12.2021 MVR |
|--|---------------------------------|---------------------------------|
| Amount used as the numerator: | | |
| Profit for the year | 19,079,687 | 19,248,111 |
| Number of ordinary shares used as denominator: | | |
| Weighted average number of ordinary shares in issue applicable to earnings per share | 20,241,987 | 20,241,987 |
| Earnings per share | 0.94 | 0.95 |

11 Intangible assets

| | Year ended 31.12.2022 MVR | Year ended 31.12.2021 MVR |
|-------------------------------------|---------------------------------|---------------------------------|
| Software At cost | | |
| Balance as at 1st January | 9,358,590 | 8,492,223 |
| Additions | 168,697 | 866,367 |
| Balance as at 31st December | 9,527,287 | 9,358,590 |
| Amortisation | | |
| Balance as at 1st January | 3,683,954 | 3,299,416 |
| Amortisation for the year | 498,993 | 384,538 |
| Balance as at 31st December | 4,182,947 | 3,683,954 |
| Carrying amount as at 31st December | 5,344,340 | 5,674,636 |

12 Property, plant and equipment

| At cost | Balance As at 01.01.2022 MVR | Additions during the year MVR | Disposals during the year MVR | Balance As at 31.12.2022 MVR |
|--|---------------------------------------|--|--|---------------------------------------|
| Furniture and fittings | 1,528,682 | 25,041 | (16,601) | 1,537,123 |
| Motor vehicles | 132,880 | - | (32,000) | 100,880 |
| Computers and peripherals | 1,291,334 | 282,109 | (36,311) | 1,537,131 |
| Other equipment | 506,841 | 27,651 | - | 534,492 |
| Total value of depreciable assets | 3,459,737 | 334,801 | (84,911) | 3,709,626 |

| Depreciation | Balance As at 01.01.2022 MVR | Charge for the year MVR | Disposals during the year MVR | Balance As at 31.12.2022 MVR |
|---------------------------|---------------------------------------|----------------------------------|--|---------------------------------------|
| Furniture and fittings | 685,183 | 154,589 | (8,602) | 831,170 |
| Motor vehicles | 132,880 | - | (32,000) | 100,880 |
| Computers and peripherals | 947,582 | 183,548 | (36,311) | 1,094,819 |
| Other equipment | 425,652 | 62,224 | - | 487,876 |
| Total depreciation | 2,191,297 | 400,361 | (76,913) | 2,514,744 |

| | | | | |
|------------------------|------------------|--|--|------------------|
| Carrying amount | 1,268,440 | | | 1,194,882 |
|------------------------|------------------|--|--|------------------|

13 Right-of-use assets

| | Year ended 31.12.2022 MVR | Year ended 31.12.2021 MVR |
|--|---------------------------------|---------------------------------|
| As at 1 January | 16,602,301 | 17,895,987 |
| Amortization Expense | (1,293,686) | (1,293,686) |
| As at 31 December | 15,308,615 | 16,602,301 |
| Lease Obligation | | |
| Additions of properties held under lease | 6,726,123 | 7,051,453 |
| Accretion of Finance Cost | 426,978 | 448,766 |
| Payments | (774,096) | (774,096) |
| As at 31 December | 6,379,005 | 6,726,123 |

The Company occupies the ground and first floors of H. Palmayrah commencing 1 November 2019 for its operations. The lease period is 180 months from the aforementioned date with a monthly rental of MVR 131,175/-. At the commencement of the lease, the Company has made an advance payment of MVR 12 Mn, to be deducted equally every month over the lease period. Accordingly, the Company is committed to pay MVR 64,508/- after deducting MVR 66,667/- (MVR 12,000,000/180) per month towards balance due on rent.

14 Financial Assets

| | Year ended 31.12.2022 MVR | Year ended 31.12.2021 MVR |
|---|---------------------------------|---------------------------------|
| Financial instruments at fair value through profit or loss (13.1) | 7,956,427 | 5,431,653 |
| Available for sale financial assets (13.2) | 72,000,000 | 40,500,000 |
| Loans and receivable (13.3) | 124,419,791 | 119,466,279 |
| | 204,376,218 | 165,397,932 |
| 14.1 Financial instruments at fair value through profit or loss | | |
| Investment in equity securities (13.4.1) | 7,956,427 | 5,431,653 |
| Fair value through profit or loss investments have been valued at fair value. | | |
| 14.2 Available for sale financial assets | | |
| Investment in equity securities - Quoted (13.4.2) | 72,000,000 | 40,500,000 |
| | 72,000,000 | 40,500,000 |
| 14.3 Loans and receivable | | |
| Bullion | 1,265,036 | 997,387 |
| Murabaha investments | 707,331 | 455,080 |
| Mudarabah investments | 40,524,950 | 65,782,500 |
| Wakalah investment | 43,730,700 | 46,188,700 |
| Advances to company officers | - | 15,420 |
| Ijarah investment | 191,774 | 64,592 |
| Sukuk investment | 5,500,000 | 5,500,000 |
| Islamic Treasury Bills | 32,500,000 | - |
| Special Foreign Investment Deposit Accounts (SFIDA) | - | 462,600 |
| | 124,419,791 | 119,466,279 |

14.4 Investment in equity shares/securities

| | 2022 | | 2021 | |
|-------------------------------|---------------------|------------------------|---------------------|------------------------|
| | Number of shares | Market value MVR | Number of shares | Market value MVR |
| 14.4.1 Quoted - Shares | | | | |
| Dhivehi Raajjeyge Gulhun PLC | 2,270 | 251,970 | 2,270 | 231,540 |
| Maldives Islamic Bank PLC | 6,372 | 254,880 | 5,152 | 185,472 |
| Ooredoo Maldives PLC | 100,000 | 7,000,000 | 100,000 | 3,300,000 |
| Amana Bank PLC (13.4.2.1) | 3,641,124 | 449,577 | 5,052,228 | 1,714,641 |
| | 3,749,766 | 7,956,427 | 5,159,650 | 5,431,653 |

| | 2022 | | 2021 | |
|--|------------------|------------------|------------------|------------------|
| | Number of shares | Market value MVR | Number of shares | Market value MVR |
| 14.4.2 Quoted - Securities | | | | |
| Maldives Islamic Bank PLC | 1,800,000 | 72,000,000 | 1,125,000 | 40,500,000 |
| | 1,800,000 | 72,000,000 | 1,125,000 | 40,500,000 |
| 14.4.2.1 Cost as at 31 December | | | | |
| | | 1,714,641 | | 2,389,023 |
| Less: provision for impairment | | (759,954) | | 113,255 |
| Less: sold during the year | | (520,096) | | (847,472) |
| Additions: Scrip dividend | | 14,986 | | 59,835 |
| Fair value as at 31 December | | 449,577 | | 1,714,641 |

15 Re-takaful (re-insurance) receivables

| | Year ended 31.12.2022 MVR | Year ended 31.12.2021 MVR |
|---------------------------------------|---------------------------------|---------------------------------|
| Re-takaful (re-insurance) receivables | 7,276,487 | 10,917,968 |
| | 7,276,487 | 10,917,968 |

16 Contribution (premium) receivable

| | | |
|------------------------------------|------------|------------|
| Contribution (premium) receivables | 12,640,489 | 14,570,558 |
| | 12,640,489 | 14,570,558 |

17 Amounts due from related parties

| | | |
|--|---------|---------|
| Amana Takaful PLC- Medical Takaful (Colombo) | 142,278 | 85,171 |
| Amana Takaful PLC | 63,168 | 54,348 |
| | 205,446 | 139,519 |

18 Other assets

| | | |
|------------------------------------|-----------|-----------|
| Other receivables | 7,231,366 | 5,477,257 |
| Deposits, advances and prepayments | 1,324,852 | 991,255 |
| | 8,556,218 | 6,468,512 |

19 Cash and cash equivalents

| | Year ended 31.12.2022 MVR | Year ended 31.12.2021 MVR |
|---------------------|---------------------------------|---------------------------------|
| Cash in hand | 3,059 | 4,000 |
| Balances with banks | 5,815,869 | 4,366,175 |
| | 5,818,928 | 4,370,175 |

20 Issued share capital*20.1 Authorized share capital*

| | | |
|--|------------|------------|
| 50,000,000 Ordinary shares of MVR 1.30 | 65,000,000 | 65,000,000 |
|--|------------|------------|

20.2 Issued and fully paid share capital

| | | |
|--|------------|------------|
| 20,241,987 Ordinary shares of MVR 1.30 | 26,314,583 | 26,314,583 |
|--|------------|------------|

20.2.1 Voting power and dividends

The holders of ordinary shares confer their rights to receive dividends as declared from time to time and are entitled to one vote per share at a meeting of the Company. Further, Company has declared a final dividend of MVR. 2,631,458/- for 2021 and an interim dividend of MVR. 2,631,458/- during the year ended 31 December 2022.

21 Takaful (insurance) contract liabilities

| | Year ended 31.12.2022 MVR | Year ended 31.12.2021 MVR |
|--|---------------------------------|---------------------------------|
| Provision for unearned contribution (premium) (21.1) | 39,471,259 | 28,441,747 |
| Claims outstanding (21.2) | 22,768,462 | 27,066,307 |
| Provision for claims IBNR (21.3) | 1,048,224 | 810,342 |
| | 63,287,945 | 56,318,396 |
| <i>21.1 Provision for unearned contribution</i> | | |
| As at 1 January | 28,441,747 | 17,219,967 |
| Increased during the year | 11,029,512 | 11,221,780 |
| As at 31 December | 39,471,259 | 28,441,747 |
| <i>21.2 Provision for claims outstanding</i> | | |
| As at 1 January | 27,066,307 | 13,631,843 |
| Settled during the year | (27,066,307) | (13,631,843) |
| Provision made during the year | 22,768,462 | 27,066,307 |
| As at 31 December | 22,768,462 | 27,066,307 |

21.3 Provision for claims IBNR

The incurred but not reported (IBNR) claim reserve has been actuarially computed by Zainal Abidin Mohd Kassim on behalf of Acturial Partners Consulting Sdn Bhd. The valuation is based on internationally accepted valuation methods, which analyses the past experience and pattern of the claims.

22 Post Employee benefit Plans

| | Year ended 31.12.2022 MVR | Year ended 31.12.2021 MVR |
|-------------------------------------|---------------------------------|---------------------------------|
| Employee Benefits - Gratuity | | |
| As at 1 January | 3,964,833 | 3,209,828 |
| Provision during the period | 15,594 | 755,005 |
| As at 31 December | 3,980,427 | 3,964,833 |

The gratuity liability was valued using actuarial technique by the management at 31.12.2022 as requires by IAS 19, Employee Benefits.

22.1 Principal actuarial assumptions used for the Company as follows:

| | |
|-----------------------------|----------|
| a) Discount Rate | 8% |
| b) Salary Increase | 8% |
| c) Incidence of Withdrawals | 18% |
| d) Retirement Age | 60 years |

23 Amounts due to related parties

| | Year ended 31.12.2022 MVR | Year ended 31.12.2021 MVR |
|-------------------------------|---------------------------------|---------------------------------|
| Amana Global Limited | 119,591 | 54 |
| | 119,591 | 54 |
| 24 Other liabilities | | |
| Commission payable | 4,410,039 | 5,979,797 |
| Other payables | 22,840,950 | 13,943,880 |
| Income tax payable (Note 6.4) | 1,681,321 | 1,584,977 |
| Pending policy deposits | 16,650,750 | 16,588,002 |
| | 45,583,060 | 38,096,656 |

25 Related party disclosures

The Company carries out transactions in the ordinary course of business with the parties who are defined as related parties in the International Accounting Standard - IAS 24 (Related Party Disclosures), the details of which are reported below. The pricing applicable to such transactions is based on the assessment of risk and pricing model of the Company and is comparable with what is applied to transactions between the Company and its unrelated customers.

25.1 Parent and Ultimate Controlling Party

The company's parent undertaking is Amana Takaful PLC, a public limited company, incorporated in Sri Lanka and listed on the Colombo Stock Exchange.

25.2 Transactions with Key Managerial Personnel (KMPs)

According to the International Accounting Standard - IAS 24 (Related Party Disclosures) Key Managerial Personnel (KMP) are those having authority and responsibility for planning, directing and controlling the activities of the entity. Such KMPs include the Board of Directors of the Company.

Accordingly, the Directors (including Executive and Non - Executive Directors) of the Company and their close family members have been classified as Key Management Personnel of the Company.

The Company carries out transactions with KMPs & their close family members in the ordinary course of business on an arms length basis at commercial rates.

| | Year ended 31.12.2022 MVR | Year ended 31.12.2021 MVR |
|--------------------------------------|---------------------------------|---------------------------------|
| Directors' fees, benefits & Expenses | 3,339,318 | 3,025,369 |
| | 3,339,318 | 3,025,369 |

25.3 Transactions with other group companies

Information regarding the outstanding related party balances at the year ended, refer note 17 and 23.

| Name of the Company | Relationship | Nature of the transaction | Year ended 31.12.2022 MVR | Year ended 31.12.2021 MVR |
|-----------------------------|-------------------|---------------------------------|---------------------------------|---------------------------------|
| Amana Global Limited | Affiliate company | Balance at 01 January | (54) | (49) |
| | | Settlements (fund transfers to) | 59,288 | 279,717 |
| | | Consultancy fee | (178,825) | (279,721) |
| | | Balance at 31 December | (119,591) | (54) |
| Amana Takaful PLC - Medical | Parent company | Balance at 01 January | 85,171 | 105,431 |
| | | Charges for the Year | (1,196,445) | 1,271,932 |
| | | Settlement during the period | 1,253,552 | (1,292,191) |
| | | Balance at 31st December | 142,278 | 85,171 |
| Amana Takaful PLC | Parent company | Balance at 01 January | 54,348 | 2,385 |
| | | Charges for the Year | (950,475) | (644,844) |
| | | Settlement during the period | 959,295 | 696,807 |
| | | Balance at 31 December | 63,168 | 54,348 |

26 Risk Management

26.1 Overview

All entities face uncertainty and, the challenge for the Company is to determine how much uncertainty to accept as it strives to grow stakeholder value. Uncertainty presents both risk and opportunity, with the potential to erode or enhance value. Primarily, risk management framework enables Management to effectively deal with uncertainty and associated risk and opportunity, enhancing the capacity to build value.

26.2 Risk Management Framework

Amana Takaful (Maldives) PLC's (ATM) risk management framework forms an integral part of the management and Board processes and decision-making framework across the Company. The Company has a robust Enterprise Risk Management Framework to mitigate the identified risks exposed at multiple levels of the operation. We believe, while having the Governance practices and the Standard Operating Procedures (SOP's), having the right people at the right place will mitigate more than half the risks.

However, the Board of Directors has the overall responsibility for the establishment and oversight of the Company's risk management framework and thus, their approval is necessary for the risk management strategies. The Company's Risk Management Framework categorized into four lines of defense as follows:

1. Front Line People – Risk awareness of the people in the front line is the first line of defence.
2. Policies and Procedures – The Standard Operating Procedures will mitigate the risks at operational level.
3. Key Personnel – Appointing key personnel at the key positions will assist mitigating through right decision making and approval controls at senior management level.
4. Governance – The governance practices to mitigate the risks at Board level.

The Board has appointed a Subcommittee (Board Risk Committee) to monitor closely the affairs of Risk Management of the company.

This section discusses the salient features of the risks exposed by the Company in terms of financial instruments and other areas as an insurance company. The Financial instruments of the Company are exposed to the following Risks.

1. Financial Risk
2. Market Risk
3. Insurance Risk

26.3 Financial Risk

26.3.1 Capital Management

a. Objectives and policies

The Company has established the following capital management objectives, policies and approaches to manage the risks that affect its capital position:

- Optimize capital utilization within the regulatory and Shariah guidelines.
- To maintain the required level of solvency of the Company, thereby providing a degree of security to policyholders.
- To allocate capital efficiently and support the development of business by ensuring that returns on capital employed meets the requirements of its shareholders, policyholders and other stakeholders.

employed meets the requirements of its shareholders, policyholders and other stakeholders.

- To retain financial flexibility by maintaining strong liquidity
- To align the profile of assets and liabilities taking account of risks inherent in the business

ATM currently has stated capital worth MVR. 26.3Mn which is higher than the regulatory requirement of Maldives Monetary Authority (MMA). Furthermore, the Company firmly adheres to Islamic finance principles i.e. the strict adherence of Shariah guidelines in terms of investments, marketing activities, and so on., give more stability to the financial strength of the company.

Approach to capital / investment management

Capital of all investments are maintained strictly within the investment guidelines of Shariah Advisory Committee and Executive Committee (act as Investment Committee). The Executive Committee operates under clear terms of reference to thoroughly analyse the new investment proposals, review the past performance and provide guidance in terms of future investments and movements of assets. The Company manages its investment portfolio internally since November 2017.

26.4 Credit Risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss to the other party by failing to discharge an obligation.

How credit risk could arise

- 1 Premium receivable
- 2 Re-Insurance receivable
- 3 Investments in debt securities

Credit Exposure

ATM's maximum exposure to credit risk for the components of the Statement of Financial Position as at 31st December 2022 and 2021, is the carrying amounts of respective financial instruments.

| | Neither Past due nor Impaired | Past due but not Impaired | Individually Impaired | As at 31st December 2022 |
|--|-------------------------------------|------------------------------|--------------------------|--------------------------------|
| Financial Assets | | | | |
| Financial Assets at Fair Value through Profit or Loss | | | | |
| Investment in Equity Securities | 7,956,427 | - | - | 7,956,427 |
| Available for Sale Financial Assets | | | | |
| Investment in Equity Securities | 72,000,000 | - | - | 72,000,000 |
| Loans & Receivables | | | | |
| Mudaraba investments | 40,524,950 | - | - | 40,524,950 |
| Murabaha investments | 707,331 | - | - | 707,331 |
| Wakalah investments | 43,730,700 | - | - | 43,730,700 |
| Sukuk investments | 5,500,000 | - | - | 5,500,000 |
| Ijarah investments | 191,774 | - | - | 191,774 |
| Bullion investments | 1,265,036 | - | - | 1,265,036 |
| Islamic T-Bills | 32,500,000 | - | - | 32,500,000 |
| Other Assets Exposed to Credit Risk | | | | |
| Retakaful (Reinsurance) Receivables | 11,791,760 | - | - | 11,791,760 |
| Contribution (Premium) Receivables | 12,640,489 | - | - | 12,640,489 |
| Cash & Cash Equivalents | 5,818,927 | - | - | 5,818,927 |
| Total Credit Exposure | 234,627,395 | - | - | 234,627,395 |

| | Neither Past due nor Impaired | Past due but not Impaired | Individually Impaired | As at 31st December 2021 |
|--|-------------------------------------|------------------------------|--------------------------|--------------------------------|
| Financial Assets | | | | |
| Financial Assets at Fair Value through Profit or Loss | | | | |
| Investment in Equity Securities | 3,717,012 | - | - | 3,717,012 |
| Available for Sale Financial Assets | | | | |
| Investment in Equity Securities | 42,214,641 | - | - | 42,214,641 |
| Loans & Receivables | | | | |
| Mudaraba investments | 65,782,500 | - | - | 65,782,500 |
| Murabaha investments | 455,080 | - | - | 455,080 |
| Wakalah investments | 46,188,700 | - | - | 46,188,700 |
| Sukuk investments | 5,500,000 | - | - | 5,500,000 |
| Ijarah investments | 64,592 | - | - | 64,592 |
| SFIDA | 462,600 | - | - | 462,600 |
| Bullion investment | 997,387 | - | - | 997,387 |
| Staff Loan | 15,420 | - | - | 15,420 |
| Other Assets Exposed to Credit Risk | | | | |
| Retakaful (Reinsurance) Receivables | 10,917,968 | - | - | 10,917,968 |
| Contribution (Premium) Receivables | 14,570,558 | - | - | 14,570,558 |
| Cash & Cash Equivalents | 4,370,175 | - | - | 4,370,175 |
| Total Credit Exposure | 195,256,634 | - | - | 195,256,634 |

26.5 Market Risk

Market risk involves all the fluctuations in the demand and supply forces in the capital and insurance markets for ATM. The capital market forces determine interest rates, equity prices, yield on other investment assets, while the market forces in the insurance market determines the net premiums and gross premium values. Further, prices of goods and services in general i.e. inflation, determines the cost of administration.

26.5.1 Interest Rate Risk

Interest rate risk is the risk that the value or future cash flows of a financial instrument will fluctuate because of changes in the market interest rates. Floating rate instruments expose the Group to cash flow interest risk, whereas fixed interest rate instruments expose the Company to fair value interest risk.

26.5.2 Equity Risk

Listed equity investments are prone to market risk arising from uncertainties faced in the future values of the securities. In order to diversify its risk the company has a diversified investment policy based on fundamental analysis which has helped balance the uncertainty faced. It is also notable that the Company invests only in white listed equity securities i.e. Shariah compliant securities which are of sound fundamental value giving the Company greater security in its invested equity securities.

Sensitivity Analysis of Equity Risk

| | Type of Classification | 2022 | | 2021 | |
|---------------------------------|------------------------|-----------------|------------------|-----------------|------------------|
| | | MVR 10% Decline | MVR 10% Increase | MVR 10% Decline | MVR 10% Increase |
| Financial Assets | FVTPL | 6,756,165 | 8,257,535 | 4,888,488 | 5,974,818 |
| | AFS | 64,800,000 | 79,200,000 | 36,450,000 | 44,550,000 |
| Net impact on profit before tax | FVTPL | (750,685) | 750,685 | (543,165) | 543,165 |
| Net impact on OCI | AFS | (7,200,000) | 7,200,000 | (4,050,000) | 4,050,000 |

26.5.3 Currency Risk

Currency risk is the risk of loss resulting from changes in exchange rates. The Company's operation is based in Maldives albeit company's investments are placed in overseas; therefore it is exposed to the financial impact arising from changes in the exchange rates of various currencies.

26.6 Insurance Risk

Being an insurance Company, risks related to the insurance business i.e. Insurance Risk, becomes primary in the list. Insurance is all about managing risks on behalf of the customers. In that context, we have identified the following three major risk areas under this Category.

- » Underwriting Risks
- » Claims Risks
- » Re-Insurance Risk

The insurance risk described above is also affected by the contract holder's right to pay reduced premiums or no future premiums, to terminate the contract completely. As a result, the amount of insurance risk is also subject to contract holder behavior.

26.6.1 Under-writing Risks

In insurance, underwriting risk may either arise from an inaccurate assessment of the risks entailed in writing an insurance policy, or from factors wholly out of the underwriter's control. As a result, the policy may cost the insurer much more than it has earned in premiums.

Management Strategy

- i. Price - The Company has strict pricing mechanisms which need to be adhered in respect of various classes of products. Whilst pricing is periodically reviewed in respect of market activity it is notable that discounting is strictly monitored with authority levels only at the highest level whilst also been on a multi-level basis.
- ii. Exposure - The Company fully ensures that the Company does not underwrite risk which does not suit its risk profile and further ensures all high volume non-motor risks are re-insured.
- iii. Personnel - The Company ensures that all Underwriting personnel in General are adequately trained. Further, all staff inclusive of underwriting staff have been given specific Key Performance Indicators (KPI's) with regard to revenue and profitability of product segments. The Life segment has its own in-house actuary, who reviews the Life business closely and guides the management when taking crucial product based decisions.

Further, it should be noted that the Company monitors product profitability of all main classes of insurance on a month by month basis.

26.6.2 Claims Risk

The key risk facing insurance companies is the claims risk where an extremely high amount of risks i.e. a significantly high claims ratio in comparison to the earned premium could drastically affect company performance.

Management Strategy

Countenance of adverse risk of the same is in effect with strict claims management with proper policy documentation at underwriting level and thorough inspection at claims level been fully emphasized in Key Performance indicators of all staff levels.

26.6.3 Re-Insurance Risk

Insurance companies in events where sum insured is extremely high in comparison to premium earned decide on reinsuring the policy with another insurer in order to mitigate/share its loss in the case of disaster. The risk borne would add up to the premium foregone in the event that disaster does not occur to the said policy.

| Name of the reinsurer | Financial Strength | Name of the Rating Agency |
|--|--------------------|---------------------------|
| Swiss Re-insurance | A+ (Superior) | AM Best |
| Labuan Reinsurance (L) Ltd. | A- (Excellent) | AM Best |
| General Insurance Corporation of India | B++ (Stable) | AM Best |
| Saudi Re for Cooperative Reinsurance Company | A- (Excellent) | AM Best |
| Asian Reinsurance Corporation | B+ (Good) | AM Best |
| Kenya Re-insurance | B (Fair) | AM Best |
| Oman Re-insurance | B+ (Good) | AM Best |
| Kuwait Re-insurance | A- (Excellent) | AM Best |
| Himalayan Re-insurance | B + (Fair) | AM Best |

26.7 Liquidity Risk

Liquidity risk is when a possibility arises that an entity will encounter difficulty in meeting obligations associated with financial instruments. The company has a standard set of guidelines set up by an Investment policy under the purview of the Investment committee which is followed in accordance with the MMA guidelines.

Maturity profile of Company investments based on remaining maturity is given below.

| Maturity Analysis 2022 | Less than one Year | 1-3 Years | 3-5 Years | More than 5 years | No stated maturity | Total |
|--|--------------------|------------|------------|-------------------|--------------------|-------------|
| Assets | | | | | | |
| Investments in Equity Securities | 7,956,427 | - | - | - | 72,000,000 | 79,956,427 |
| Mudaraba investments | 40,524,950 | - | - | - | - | 40,524,950 |
| Murabaha investments | - | 707,331 | - | - | - | 707,331 |
| Wakalah investments | 23,981,000 | 19,749,700 | - | - | - | 43,730,700 |
| Sukuk investments | - | 2,500,000 | 3,000,000 | - | - | 5,500,000 |
| Ijarah investments | - | 191,774 | - | - | - | 191,774 |
| Islamic T-Bills | 32,500,000 | - | - | - | - | 32,500,000 |
| Bullion Investments | - | 1,265,036 | - | - | - | 1,265,036 |
| | 104,962,377 | 24,413,841 | 3,000,000 | - | 72,000,000 | 204,376,218 |
| Liabilities | | | | | | |
| Lease liability | 774,096 | 2,322,288 | 1,548,192 | 4,515,560 | - | 9,160,136 |
| Takaful (Insurance) contract liabilities | 73,204,940 | - | - | - | - | 73,204,940 |
| Re-takaful (Re-insurance) payables | 12,395,917 | - | - | - | - | 12,395,917 |
| Employee benefits | - | - | - | - | 3,980,427 | 3,980,427 |
| Other liabilities | 36,438,866 | - | - | - | - | 36,438,866 |
| | 122,813,819 | 2,322,288 | 1,548,192 | 4,515,560 | 3,980,427 | 135,180,286 |
| Maturity Analysis 2021 | | | | | | |
| | Less than one Year | 1-3 Years | 3-5 Years | More than 5 years | No stated maturity | Total |
| Investments in Equity Securities | 3,717,012 | - | - | - | 42,214,641 | 45,931,653 |
| Mudaraba investments | 65,782,500 | - | - | - | - | 65,782,500 |
| Murabaha investments | - | 455,080 | - | - | - | 455,080 |
| Wakalah investments | 14,000,000 | 17,000,000 | 15,188,700 | - | - | 46,188,700 |
| Sukuk investments | - | - | - | 5,500,000 | - | 5,500,000 |
| Ijarah investments | - | 64,592 | - | - | - | 64,592 |
| SFIDA | 462,600 | - | - | - | - | 462,600 |
| Bullion investment | - | 997,387 | - | - | - | 997,387 |
| | 83,962,112 | 18,517,059 | 15,188,700 | 5,500,000 | 42,214,641 | 165,382,512 |
| Liabilities | | | | | | |
| Lease liability | 774,096 | 2,322,288 | 1,548,192 | 5,289,656 | - | 9,934,232 |
| Takaful (Insurance) contract liabilities | 56,318,396 | - | - | - | - | 56,318,396 |
| Re-takaful (Re-insurance) payables | 12,514,332 | - | - | - | - | 12,514,332 |
| Employee benefits | - | - | - | - | 3,964,833 | 3,964,833 |
| Other liabilities | 38,096,656 | - | - | - | - | 38,096,656 |
| | 107,703,480 | 2,322,288 | 1,548,192 | 5,289,656 | 3,964,833 | 120,828,449 |

26.8 Non-life insurance contract

The non-life insurance principally issues the following types of general insurance contracts: motor, marine, engineering, fire and miscellaneous products. Risks under non-life insurance policies usually cover twelve months duration. For general insurance contracts, the most significant risks arise from accidents, climate changes, natural disasters and terrorist activities. For longer tail claims that take some years to settle, there is also inflation risk.

These risks do not vary significantly in relation to the location of the risk insured by the Company, type of risk insured and by industry. The above risk exposure is mitigated by diversification across a large portfolio of insurance contracts and geographical areas. The variability of risks is improved by careful selection and implementation of underwriting strategies, which are designed to ensure that risks are diversified in terms of type of risk and level of insured benefits.

Furthermore, strict claim review policies to assess all new and ongoing claims, regular detailed review of claims handling procedures and frequent investigation of possible fraudulent claims are all policies and procedures put in place to reduce the risk exposure of the non-life. Further on the spot claims settlement procedures also helps to reduce the exposure to unpredictable future developments that can negatively impact the business. Inflation risk is mitigated by taking expected inflation into account when estimating insurance contract liabilities.

27 Fair value of financial assets and financial liabilities

Short - term financial assets and liabilities

The fair value of short-term financial assets and liabilities approximate their carrying value because of their immediate or short-term maturity.

28 Events occurring after the reporting date

There have been no material events occurring after the reporting date that require adjustment to or disclosure in the financial statements.

29 Capital commitments and contingent liabilities

There were no material capital commitments approved or contracted and contingencies as at the reporting date.

CATEGORY OF SHAREHOLDERS

| | |
|------------------------|------------|
| Amana Takaful PLC | 11,166,500 |
| ExpoLanka Holdings Ltd | 4,600,000 |
| A.G Capital Pvt Ltd | 3,108,792 |
| Other Shareholders | 266,677 |
| Public | 1,100,018 |
| Total | 20,241,987 |

MARKET HIGHLIGHTS

| | |
|----------------------------------|--------------------|
| Highest Traded Price | MVR 9.00 |
| Lowest Traded Price | MVR 2.00 |
| No. of Trades | 42 |
| No. of Shares Traded | 70,466 |
| Weighted Average Traded Price | MVR 6.98 |
| Market Capitalization | MVR 161,935,896 |
| Market Value per Share | MVR 8 |
| Price-Earnings Ratio (P/E Ratio) | 8.51 |
| Dividend per Share | MVR 0.26 |
| Net Asset Value per Share | MVR 6.53 |

**ACQUISITION EXPENSES-
GENERAL TAKAFUL (INSURANCE)**

All expenses which vary with and are primarily related to the acquisition of the new insurance contracts and the renewal of existing insurance contracts.

ACTUARY

An expert concerned with the application of probability and statistical theory to problems of insurance, investment, financial management and demography.

CL AIMS

The amount payable under a contract of insurance arising from the occurrence of an insured event, such as, the destruction or damage of property and related death or injuries, the incurring of hospital or medical bills, death or disability of the insured, the maturity of an endowment policy and the amount payable on the surrender of a policy.

CL AIMS INCURRED

The aggregate of all claims paid during the accounting period, together with attributable claims handling expenses, where appropriate, adjusted by the claims outstanding provisions at the beginning and at the end of the accounting period.

**CL AIMS INCURRED BUT NOT
REPORTED (IBNR)**

A reserve to cover the expected cost of losses that have occurred by the Reporting date but have not yet been reported to the insurer.

**CL AIM O U TSTANDING -
GENERAL TAKAFUL (INSURANCE)
BUSINESS**

The amount provided to cover the estimated ultimate cost of settling claims arising out of events which have occurred by the Reporting date, including claims handling expenses, less amounts already paid in respect of those claims.

COMMISSIONS

A payment made to intermediaries in return for selling and servicing an insurer's products.

**EARNED TAKAFUL
CONTRIBUTION (PREMIUM)**

Written contribution adjusted by the unearned takaful contribution provisions at the beginning and the end of the accounting period.

**GENERAL INSURANCE BUSINESS
(GENERAL TAKAFUL)**

Insurance business falling within the classes of insurance specified as General Insurance Business, under the Insurance Industry Regulation.

**INSURANCE PROVISION -
GENERAL TAKAFUL (INSURANCE)**

This includes net unearned contribution, provisions for unexpired risks, outstanding claims reserve and IBNR reserve.

MUDARABA

This is an agreement made between two parties. The Investor, provides 100% of the capital for the project and the Mudarib manages the entire project using his entrepreneurial skills. The Investor has no control over the management of the project. Profits arising from the project are distributed according to a predetermined ratio. Losses are borne by the provider of the capital.

**NET EARNED TAKAFUL
CONTRIBUTION (PREMIUM)**

Gross written contribution adjusted for the reinsurance incurred and for the increase or decrease in unearned takaful contribution.

CON TRIBUTION (PREMIUM)

The consideration payable by the insured for an insurance contract

RETAKAFUL (REINSURANCE)

Transfer of all or part of the risk assumed by an insurer, under one or more insurance to another insurer, called the reinsurer.

SHARI'AH

Is the code of law for the Islamic way of life which has been derived from the Quran and the Sunnah (The Practice of the holy Prophet Muhammad - Peace be upon him).

**SHARI'AH ADVISORY COUNCIL
(SAC)**

This comprising Shari'ah Scholars or/ and well versed personnel in Shari'ah, which ensures Shari'ah compliance in the operations of the Company. The SAC advises the Company on all Shari'ah matters in its business activities and involves in endorsing and validating relevant documentation, such as products' manuals, policy terms and conditions, marketing materials, sales illustrations, etc.

**SOLVENCY MARGIN - GENERAL
TAKAFUL (INSURANCE)**

The difference between the value of the assets and the value of the liabilities required to be maintained by the insurer who carries on general insurance business.

TAKAFUL

Is an Arabic word, which means 'guaranteeing each other'. It is a system of risk management based on the principle of mutual assistance (TA-AWUN) and contributions (Tabarru) where the risk is shared collectively by the group voluntarily.

UNDERWRITING

The process of selecting which risks an insurance company can cover and deciding the contribution and terms of acceptance

**UNEARNED TAKAFUL
CONTRIBUTION /UNEARNED
TAKAFUL CONTRIBUTION
RESERVE**

It represents the portion of contribution already entered in the accounts as due but which relates to a period of risk subsequent to the Reporting date.

**WRITTEN CONTRIBUTION
(PREMIUM)**

Total contribution received or due from all insurance contracts during a period.

NOTICE IS HEREBY GIVEN that the Twelfth Annual General Meeting of Amāna Takaful (Maldives) PLC will be held on Monday, 22nd May 2023 at 2.30 p.m. virtually, local time. The agenda items of the meeting are as follows:

1. Recitation of Holy Quran.
2. Opening remarks by the Chairman.
3. Video presentation on the performance of the company.
4. To read and consider the minutes of the last year Annual General Meeting (the minutes of the meeting are available at the company website).
5. To receive and consider the Annual Report of the Board of Directors on the Affairs of the Company for the year ended 31st December 2022 and the Report of the Auditors thereon.
6. To reappoint two Independent Directors as per clause 61 of Articles of Association. (brief profile of the nominated candidates are available at the company's website).
 - a) Dr. Ahmed Inaz
 - b) Mr. Alau Ali
7. To reappoint the retiring Auditors, Messrs. Ernst & Young, Chartered Accountants for the ensuing year and to authorize Directors to determine their Fee. (please refer page 49 of the Annual Report for the proposed Audit Fee for year 2023).
8. To consider any other business of which due notice has been given.

By Order of the Board,
Amāna Takaful (Maldives) PLC



Mohamed Hilmy
Signed for and on behalf of
Vakeelu Chambers LLP

Secretaries, Male'
30th April 2023

Voting Procedure

- » Voting shall be carried out virtually via FahiVote system.
- » Unless otherwise decided contrary, every Member shall be entitled to 1 (one) vote.
- » Voting by poll may be made at the request of Members representing not less than 10% (ten percent) of the share capital.
- » On a poll each shareholder shall have one vote for each share held.
- » In the event of a dispute over the validity of a vote taken in a General Meeting of the Company the decision of the person who chairs the meeting shall be final.
- » Where a vote is divided equally, the Chairman may, in addition to giving his vote as a Member, give casting vote.

Appointment of a Proxy

The procedure to appoint a proxy has been circulated with the Proxy Form.

Proxy voting guidelines

- » Each proxy will have the right to vote virtually via FahiVote system either where every member shall be entitled to one (1) vote or on a poll. In a poll each Proxy will have one vote for each share held.

Revocation of a Proxy

- » The Revocation of a Proxy shall be done 24 hours prior to the commencement of the Annual General Meeting by submitting the Revocation Form subject to duly receipt and acknowledgement of the responsible officer of the Company. Proxy Revocation Form is available at Company's website.

Participation in the AGM

Shareholders whose name is registered in the Shareholders registry as at 10th May 2023 shall be eligible to participate and vote at the AGM and are entitled to any benefit thereof.

I/We the undersigneda legal entity duly registered and existing under the laws of / , a citizen of bearing ID card/ Passport No....., having permanent residence at a member of Amana Takaful (Maldives) PLC, holding ordinary shares and having MSD Account No., hereby appoint and authorize:

Full Name :
 Nationality :
 ID Card / Passport No :
 Address :
 Email Address :

as my/our proxy to represent me/us and to vote for me/us on my/our behalf in the **TWELFTH** Annual General Meeting of Amana Takaful (Maldives) PLC to be held in virtually on 22nd of May 2023 and at any adjournment thereof.

I / We, hereby certify that consents, approvals, or authorization that are necessary for the execution of this proxy have been obtained.

For and On behalf of the Member

.....

Signature (Member)
(If a company, please affix the official seal here)

ContactNo:.....

.....

Signature (Proxy) as token of acceptance.

Contact No:.....

Instructions as to Completion

1. In order to appoint a proxy, this form must be signed and dated by the shareholder or his/her Attorney duly authorized. If the Shareholder is a company or legal entity it should execute this proxy form under its common seal or by the signature(s) of a person(s) authorized to sign on its behalf. It MAY submit a copy of the Board Resolution passed by such Legal Entity shareholder appointing a Proxy to attend the AGM.
2. In case of joint shareholding, any one shareholder may sign this proxy form.
3. A copy of the National Identity Card or Passport of the shareholder and the Proxy should be submitted with the proxy form.
4. The duly completed Form of Proxy must be submitted to the Company before 20th May 2023.
5. In the case of a form of proxy signed by an Attorney, the relevant Power-of-Attorney or a certified copy thereof should also accompany the completed Form of Proxy and must be submitted with this form.
6. A person can only act as a proxy for a maximum of 10 shareholders.

CORPORATE INFORMATION

NAME OF THE COMPANY

Amāna Takaful (Maldives) PLC

LEGAL STATUS

Public Quoted Company with Limited Liability. Incorporated in Maldives on 18th May 2005

COMPANY REGISTRATION NUMBER

C-0315/2005

BUSINESS ADDRESS

Ground Floor, H. Palmayrah, Sosun Magu, Male', Republic of Maldives

STOCK EXCHANGE LISTING

The shares of the Company are listed in the Main Board of Maldives Stock Exchange in September 2011. Stock Exchange Code of Amana Takaful (Maldives) PLC shares is 'ATM'.

DIRECTORS

Tyeab Akbarally (Chairman)
Osman Kassim
Dato' Mohd Fadzli Yusof
Dr. Ahmed Inaz
Abdullah Kassim
Ahmed Alau Ali
Hareez Sulaiman

SHARI'AH ADVISORY COUNCIL

Mufti M.I.M. Rizwe - Chairman
Mufti Shafique Ahmed Jakhura
Ash-sheikh Ali Zahir Bin Saeed Gasim
Moulavi Muhammad Huzaifah

AUDITORS

Ernst & Young
Chartered Accountants
G. Shafaq, 2nd Floor
Rahdhebai Magu
Male'
Republic of Maldives

LAWYERS

Chambers INN
M. Hazaarumaage, 7th Floor
Fareedhee Magu 20191
Male'
Republic of Maldives

REINSURANCE PANEL

Swiss Re Retakaful
Saudi Re
Trust International Bahrain
Labuan Reinsurance (L) Ltd
Kuwait Re

SECRETARIES

Vakeelu Chambers LLP
M. Coral Wood (Ground Floor)
Fareedhee Magu
Male'
Republic of Maldives

PRINCIPAL BANKERS

Maldives Islamic Bank
Bank of Maldives
State Bank of India

CONSULTANT ACTUARIES

Actuarial Partners
Suite 17.02, Kenanga International, Jalan Sultan Ismail,
50250 Kuala Lumpur,
Malaysia

