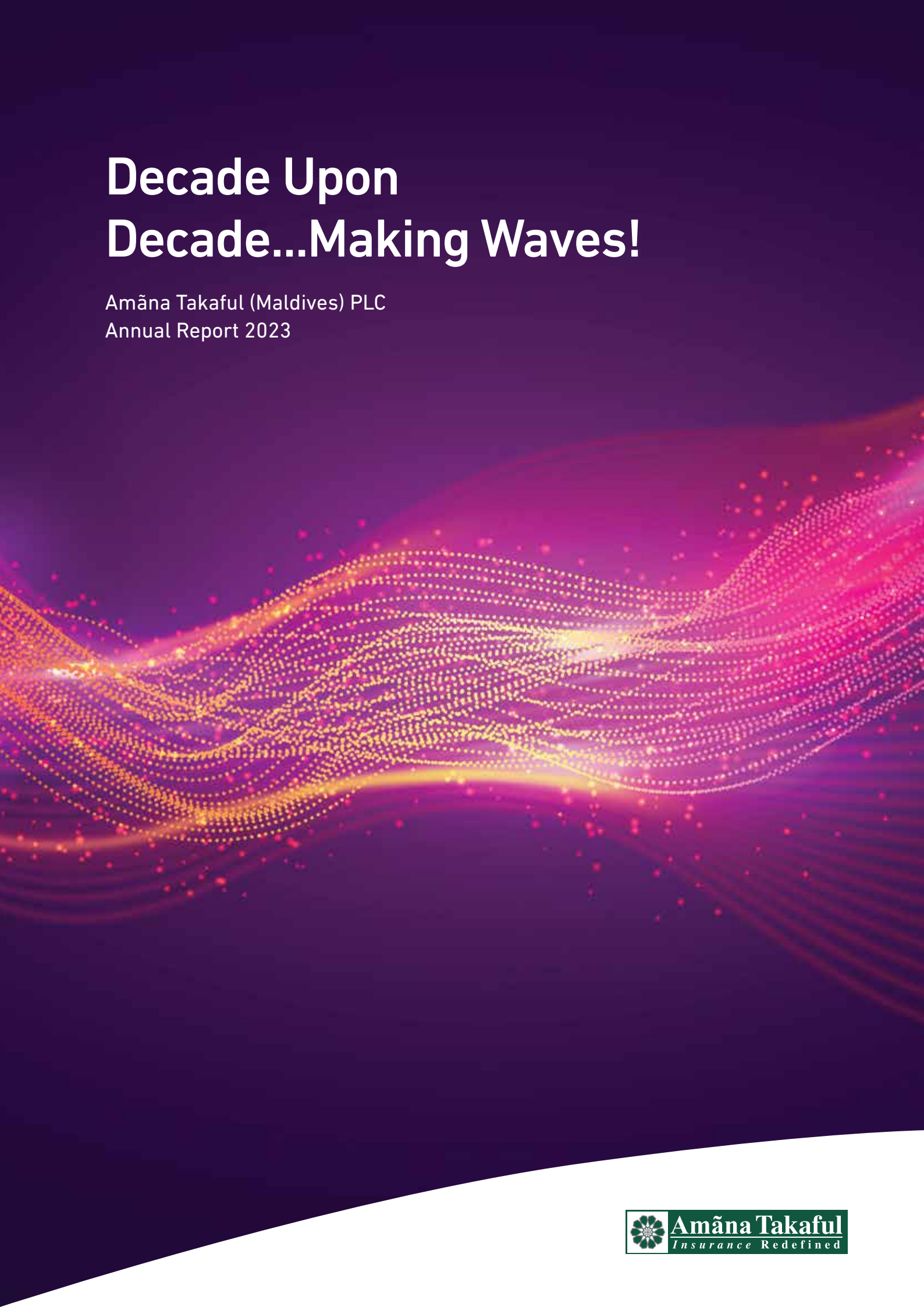
Decade Upon Decade...Making Waves!

Amãna Takaful (Maldives) PLC
Annual Report 2023



Amãna Takaful
Insurance Redefined

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Corporate Information (Inner Back Cover)

Decade Upon Decade...Making Waves!

As a free and sovereign Nation since 1965, Maldives a fishing community, with very limited natural resources has moved by leaps and bounds to a thriving economy. In fueling this growth, its Financial Services Sector has been a formidable fulcrum.

The advent of Islamic Finance over two decades ago through a pure and pristine participatory, risk-sharing model based on mutuality - the Takaful Concept, was pioneered by Amana Takaful Maldives. We've kept the promise of thirteen consecutive years of Dividend pay-outs, an equal period of Surplus sharing on an incremental frequency and scale since our voluntary listing on the MSE in 2011, the only Insurance Outfit to do so to this date. Devoid of any formal Takaful Regulatory Framework in a climate of Conventional Insurance practice, a transparent Code of Conduct replete with a Governance Framework and a Shariah Council of eminent scholars, we will continue to push the boundaries of self-regulation, undeterred. Small wonder then, that players in the Conventional Mode are tempted to embrace the fragrance of Takaful in their respective outfits.

The hunger for infrastructure, capability and an innovations ethos, is what drives the enterprise into uncharted waters, as it were, touching the lives and livelihoods of all the citizenry, so that many a "bark" that careers by, comes safe within her ports to lie.

Our next decade will see innovative products, a step-change in transactional capability, built on a seamless and virtual engagement platform with an expanded Customer base complemented by an unparalleled underwriting & service delivery in leading the financial services market.

We've "shored-up" a considerable share of an expanded market, and in incremental growth is ours to net with a strong bulwark in place. We remain steadfast to Making Waves in the Decades ahead!

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.

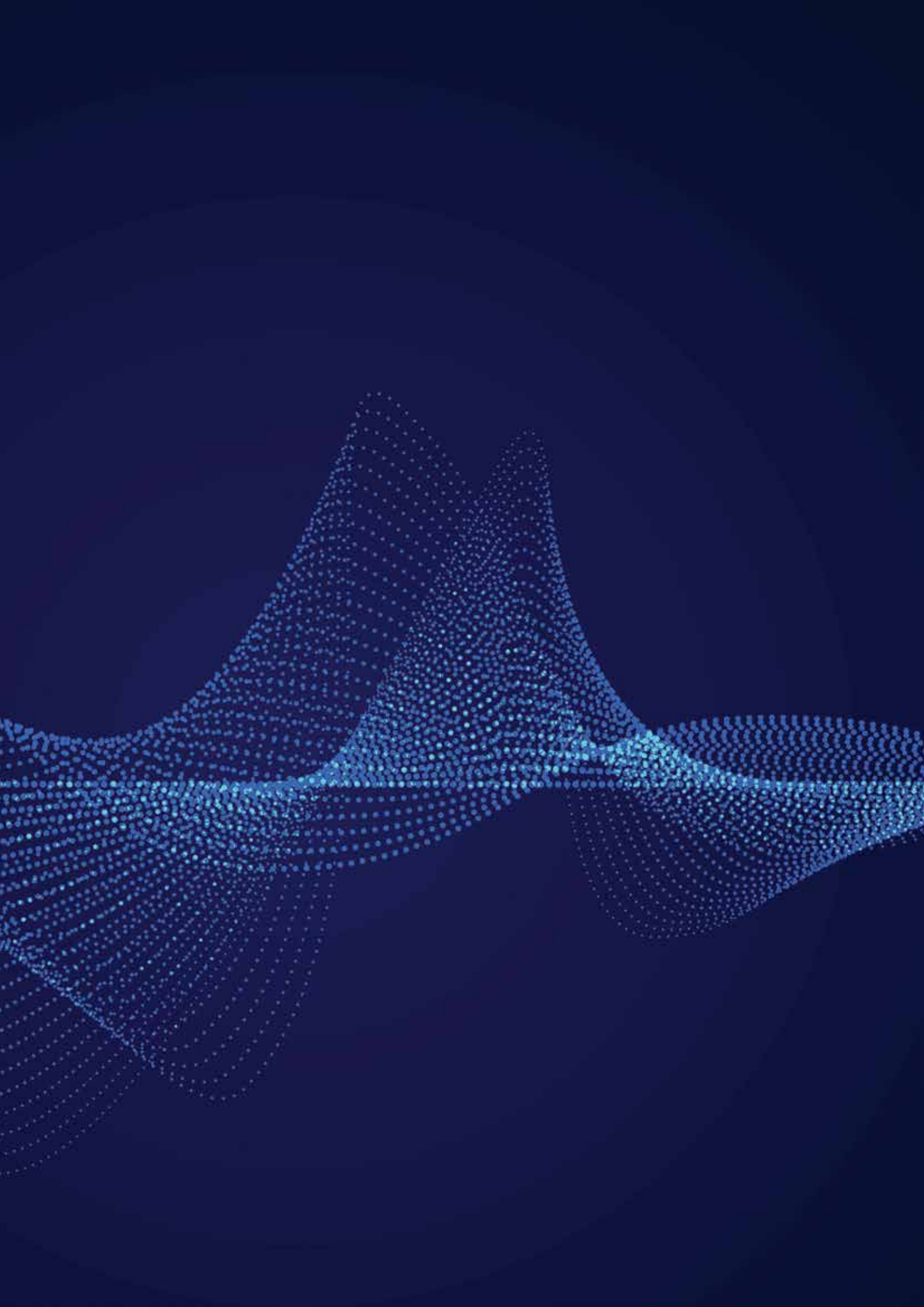
Our delivery will reach all our stakeholders including customers,shareholders, suppliers, regulators, our staff and the community at large.

OUR MISSION

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

OUR VALUES

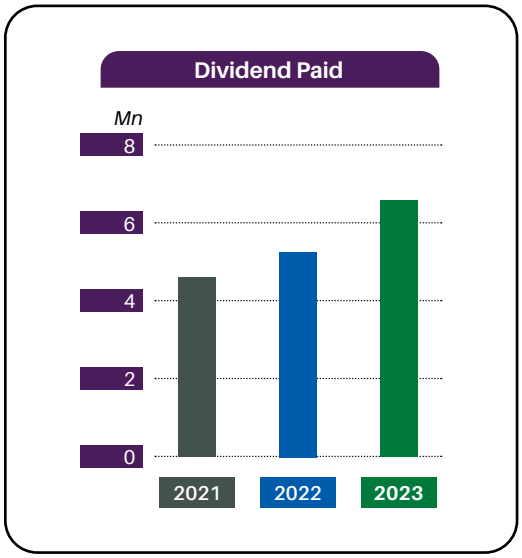
"As a company and as individuals we believe, in doing what's right – for what's right is good. To uphold integrity, sincerity, honesty and mutual respect whilst committing ourselves to all our stakeholders to consistently deliver exceptional value and to take on challenges that we relentlessly strive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

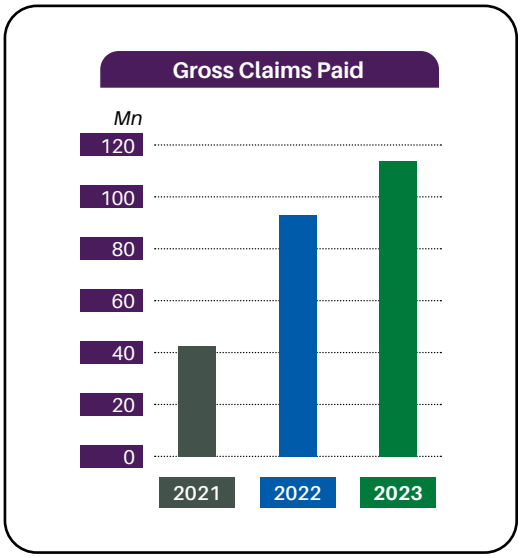


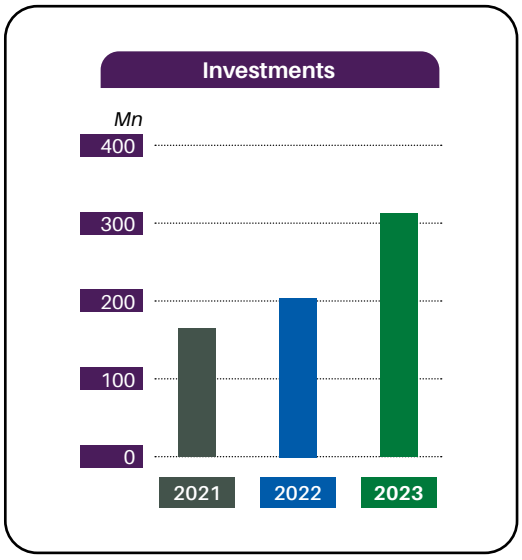
FINANCIAL HIGHLIGHTS

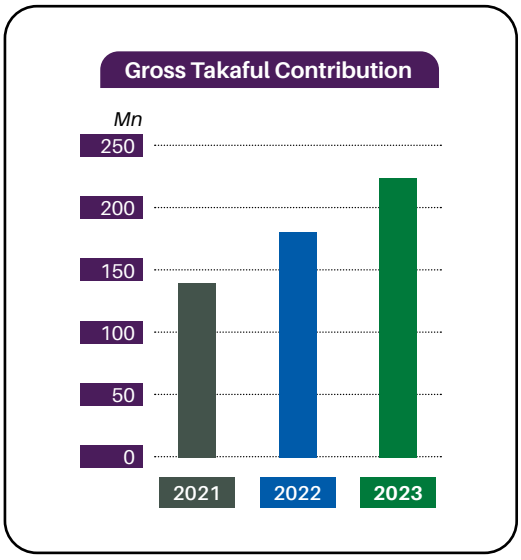
Year ended 31 December	2023 MVR	2022 MVR
Takaful (Insurance) Revenue	204,096,093	171,713,892
Takaful (Insurance) Service Result	38,030,286	35,711,197
Profit after Tax	16,791,357	14,448,675
Return on Equity	10%	13%
Financial Assets	314,492,180	206,328,880
Total Assets	379,019,784	266,342,540
Retained Earnings	79,690,216	69,477,504
Issued Share Capital	26,314,583	26,314,583
Net Assets Value per Share	8.65	5.64

The significant accounting policies and the notes from pages 59 to 96 form an integral part of these financial statements.










Making Waves
We aspire to be Game Changers in
securing & protecting

CHAIRMAN'S MESSAGE



"..the Maldives is set for continued recovery and diversification, with a strong focus on sustainable growth, innovation, and attracting foreign investment in diverse sectors. This multifaceted development path will unlock numerous opportunities for the insurance industry, in which Amana Takaful will be a formidable player."

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

On behalf of the Board of Directors, I am pleased to present your company's Annual Report for the financial year 2023 and wish to invite you to the Annual General Meeting.

In 2023, despite global challenges, the Maldives economy, especially the tourism sector, showed remarkable resilience and witnessed a substantial rebound. The country's emphasis on sustainable tourism initiatives and infrastructure development gained traction post-pandemic. As we anticipate 2024, the Maldives is set for continued recovery and diversification, with a strong focus on sustainable growth, innovation, and attracting foreign investment in diverse sectors. This multifaceted development path will unlock numerous opportunities for the insurance industry, in which Amana Takaful will be a formidable player.

Your Company's decade upon decade of ethical stewardship in introducing and cementing Islamic Finance in the Maldives ecosystem, garnering market share in an expanding industry, and winning the hearts and minds of the people bears testimony to our ability, capability, and agility to make waves, as we move into our 21st year and beyond.

2023 Operating Performance

From now on, our financial reporting will witness a sea-change, fully compliant with the Global International Financial Reporting Standards 17 (IFRS 17). The significance of this achievement puts ATM at the vanguard of being the sole entity in the region to do so, and it serves as a testament to our commitment to adapting to such imperatives. Time and energy have gone into engaging accounting and actuarial partners to help us adopt the new financial reporting process. Let me assure our valued shareholders that the new reporting format provides more reliable information for decision-making.

Your Company is pleased to report impressive growth performance with a top-line revenue surge of 19% and Comprehensive Income upside by 203% to MVR 67 Mn respectively, in comparison to the previous year. Exceptional performance across fixed-income instruments, equities, and structured facilities have brought in returns of MVR 12.3 Mn, significantly bolstering the profit before tax to 20.05 Mn.

Our commitment to disburse a Surplus Refund of MVR 1.02 Mn from the Risk Pool to non-claimant participants in 2023 continues for over a decade.

In light of the aforesaid, I am pleased to announce to our shareholders the declaration of an interim dividend amounting to 10% of the face value of shares for the financial year under review. The disbursements were honoured in November 2023.

Your Company's timely agility in grasping new opportunities and instruments in bolstering the Investment portfolio has yielded promising green-shoots in meeting financial challenges and mitigating the impact of surging claims in a fast-growing Medical Products segment, in particular. As the insuring public's lifestyle becomes more conscious of healthcare and resorts to private medicare, we are mindful of our capacity and capability to service those needs. As stated in my review last year, we are experiencing a learning curve, together with other industry players, to the extent that a collective effort is now needed in underwriting precision, pricing and partnerships, together with regulatory concurrence to maintain a semblance of balanced results in this fast-growing segment.

You will all appreciate that being a listed enterprise, there is an onus on the Board to subscribe to governance practices and regulatory imperatives with utmost transparency. All these come at a cost. Productivity initiatives and cost optimization whilst investing in business processes are reviewed regularly, and more so now, to ensure that shareholder and stakeholder expectations are met and exceeded. We have demonstrated a proven track record on that score and will continue the efforts despite all odds.

Digitization capability is firmly embedded in the organization, yet we recognize the fact that we have to be ahead of the game. Therein lies the twin benefits of customer satisfaction and cost-effective delivery of service. We will spare no pains to invest in recruiting and nurturing our talent to build capabilities and aspirations in delivering industry-leading solutions on all fronts.

Climate Strategy

As the impact of severe weather events intensifies and global transitions towards a low-carbon economy, integrating climate change considerations into our strategic plans becomes imperative. This shift affects all stakeholders, urging proactive measures. As the nation transitions to a low-carbon economy, an attitudinal and behavioural change is envisaged with enhanced resilience and disaster response capability. Working in tandem with the authorities, we will expand our Corporate Social Responsibility programs to embrace these initiatives with commensurate resource allocation to positively impact society and be in a state of readiness.

Creating the Future

Despite challenges such as rising costs and market volatility, we remain committed to long-term growth strategies. Our Transformative Growth initiatives, central to ATM's vision, aim to enhance capabilities and enter new markets. Leveraging technological advancements, we have introduced new products for improved customer experiences with new touchpoints, with an emphasis on innovation and sustainable growth.

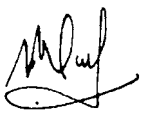
As a seasoned service provider in the Maldives, ATM has enlisted a fifth and more of the population since the issuance of our first policy in 2003. In broadening the scope of Takaful, Insha Allah, we shall shortly launch Family Takaful Operations (Life Insurance Products) fulfilling a long-felt need, no sooner procedural and regulatory formalities receive clearance.

Corporate Stewardship

Whatever we undertake, whatever we underwrite, we do so with a conspicuously high sense of responsibility and trust, in a mutually beneficial way remaining steadfast to the tenets of Takaful. That is only possible due to the deep and abiding commitment of our multi-skilled staff and the leadership of our Management Team. As a responsible corporate entity and a pioneer in Islamic Finance, we share the nation's goals of fulfilment, be it in business, fair trade practices and a competitive spirit in addition to social upliftment programs. We will continue to advance the cause of Stakeholder engagement at all levels.

In conclusion, I thank all shareholders for their continued faith in our Company, our customers for their mutually beneficial patronage, and the regulatory authorities for continuing to offer their wisdom.

I wish to express my sincere gratitude to the Management and staff of ATM for their unwavering enthusiasm and tireless dedication. Lastly, I thank my fellow Board members for their valuable contributions and wise counsel.



Tyeab Akbarally
Chairman

29th April 2024

CEO/MANAGING DIRECTOR'S REVIEW

"Throughout the year, we have remained steadfast in our commitment to operational excellence. Our dedicated team has tirelessly pursued innovation and efficiency, driving enhancements across all facets of our business."



CEO/MANAGING DIRECTOR'S REVIEW

In presenting this Annual Report, Shareholders will be pleased to note that your Company continues to demonstrate Decade upon Decade of excellent business performance, with 2023 being yet another exceptional chapter, the details of which I take immense pleasure to present.

As we continue to shape our strategies to weather the challenges arising from the evolving market conditions, Amana Takaful Maldives reports robust financial results in the top and bottom lines for the reporting year. We are navigating the dynamic seascape in the insurance industry with a proactive approach. Our prudent financial management coupled with strategic investment instruments have yielded commendable returns, ensuring sustainable growth and resilience into the future.

Permit me to enumerate the Key Achievements as follows:

- Reporting a track record of growth in all facets of the business, the Profit before tax of 20.05 Million reflects a 13% increase over the preceding year.
- Leap in Total Comprehensive Income, soaring from MVR 22.32 Million in 2022 to MVR 67.7 Million in 2023, driven primarily by the performance of strategic investments.
- Retained earnings of the company grew by 15%, standing at MVR 79.69 Million as of the balance sheet date.
- Shareholders received an interim dividend of 10% of the book value, totalling MVR 2.6 Million, bringing the total payout to MVR 6.6 Million in a single year.
- To date, Amana Takaful has disbursed MVR 42.1 Million as cumulative dividends, meeting and exceeding shareholder expectations.
- Upholding the Principle of Takaful, a Surplus distribution of MVR 1.02 Million to non-claimant participants, reflecting its commitment to ethical and mutual risk management solutions for the 13th consecutive year, aggregating a total of MVR 12.4 Million to date.
- In 2023, the Company's growth of 24% in terms of Gross Written Takaful Contribution surpassed the Industry Growth of 23%.
- Product-line profitability remained resilient across all classes except for the Medical segment.

Takaful Service Results registered a marginal growth of 6% compared to the previous year despite a notable rise in net incurred claims value of MVR 130 Million. Although raising claims is concerning, we remain optimistic about our overall performance. To put it in context, while wellness and medicare is an increasing phenomenon, the extraordinary growth of the Industry Medical Portfolio by 42% over the previous year is reflective of that. However, the underwriting results have been negative for the past seven consecutive quarters. While Industry collaboration to improve rates and terms has had positive outcomes, inflation in medical services and pricing have galloped, potentially straining Insurers' ability to adapt to frequent changes. In light of these challenges, intervention by Policymakers and Authorities is imperative to address the segment's sustainability and profitability due to its overarching impact on the Industry's overall Underwriting Results, which are reportedly negative and need remedial action for the foreseeable future.

Amidst the steady expansion of Islamic Finance (IF), the demand for Shari'ah compliant investment avenues is on the rise. In recent times, both the government and private sectors have actively pursued new funding opportunities. The introduction of Islamic Treasury bills and the Viyana platform by the MSE has garnered significant interest from institutional investors, with ATM also seizing the opportunity to meet these demands. In 2023, ATM successfully generated an investment return of MVR 12.3 Million through various avenues, including equity, Sukuk and structured facilities, all of which delivered promising returns.

Throughout the year, we have remained steadfast in our commitment to operational excellence. Our dedicated team has tirelessly pursued innovation and efficiency, driving enhancements across all facets of our business. Now, encompassing over 95,000 individuals, ATM continuously invests in technological advancements to stay ahead of the industry. Maintaining the ethos of high service standards, talent development, and skill enhancement are key priorities on ATM's agenda to ensure growth and excellence within the organization.

The company has consistently worked to comply with International Financial Reporting Standard 17 (IFRS 17), and its impact is reflected in our financial reporting practices. IFRS 17 represents a significant milestone in the global insurance industry, aiming to improve the transparency and comparability of insurance contracts. Working together with independent actuarial and accounting firms to implement the necessary changes to our financial reporting processes to ensure full compliance with IFRS 17, I note with confidence that our financial statements accurately reflect the nature and risks of our insurance contracts and provide shareholders with more reliable information for decision making.

For readers' easy comparison, the financial statements of 2022 have also been reset in accordance with the new standards. We assure you that we will navigate these regulatory changes and strive for excellence in our financial reporting practices.

Beyond financial success, we take pride in our meaningful contributions to the communities we serve. As a responsible corporate, we are committed to social stewardship.

Our dedication to promoting awareness of Islamic Finance (IF) principles through collaborative efforts with stakeholders remains steadfast and unceasing. We

continue our effort to conduct Takaful awareness programs and exclusive sessions led by our esteemed Shari'ah Advisory Council members. These initiatives have earned recognition and accolades, positioning ATM as a thought leader in IF and contributing significantly to the industry's growth and development.

With a legacy of serving the archipelago's populace for over twenty years through our General Takaful solutions, Amana Takaful is poised to embark on a new journey into Family Takaful [Life Insurance Products]. Recognizing the evolving lifestyle trends and promising outlook of niche segments among our prospective clientele, we are committed to crafting tailored products to meet their specific needs. Regulatory support and guidance are sought in this regard, and we appreciate their counsel.

Looking ahead, we are optimistic about the opportunities that lie before us. With a clear strategic vision and unwavering determination, we are well-positioned to capitalize on emerging trends and navigate future challenges with resilience and agility.

We thank our shareholders for their continued belief and patronage. Your unwavering support fuels our passion in propelling us to greater success.

I am grateful to my colleagues and associates for their energy and enthusiasm, which permeate throughout the organization as we work towards expanding the reach of the Takaful system to a broader audience.

I would also like to express my gratitude to the Chairman and the Board for their continued guidance and unwavering commitment to principles of governance.

I extend heartfelt gratitude to our valued customers, agents, reinsurers, Shari'ah Advisory Council and strategic partners for their unwavering support and trust in our underwriting practices. Thank you for your trust and shared commitment in our collective journey.

With Decade upon Decade of rich experience and unbridled achievements, and as the tide rises and the tide falls, Amana Takaful Maldives will continue to Make Waves and surf its heights.



Hareez Sulaiman
CEO/Managing Director

29th April 2024

PROFILES OF BOARD OF DIRECTORS

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.

MR. ABDULLAH KASSIM
Director



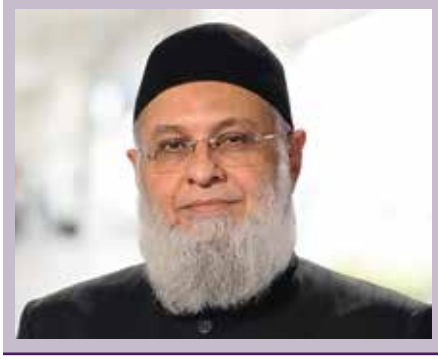
Abdullah Kassim is a young business leader with over 12 years of experience in Senior Management, specializing in Business Process Re-Engineering, Mergers & Acquisitions, High-Level Strategy, and General Management. His experience spans several industries, including Environment Management, Sustainability, 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 the country over a 10-year period. He has added on several verticals to the business, 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, versity of Manchester, UK.

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 Amana Takaful Maldives on the board of Maldives Islamic Bank PLC.

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

DATO' MOHD FADZLI YUSOF
Director



Dato' Mohd Fadzli 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.

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

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.

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.

GENERAL MANAGEMENT COMMITTEE



HAREEZ SULAIMAN
Managing Director/CEO



IBRAHIM RIYAZ
General Manager



ASIF MUHAMMADH
Head of HR and Administration



IMRAN RAMZAN
Head of Sales and Marketing



M. SIRAJ NIZAM
Head of Finance



SHAKIR MOHAMED
Head of Operations

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.

HEADS OF OPERATIONS TEAM


1


2


3


4


5


6

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. 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).

6. 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.

HEADS OF OPERATIONS TEAM







7. 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.

8. 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.

9. 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.

Making Waves

A culture of innovation and change makes us stand apart from the rest



PRODUCT PORTFOLIO

Amāna Takaful HALE & HEARTY Group Medical Plan	**Group Medical & Surgical Takaful** A distinctive program tailored for individuals, companies, or groups, the Takaful scheme is meticulously structured to offer a comprehensive array of services, safeguarding the welfare of employees while aiding employers in meeting their healthcare quality obligations. Extendable to include dependents, this group health plan enables employees to include their family members, ensuring access to excellent healthcare both domestically and in neighboring nations.
AMĀNA TAKAFUL TRAVEL PAL Travel Insurance	**Travel Pal** An indispensable asset for both business and leisure excursions, this vital coverage ensures peace of mind by offering extensive safety for individuals when they are traveling away from home. Our travel takaful is meticulously crafted to shield travelers from prevalent risks, encompassing emergency medical care, evacuation, repatriation of remains, compassionate visits, trip cancellation, lost luggage, and personal accident benefits. Travel with confidence, for major unforeseen circumstances that may occur during your trip.
Amāna Takaful DHAHANAA A safety net for the family	**Dhahanaa** A Personal Accident Benefit (PAB) cover, which not only offers coverage for the immediate financial aftermath of accidents but goes beyond by providing additional benefits such as hospitalization support and weekly compensation. This multifaceted policy aims to safeguard individuals and their families during challenging times, offering peace of mind and financial stability in the face of unforeseen circumstances.
Amāna Takaful myHOME RENTER	**MyHome - Renters** Renters Takaful is a meticulously designed product aimed at meeting the common requirements of the majority residing in rental accommodations. Understanding that many tenants own their furniture and belongings, Renters Takaful acts as the perfect protection for their valuables against a range of risks, such as fire, natural disasters, theft, civil disturbances, and more.
Amāna Takaful easy marine Marine Insurance	**Easy Marine** Marine cargo insurance is essential for the safe transport of imports and exports. It can be tailored to your specific needs, covering individual voyages or provided on an annual basis. This flexibility is particularly valuable for businesses with ongoing import activities or long-term projects, ensuring comprehensive coverage throughout the journey.
Amāna Takaful BUSINESSCOVER Business Insurance	**Business Cover** This cover is perfect for SMEs, adaptable to fit client needs. Unexpected disasters can abruptly disrupt operations, potentially leading to closure. Business takaful acts as a shield, protecting your assets from various risks. By providing this layer of protection, business takaful ensures smooth operations despite unforeseen events.

Amāna Takaful Guest House Cover	**Guesthouse Cover** The Guesthouse cover is a condensed yet comprehensive version of the coverage typically designed for vacation resorts. It encompasses all the essential protections required to ensure a secure and enjoyable stay. Acquiring this coverage for your establishment is a strategic move that enhances your entity's appeal to discerning travelers who prioritize quality in their accommodation choices.
Amāna Takaful TOTAL DRIVE Motor Insurance	**Total Drive** Thanks to the 2012 Road Safety Act, most people are familiar with compulsory motor coverage, which primarily addresses third-party liability. If an individual is found at fault, their insurance compensates the victim for any harm caused. On the other hand, a comprehensive plan goes further, offering coverage for both third-party responsibility and potential damages to the insured individual's vehicle.
Expatriate Medical Takaful	**Expat Takaful** Expatriate medical takaful meets regulatory requirements for expatriates in the Maldives. It uniquely combines Outpatient Department (OPD) benefits with convenient cashless services available through ATMs across a vast network of authorized providers. Alongside OPD coverage, it includes Inpatient Department (IPD) benefits and provision for repatriating mortal remains in case of death.
Amāna Takaful sailor Hull Insurance	**Sailor** In the Maldives, the vulnerability to unforeseen catastrophes is heightened by unpredictable changes in maritime hazards and negligent vessel operations, leading to substantial losses for marine owners. Marine Hull Takaful insurance serves as a crucial protective measure, covering losses or damages to the hull and machinery of vessels. This insurance option offers two distinct types of coverage: comprehensive coverage and total loss coverage.
ނިވާ ހައްޖާ ޢުމްރާ ތަކާފުލް	**Nivaa Hajj & Umrah** Introducing the Nivaa Hajj & Umrah Takaful Plan - tactfully designed to meet the distinct requirements of Hajj and Umrah pilgrims. This comprehensive plan safeguards travelers against a range of potential issues such as medical emergencies, trip cancellations, and lost baggage. From the start of your journey until your return, our Takaful plan ensures dependable protection and peace of mind.
Family Support Takaful Cover	**Family Support Cover** An invaluable safety net exclusively tailored for MIB customers. With a comprehensive 24/7 coverage, it shields you from the unexpected, encompassing accidents, fires, and hospital admissions. What sets it apart is the innovative income support feature, ensuring financial stability by providing cash assistance during trying circumstances.

SUSTAINABILITY REPORT



"We believe our track record in the twenty one years of operations has built a foundation in the three areas mentioned earlier to forge a new chapter by incorporating the UN's Sustainability Goals"

Upholding Islamic principles and contributing to the well-being of our stakeholders and communities.

1. Business Sustainability

At Amana Takaful Maldives (ATM), we are committed to conducting business sustainably within the principles of Takaful, a unique risk-sharing model rooted in mutuality. Our approach ensures that risks and rewards are shared collectively, fostering a sense of community and fairness among participants in the operating environment.
Suffice to say then, that the tripod supporting our Business Sustainability is built on (i) Environment, (ii) Community and (iii) Stewardship.

For a regulated & listed entity such as ours, the overall business strategy is primarily built on increasing shareholder value by adhering to ethical business practices and governance principles. We believe our track record in the twenty one years of operations has built a foundation in the three areas mentioned earlier to forge a new chapter by incorporating the UN's Sustainability Goals. Maldives being a signatory to the UN Charter of 2015, Amana Takaful is committed to playing a positive and supportive role towards the 2030 agenda for Sustainable Development.

2. ESG Model Integration

The United Nations Sustainable Development Goals (SDGs) are a set of 17 interconnected global objectives aimed at addressing key social, economic, and environmental challenges facing the world. Our approach is to bolster existing practices and introduce new aspects over time with specific measurables to attain the targets set therein. For ease of company-wide, community-wide understanding and compliance, our formulation of the ESG integration is a work in progress, as enunciated below:-

Environmental

- We prioritize environmental sustainability by minimizing our carbon footprint through energy-efficient practices in our operations.
- As we embark on this journey, we have already implemented actions to eliminate the use of Plastic and work practices that encourage a "paperless community." Electronic Filing Systems and Records Management Procedures are in place, regularly updated as per our internal policies.
- Our commitment to renewable energy sources aligns with SDG 7 (Affordable and Clean Energy) and SDG 13 (Climate Action).

Social

- We actively engage in community outreach, events, and partnerships, promoting financial literacy and empowerment (aligned with SDG 4 - Quality Education and SDG 8 - Decent Work and Economic Growth).
- Our Health & Safety Takaful Cover for all age groups and specially crafted Pilgrimage Cover reflects our dedication to secure customer wellness, thereby contributing to SDG 3 (Good Health and Well-being).
- While the latter was a recent development, the former serves over 95,000 end users who have embraced our Group Surgical & Hospitalization cover and the Expatriate Medical Takaful Product. Both have demonstrated ready acceptance.

Governance

- Our awards and recognition at IFFSA highlight our commitment to excellence and ethical practices in the Insurance industry, demonstrating strong governance principles and Industry Stewardship.
- Participation in events and advocacy efforts showcases transparency, stakeholder engagement, and adherence to Shariah principles (related to SDG 16 - Peace, Justice, and Strong Institutions).



Key Initiatives



Awards and Recognition

Our achievements underscore our leadership and impact within the Islamic finance landscape, reflecting our commitment to delivering value and driving positive change.

Product Innovation

Launching "NIVAA - Hajj and Umrah Takaful" demonstrates our commitment to meeting customer needs while promoting financial security and peace of mind during the pilgrimage.

Community Engagement

Activities such as the Villa Trivia Quiz Competition and blood donation campaigns reinforce our commitment to community engagement, collaboration, and social responsibility.

Sponsorships

Our Partnership is sought by organizations for meaningful causes, which we readily support as a socially responsible corporate thus aligning with SDG 17 (Partnerships for the Goals).

Events & Participation

Active participation in industry events and advocacy sessions enhances brand visibility and trust and contributes to sector development.

3. Materiality

Having an in-depth understanding and being able to appropriately respond to the changing context in which we operate is fundamental to us, both to have a positive impact and to manage any potentially adverse impacts. To stay abreast of such trends that are most relevant to our stakeholders and our business, our sustainability strategy is aligned with implementation measures, and reporting, incorporating our partners, such that we assess the materiality of sustainability indices on a regular basis.

The senior management team's regular meetings include the company's strategic check, which includes industry analysis, economic analysis, and social implications (both impending and foreseeable). This has allowed us to deepen our understanding of matters that are material to our key stakeholders. It also enabled us to extend our assessment to those sustainability matters that have not been focus areas so far but are now moving more into focus as data, methodologies, and overall research and regulatory guidance evolve. The process, methodology, and outcome of the materiality assessment were thoroughly reviewed and endorsed by our General Management Committee (GMC). In addition, the Board of Directors are notified of key material changes and improvements. The key pressure points identified that have a material effect are as follows.

- Technological evolution and keeping abreast with the developments
- Cybersecurity, Data Privacy and Security
- Ethics and responsible business
- Human Resource – Development and Retention

1. Technological evolution and keeping abreast with the developments

A decade ago, the digitalization movement took off with the launch of the first mobile application. This groundbreaking app was a pioneer in the Insurance Industry, transforming into an e-commerce platform that catered directly to customers. In the past year, our focus has been on acquiring a cutting-edge solution to manage and propel our medical business segment. This initiative aims to enhance healthcare accessibility, ensure prudent cost management, and foster digital inclusion among medical end-users.

Furthermore, ATM has achieved a significant milestone by relocating the company's data servers to a local data center. This strategic move has boosted speed, efficiency, and troubleshooting capabilities. Looking ahead, ATM is committed to unveiling further innovations in digital solutions in the coming years.

2. Cybersecurity, Data Privacy and Security

Ransomware attacks have been on the rise globally, affecting various sectors and governmental bodies. Ensuring data security and privacy has become a critical challenge. Particularly in advanced economies like Europe, there's a heightened emphasis on the ethical handling of data. The shift to remote work during the pandemic has accelerated cyber-attacks, exposing IT vulnerabilities and necessitating additional measures to safeguard customers' personal information.

Data privacy protection is paramount for ATM, especially considering the vast amount of health records managed for our healthcare customers. These records contain highly sensitive and crucial information that must be securely stored, protected, and accessed only for legitimate purposes under a strict system of checks and balances. Therefore, maintaining a robust cybersecurity framework is essential to instilling confidence in customers and other stakeholders.

3. Ethics and Responsible Business

According to the regulator's published reports, the insurance sector in the Maldives is experiencing rapid growth, with companies reporting increasing revenues and consistent profitability. Despite this positive trend, there are opportunities for improvement through industry-wide adherence to good discipline and ethical standards. As a responsible business, we prioritize best practices in all aspects of our operations to maintain profitability and ensure sustainable growth.

This year marks a significant milestone for ATM as we align with the regulator's directive to publish our accounts in compliance with IFRS 17 reporting standards. IFRS 17 is designed to enhance transparency and consistency in financial reporting for insurance contracts. This transparency is essential for investors, regulators, and stakeholders to accurately assess the financial health and performance of the insurance sector. The adoption of IFRS 17 will result in changes to financial statements, including the balance sheet, income statement, and cash flow statement. Insurers will provide more detailed and relevant information about their insurance contracts, offering a clearer view of their financial position.

We are committed to the systematic development of the insurance industry, which will foster growth, prosperity, and sustainability and benefit the entire sector.

4. Human Resource - Development and Retention



All employee matters are managed by the Human Resources Department. Our "People and Culture" strategy is based on fulfilling this purpose and in line with our employer value proposition "We care for tomorrow", staying true to our brand promise of expressing confidence in tomorrow, and putting our customers at the center of what we do. This is what drives our decisions and actions, and we do it in line with our people attributes: Customer & Service Excellence, Trust, and Collaborative Leadership. In line with these sentiments, we consciously conduct on the job training and coaching stints to ensure our people are fully empowered to make the right decisions on behalf of the organization.

Our ambition is to be the top employer in the financial services industry, with World-Class Employees delivering World-Class Products and Services and deploying World-Class processes.



a. **Open Communication: Enhancing Transparency and Collaboration**
   At the heart of Amana Takaful Maldives lies our dedication to open communication. Our credo promotes unrestricted dialogue across all levels that encourages a collaborative work environment. This culture has helped to boost operational efficiency through employee engagement in pursuit of our shared goals.

b. **Talent Acquisition and Onboarding: Tailoring to Local Excellence**
   Our recruitment strategy is crafted to reflect the rich diversity of the Maldives, prioritizing inclusivity and meritocracy. We are committed to attracting and

nurturing top-tier talent who share our vision. The induction process is continuously refined to seamlessly integrate new hires into our corporate culture, aligning their personal ambitions with our organizational goals.

Key Statistics: Our workforce comprises 47 dedicated employees, with a gender distribution of 27.66% female and 72.34% male, showcasing our commitment to diversity.

c. **Continuous Professional Growth: Commitment to Career and Community**
We invest significantly in professional development, recognizing the rapid pace of technological advancement and market evolution. Our comprehensive training programs are designed to enhance skills and foster a culture of continuous learning and growth.

Experience Insight: With 40.43% of our team aged between 31 and 40 and nearly half possessing over five years of service, our employees bring both seasoned expertise and fresh perspectives, essential for innovative problem-solving and sustained growth.

d. **Developing Young Talent: Amana Takaful's Future Leaders Program**
Our specialized internship program is strategically designed to develop the future leaders of Islamic finance. We proudly accommodate internship placements for graduates from the Islamic University of Maldives, providing essential exposure to Islamic finance before their graduation. This program offers hands-on experience and mentorship, preparing young professionals to contribute meaningfully to our industry.

Demographic Profile: 23.40% of our workforce is below 25 years old, energizing our operations with their creativity and eagerness to innovate.

Career Pathways: Interns who seamlessly gel with our organizational culture are often offered permanent roles at Amana Takaful Maldives. This not only helps in retaining top talent but also ensures a continuous influx of fresh ideas and perspectives into our workforce.



e. **Fostering an Enriching Work Environment: Our Amana Takaful Approach**
We pride ourselves on creating a workplace where collaboration, innovation, and entrepreneurial spirit flourish. At Amana Takaful, we empower middle managers to participate in formulating the strategic direction of the organization. This inclusion ensures that they are not only implementers but also active contributors to our corporate goals, fully aligned with the purpose of the organization.



Additionally, our staff members are provided opportunities to gather on various occasions to exchange ideas and build strong rapport across different departments. These interactions foster a supportive and inclusive atmosphere, enhancing innovation and driving positive organizational changes.



Our commitment to high standards and ethical practices encourages personal integrity and dedication to client satisfaction, nurturing a culture that values every employee's contribution.

f. **Striking a Balance – Work vs. Life: Our Holistic Approach**

We strive to maintain a healthy work-life balance, which is vital for the well-being of our team. Our comprehensive well-being programs support not just the professional but also the personal lives of our employees.

Turnover Statistics: Despite a challenging environment, our turnover ratio stands at 25%, highlighting the need for ongoing enhancements to our work-life initiatives.



Reckoning the Steps

ATM is built on a strong sense of purpose and unwavering values underpinned by a code of conduct. These shared values serve as the guiding principles that drive commitment in mobilising all stakeholders - customers, investors, communities, and employees in a spirit of mutuality and offer steadfast support even during challenging times.



In actively listening to our customers and, through them, the communities they represent, we seek to engage our shareholders and employees to prioritise the learnings to develop an actionable roadmap for a sustainable business model. This approach ensures that ATM's stakeholder engagement is meaningful and corroborative and remains mutually responsive in fostering long-term trust and success.







Surplus to the Participants

For the past 11 years, Amana Takaful has upheld an unbroken tradition of surplus distribution for non-claimants, reflecting a journey that honours the contributions made by participants in our Takaful schemes. Regardless of the size of their contributions, every individual who hasn't made a claim during the Takaful period is entitled to this rebate.

This enduring commitment to surplus distribution underscores the trust and reliability of Amana Takaful, showcasing our dedication to serving our participants and upholding the principles of Takaful with unwavering integrity.

Financial Inclusion - The Digital Way

We have dedicated significant effort to developing a robust digital framework aimed at enhancing the customer experience and driving increased web traffic. As part of these efforts, we improve our customers' digital journeys by continuously updating the website with a range of new features designed to enhance the customer journey, improve transactional capabilities, and bolster web security.

In addition to the website enhancements, we have also introduced a new web portal specifically tailored for door-to-door operations and mobile events. This comprehensive platform acts as a policy generator and is equipped with advanced underwriting features, seamless payment processing, and efficient issuance of Takaful Certificates. It supports a wide range of insurance products, including Travel, Motor, Renters, Takaful, and Personal Belonging covers.

To further streamline customer interactions, we have integrated a live chat feature into our website. This real-time communication channel allows customers to engage with our team during office hours, providing quick and convenient solutions. Since the implementation of the live chat feature, we have observed a reduction in incoming calls, demonstrating its effectiveness in improving customer engagement.

Continual improvement remains a key focus for us, as we consistently strive to enhance our portals and other integrated sub-systems. We recognize the importance of continuously upgrading our capabilities and features to deliver efficient, high-quality services to our valued customers. Our efforts are guided by measurable outcomes, productivity assessments, and a solid commitment to ensuring customer satisfaction.

Representing ATM and Creating Awareness





Participation in key events, such as World's Maritime Day 2023 and the Islamic Finance Exhibition of Maldives 2023, is testimony to our proactive approach to raising awareness and understanding of Takaful products and services. These engagements not only boost our brand visibility but also contribute significantly to the growth of the Islamic finance sector through collaborations with industry stakeholders and governmental bodies.

Takaful

ADVOCACY

Financial problems are not fixed by money, but with financial knowledge.

Since its inception in the year 2018, Takaful Advocacy has conducted financial literacy sessions with over 15,000 individuals from different walks of life, amounting to more than 90 hours.

By fostering intellectual growth and facilitating a comprehensive understanding of Shariah-compliant risk management solutions, we further strengthen our engagement with young minds, enabling them to understand the fundamental underpinnings of the Takaful concept.

90+ hours
Advocacy Sessions











FINANCIAL LITERACY













Our advocacy efforts are instrumental in educating diverse audiences about Islamic finance and Takaful principles. By conducting advocacy sessions at educational institutions, we promote the benefits of Takaful and advocate for ethical financial practices. These initiatives contribute to building a sustainable and inclusive financial ecosystem, aligning with our vision of promoting financial literacy and empowerment.





The Family Support Cover Promotion Event strengthened our relationships with MIB customers, providing personalized attention and information about our Takaful plans. This initiative aimed to instil a sense of comfort in health concerns and well-being for their loved ones.





Participating in the Villa Trivia Quiz Competition underscored our dedication to community engagement and learning. Our commendable performance among esteemed corporate institutes and renowned companies in the Maldives highlights our commitment to fostering a culture of collaboration and knowledge sharing.





In organising a successful blood donation camp as part of our Corporate Social Responsibility (CSR) initiative, we aspire to engage the community in mutual support for emergency needs. The active participation of our staff, along with their families and friends, reflects our ethos of extending a "life-line" of caring beyond our core business operations.





Awards and Recognitions



At the Islamic Finance Forum of South Asia (IFFSA), our company was honoured with the following awards from all Islamic finance institutions in the region.

- Silver Award for Takaful Entity of the Year
- Bronze Award for Entity of the Year





In the Maldives, ATM's consistent excellence was recognized with the GOLD100 Award for the sixth consecutive year. Each year, Corporate Maldives identifies the top 100 companies in the country for this esteemed award, further solidifying ATM's position as a top performer and a cornerstone of the business landscape in the country.



Partnerships and Collaborations

At Amana Takaful Maldives, we deeply appreciate the indispensable role our partners - Retakaful Operators, Brokers, Agents, and Hospitals – play in our operational success and strategic ambitions.



Over the past years, including 2023, we have diligently worked to strengthen these crucial relationships. We have engaged in regular discussions with our key partners throughout to address mutual concerns and forge a path forward in pursuit of our organizational goals.





Looking to the future, we are dedicated to not only sustaining but also amplifying these partnerships. Our objective is to significantly broaden our footprint, offering different risk mitigation solutions for the emerging needs, facilitating seamless service and support across a wider array of locations.



This approach is in line with our overarching mission to deliver exceptional service and support, thereby driving sustained growth and enhancing customer satisfaction. We are thankful to our partners for their ongoing support and eagerly anticipate reaching new milestones together in the upcoming year.

Amana Takaful Welfare Association (ATWA): Building a Thriving Community

ATWA is central to our community engagement, offering a range of social and family-oriented activities that foster a strong sense of belonging and team spirit among our employees.

Engagement Impact: Through ATWA, we enhance the well-being of our employees, thereby contributing to our sustained success and community welfare.

In Conclusion

Our Human Resources strategy at Amana Takaful Maldives is more than just policies and programs; it is a vital part of our identity. By investing in our people, we are investing in the future of our company and community, ensuring that we continue leading the way in Islamic finance with integrity and innovation.

ATWA

The Amana Takaful Welfare Association (ATWA) functions as the staff association of Amana Takaful Maldives (ATM), with a primary aim of coordinating recreational activities to enhance staff cohesion and mutual understanding.































Get your **Home Contents** **covered** for less than a cup of coffee a day.

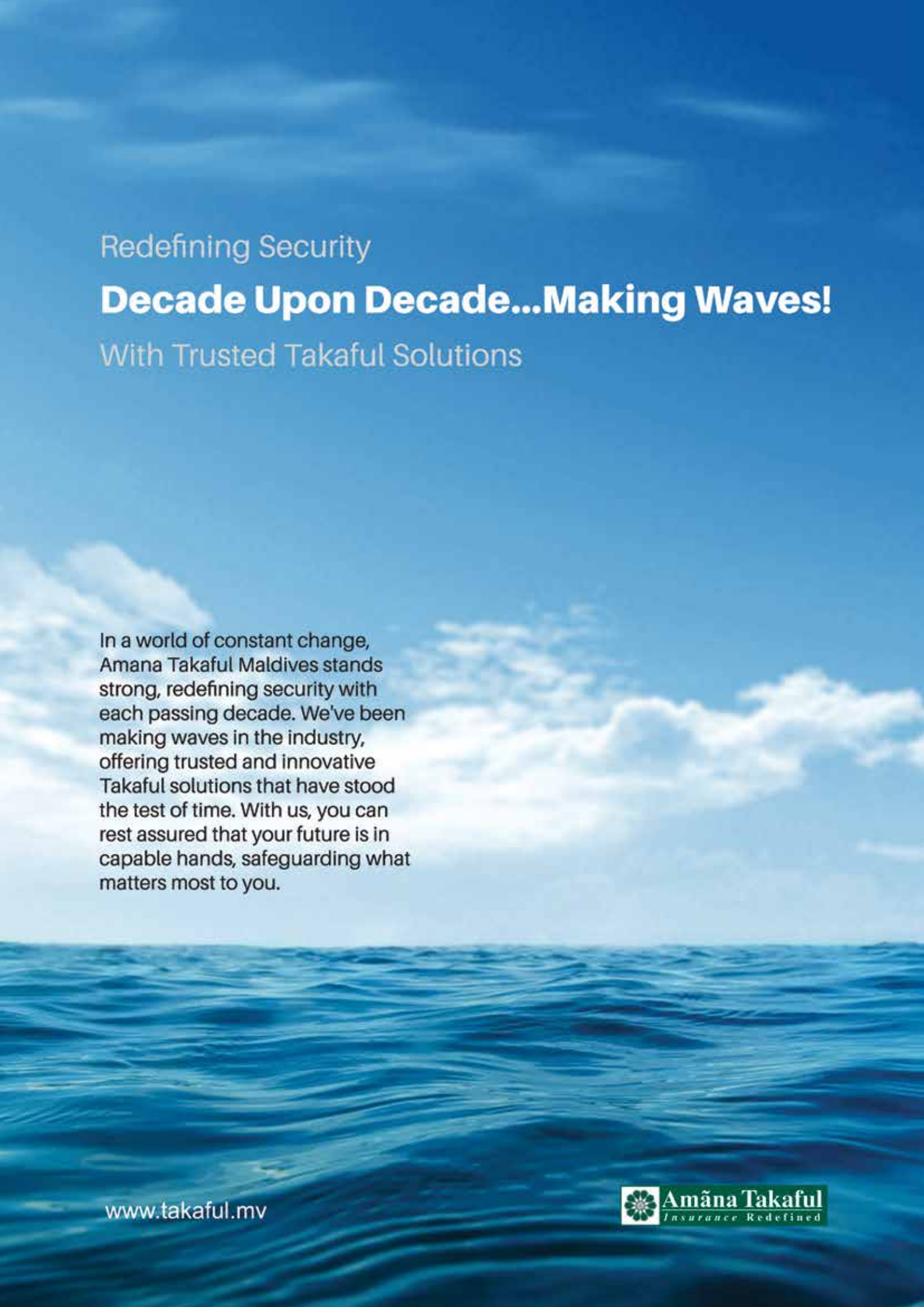


From as little as MVR 0.89 a day* Amana Takaful offers you the essential coverage for your home contents (furniture, equipment, wardrobe, valuables etc.). So here it goes, getting such a useful coverage is easy as getting your daily essentials. Find out more. Speak to our customer services on 3315262 or login to our website www.takaful.mv

* Conditions apply

Amãna Takaful
Insurance Redefined




Redefining Security
Decade Upon Decade...Making Waves!
With Trusted Takaful Solutions
In a world of constant change, Amana Takaful Maldives stands strong, redefining security with each passing decade. We've been making waves in the industry, offering trusted and innovative Takaful solutions that have stood the test of time. With us, you can rest assured that your future is in capable hands, safeguarding what matters most to you.
www.takaful.mv
Amãna Takaful
Insurance Redefined



Making Waves

Tangibility of the Service Experience is our key driver of Customer empathy

CORPORATE GOVERNANCE

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 35**.

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 35**.

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 36**.

Executive Committee

Four Members including One Independent Director and One Executive Director

Principle Objective:
To monitor the implementation of the Company's business strategies.

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 36**.

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 (ATM) 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 2023, while over 90% of the shares are held by corporate entities. Details of the main shareholders are given on page 97.

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 38.

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.

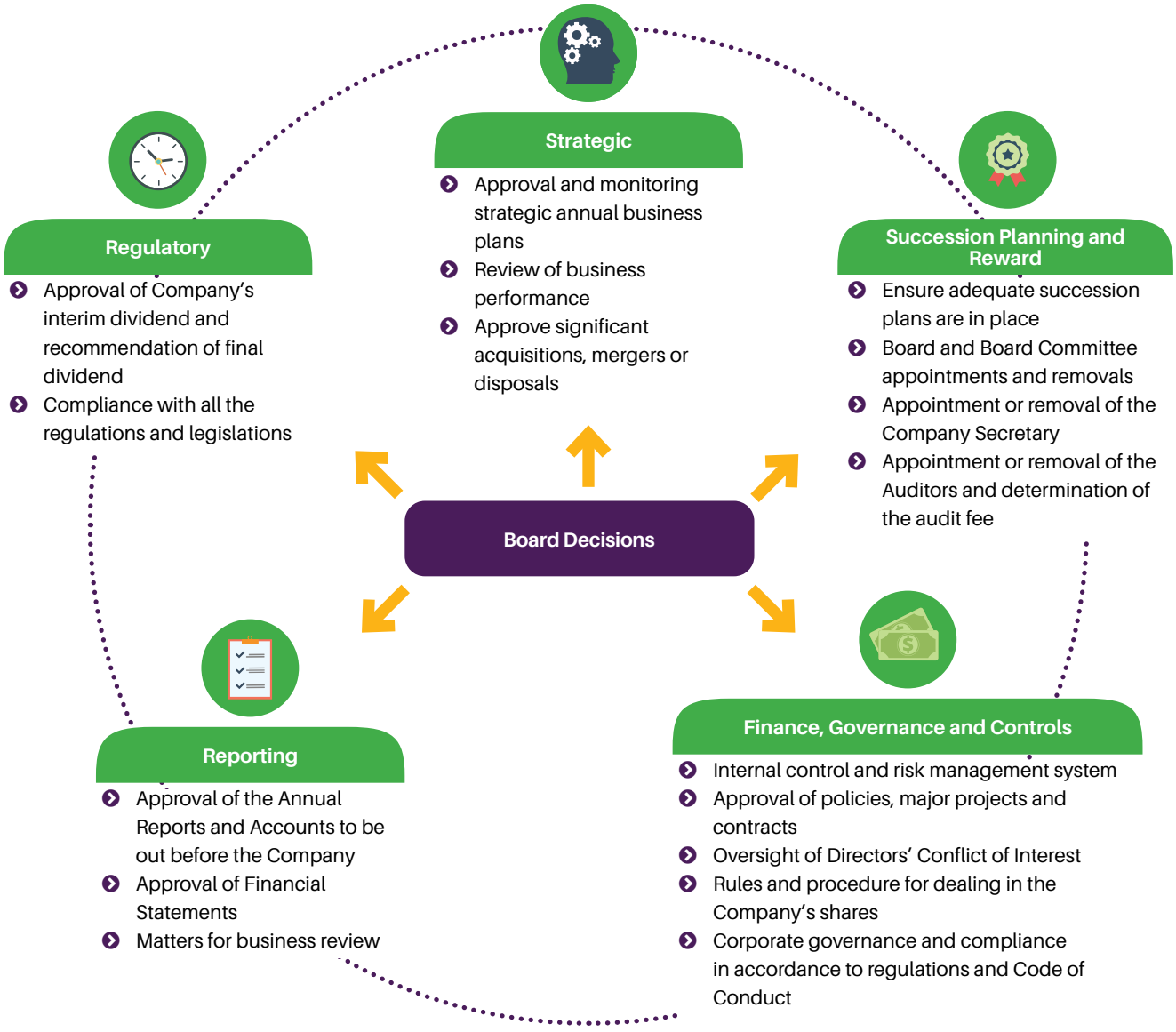
The Board is collectively responsible for the long-term success of the Company. CEO/Managing Director is responsible for the day-to-day management in running the business and ensuring that the necessary financial and human resources are in place to achieve the Company's strategic aims. He is answerable 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 35 and 39.

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:

CORPORATE GOVERNANCE REPORT - D2 (board size and composition)



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.

CHAIRMAN	CHIEF EXECUTIVE OFFICER
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.	**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.

BOARD'S ROLES AND RESPONSIBILITIES

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 Dr. Ahmed Inaz 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 46.

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 39.

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 38.

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. After issuing the notice on March 10th, 2024, inviting shareholders to apply for the position of Independent Director, only one application was received by the Nomination Committee. In accordance with the ATM's policies, the Committee reviewed the application and obtained clearance from the Maldives Monetary Authority (MMA) as per the Guidelines on Fit and Proper criteria for insurance undertaking. Based on the clearance from the MMA, the ATM's Board then approved to propose the candidate for election at the forthcoming AGM. In addition, the Board has approved the appointment of an additional Executive Director, aligning with the requirements outlined in the MMA's Regulation on Corporate Governance for Banks, Insurance Companies, and Finance Companies.

The Committee acknowledges that one of the Independent Directors is presently on the Board and holds a position on a regulatory Board, and the said Director's term is set to end in 2025. 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 application received for the position of Independent Director was assessed impartially, with no regard to gender. The selection process adheres strictly to principles of equality, ensuring that no preference is afforded to candidates based on gender. ATM is fully 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 be able to contribute to achieving the Board's and ATM's business 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 of four members and 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 48.

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 – *Chairman* 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	Dr. Ahmed Inaz – *Chairman* Dato' Mohd Fadzli Yusof Abdullah Kassim	
Executive Committee / Investment Committee	Abdullah Kassim - Chairman Osman Kassim Ahmed Alau Ali Hareez Sulaiman	

ENTERPRISE RISK MANAGEMENT

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.

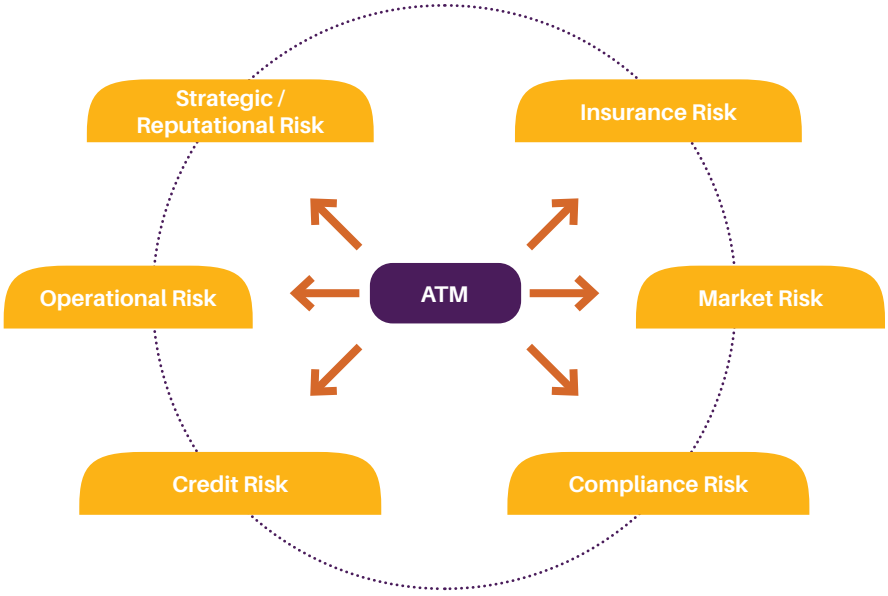
DEFINITIONS OF RISK AND RISK MANAGEMENT

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.
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	Control
Unable to comply with the applicable regulatory requirements	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. 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. A monthly sign-off was obtained on a compliance checklist covering applicable laws and regulations. This checklist was tabled at the Executive Committee meetings. A periodic internal audit exercise was also carried out on the compliance function and a report tabled at the Audit Committee meetings.

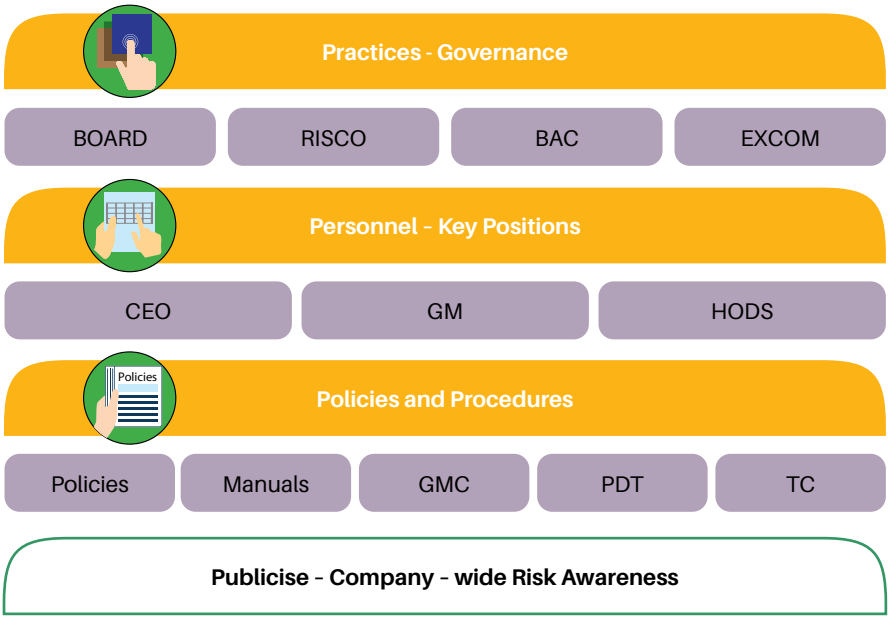
6. CREDIT RISK

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	Control
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 Claims Ratios by Sales Teams and Sub-Classes Product Profitability 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 2023

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

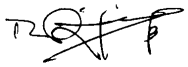
The mandate for the RISCO is to undertake regular meetings, at least once in every quarter and the reporting should be directed to the Board. All reports pertaining to the risks and findings were tabled at and deliberated by the latter.

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	3 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
29th April 2024

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 2023, 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 9 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. 7/23.

INDEPENDENT AUDITORS' REPORT

The Auditors' Report on the Financial Statements is given on page 52 of this Report.

ACCOUNTING POLICIES

The Accounting Policies adopted in preparation of the Financial Statements are given on page 59.

FINANCIAL RESULTS AND APPROPRIATIONS

Consolidated Profit after Taxation of the Company for the year was MVR 16.79 Mn.

PROPERTY, PLANT & EQUIPMENT

During the year under review, the capital expenditure on Property, Plant & Equipment for the Company amounted to MVR 2.44 Mn.

Information relating to movement in Property, Plant & Equipment during the year is disclosed under Note 14 to the Financial Statements on page 79.

INVESTMENTS

Details of Investments held by the Company are given in Note 16 to the Financial Statements on page 80.

RESERVES

Total revenue reserves as at 31st December 2023 for the Company amounted to MVR 79.69 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 2023, 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 2023.

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 50 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 32.

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

Entity	Type of Contract	Value - MVR	Relationship	Common Director
Amana Takaful PLC	Wakalah	6,939,000	Parent company	Abdullah Kassim
Amana Takaful Life	Wakalah	771,000	Sister company	Osman Kassim
Expo Commodities DMCC	Wakalah	9,020,700	Affiliate company	N/A
Axpo Pty Pvt Ltd	Wakalah	963,750	Affilliate company	N/A

INTERESTS REGISTER

Directors, interest in contracts of the Company, both direct and indirect during the year under review, are included in Note 26 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.

Director of the Company, who sits on the Board of related entities as at 31st December 2023:

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

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
Amana Takaful Life PLC, Sri Lanka	Osman Kassim	Chairman	Sister Company

BOARD COMMITTEES

Audit Committee

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

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

The Report of the Audit Committee on page 46 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 36.

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 36.

SHARE INFORMATION AND SUBSTANTIAL SHAREHOLDINGS

The substantial shareholdings and market value of shares are given on page 97.

The earnings per share, dividends per share and net assets per share are given on page 97.

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	22.05.2023	–
Ahmed Alau Ali	22.05.2023	–
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 2023, were as follows:

	No. of Ordinary Shares as at 31.12.2023
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 38.

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	
	Held	Attended	Held	Attended
Tyeab Akbarally – *Chairman*	4	3		
Osman Kassim	4	3	2	-
Dato' Mohd Fadzli Yusof	4	4	2	2
Abdullah Kassim	4	4	2	2
Dr. Ahmed Inaz	4	4		
Ahmed Alau Ali	4	3		
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 9.2 on page 77. The proposed external audit fee for the year 2024 is to be a maximum of USD 8,316.

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 2024 at 2.30 p.m. at virtually local time.

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

7th May 2024
Malé

REPORT OF THE BOARD AUDIT AND COMPLIANCE COMMITTEE

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
Dr. Ahmed Inaz (Chairman)	4 out of 4
Dato' Mohd Fadzli Yusof	4 out of 4
Abdullah Kassim	3 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.



Dr. Ahmed Inaz
Chairman
Audit and Compliance Committee of the Board

29th April 2024

REPORT OF THE SHARI'AH ADVISORY COUNCIL

بسم الله الرحمن الرحيم

هيئة الرقابة الشرعية لشركة أمانة للتـــكافل
Shari'ah Advisory Council
Amāna Takaful (Maldives) PLC

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

السلام عليكم ورحمة الله وبركاته

We have examined the operations of Amana Takaful (Maldives) PLC (the "Company") for the year ending 31st December 2023. 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 Shafique A Jakhura
Member- Shari'ah Advisory Council



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



Ash-Sheikh Muhammad Huzaifah
Member- Shari'ah Advisory Council

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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. 7 of 2023.

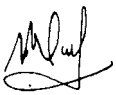
In preparing the Financial Statements, the Directors have adopted appropriate accounting, principles and policies and where relevant, disclosed and explained material departures, if any. The Directors ensure that applicable accounting standards have been followed and that the judgments and estimates 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. 7 of 2023 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
29th April 2024

CERTIFICATION BY THE ACTUARY

Actuarial Partners Consulting Sdn Bhd
Suite 17-02 CIMB Hub
Jalan Sultan Ismail
50250 Kuala Lumpur, Malaysia
+603 2161 0433 Fax +603 2161 3595
www.actuarialpartners.com

CERTIFICATION OF INCURRED BUT NOT REPORTED (IBNR) CLAIMS AND PROVISION OF RISK MARGIN FOR ADVERSE DEVIATION (PRAD)

I, Zainal Abidin Mohd. Kassim, being the actuary performing the estimation of the general takaful liabilities of Amãna Takaful (Maldives) PLC, to the best of my knowledge certify that the estimation of gross IBNR at MVR0.3 million and PRAD of MVR2.2 million and the estimation of net IBNR at negative MVR0.5 million and PRAD of MVR1.6 million, together with the gross and net case reserves held by the Company of MVR39.7 and MVR34.1 million respectively, is expected to be adequate to meet the Company's future claims liability in respect of claims incurred up to 31 December 2023.

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



Signature :

Name : Zainal Abidin Mohd Kassim

Qualification : Fellow of the Institute of Actuaries

Date : 25 April 2024

INDEPENDENT AUDITORS' REPORT

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

TDH/DN/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 2023, 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 material accounting policy information.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 December 2023 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 judgement, were of most significance in the 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.

Partners: D K Hulangamuwa FCA FCMA LLB (London), A P A Gunasekera FCA FCMA, Ms. Y A De Silva FCA, Ms. G G S Manatunga FCA
Resident Partners: M Rengaraj FCA ACMA, N Jayasinghe FCA ACMA, H W A T D Hapugoda FCA ACCA, S Ramanan FCCA ACMA, Ms. D Nizar ACCA

A member firm of Ernst & Young Global Limited

Key audit matter	How our audit addressed the key audit matter
General Insurance Contract Liabilities General Insurance Contract liabilities amounting to MVR 128.6 Mn. (Note 21) represent 63% of total liabilities of the Company as at 31 December 2023. 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. This was a key audit matter due to: • 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. Key areas of significant judgments, estimates and assumptions used in the valuation of the General Insurance Contract Liabilities included the following: • 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.	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: • 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, 21.3, 22, 22.1 and 22.2 to the financial statements.

Other information included in the Company's 2023 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.
- 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 relevant ethical requirements 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, actions taken to eliminate threats or safeguards applied.

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 Dhunya Nizar.



For and on behalf of Ernst & Young
Partner: Dhunya Nizar
Licensed Auditor: ICAM-IL-Z73
Male'

06 May 2024

STATEMENT OF COMPREHENSIVE INCOME

	Note	2023 MVR	Restated 2022 MVR
Insurance revenue		204,096,093	171,713,892
Insurance service expense		(140,594,058)	(99,263,975)
Insurance service result before reinsurance contract held		63,502,035	72,449,917
Allocations of reinsurance premiums		(28,913,184)	(41,515,863)
Amount recoverable from reinsurers' for incurred claims		3,441,435	4,777,143
Net expense from reinsurance contracts held		(25,471,749)	(36,738,720)
Insurance service result		38,030,286	35,711,197
Investment income	7	12,314,160	10,398,907
Other income	8	4,699,576	2,780,398
Other expenses	9	(34,991,484)	(31,142,039)
Profit before tax		20,052,538	17,748,463
Income tax expense	10	(3,261,181)	(3,299,788)
Profit for the year		16,791,357	14,448,675
Basic, diluted earnings per share	12	0.83	0.71
Other comprehensive income			
Equity Instruments at fair value through other comprehensive income		50,885,100	7,875,000
Total Other comprehensive income		50,885,100	7,875,000
Total comprehensive income for the year		67,676,457	22,323,675

The accounting policies and notes on pages 59 through 96 form an integral part of the financial statements.

STATEMENT OF FINANCIAL POSITION

	Note	As at 31 December 2023 MVR	As at 31 December Restated 2022 MVR	As at 1 January Restated 2022 MVR
Assets				
Cash and cash equivalents	19	9,371,967	5,818,928	4,370,175
Financial assets	16	314,492,180	206,328,880	166,714,426
Deposit with Maldives Monetary Authority		2,000,000	2,000,000	2,000,000
Insurance contract assets	21	15,982,048	15,585,530	14,570,558
Re-takaful (Re-insurance) contract assets	22	7,636,358	7,276,487	10,917,968
Amounts due from related parties	17	312,331	205,446	139,519
Other assets	18	5,269,526	6,603,556	5,152,019
Intangible assets	13	6,673,615	5,344,340	5,674,636
Property, plant and equipment	14	3,266,830	1,194,882	1,268,440
Right-of-use assets	15	14,014,929	15,308,615	16,602,301
Deferred tax assets	10.3	-	675,876	774,292
Total assets		379,019,784	266,342,540	228,184,334
Equity				
Issued capital		26,314,583	26,314,583	26,314,583
Retained earnings		79,690,216	69,477,504	60,291,746
Fair value reserve		69,180,300	18,295,200	10,420,200
Total equity		175,185,099	114,087,287	97,026,529
Liabilities				
Current tax liabilities	10.4	1,870,606	1,681,321	1,584,977
Re-takaful (Re-insurance) contract liabilities	22	6,180,484	11,791,763	12,514,332
Insurance contract liabilities	21	128,563,288	84,401,410	69,855,807
Amounts due to related parties	24	39,913	119,591	54
Other payables	25	46,996,206	43,901,736	36,511,679
Deferred tax liability	10.3	9,331,707	-	-
Employee benefits	23	4,843,841	3,980,427	3,964,833
Lease liability	15.1	6,008,640	6,379,005	6,726,123
Total liabilities		203,834,685	152,255,253	131,157,805
Total liabilities				
Total liability and equity		379,019,784	266,342,540	228,184,334

The Board of Directors is responsible for these financial statements.

Signed for and on behalf of the Board by,

Tyeab Akbarally
Chairman

Hareez Sulaiman
CEO/Managing Director

Dr. Ahmed Inaz
Director

Siraj Nizam
Head of Finance

The accounting policies and notes on pages 59 through 96 form an integral part of the financial statements.

29th April 2024
Male'

STATEMENT OF CHANGES IN EQUITY

	Note	Issued Capital MVR	Fair value Reserve MVR	WAQF Fund MVR	Restated Retained Earnings MVR	Total Equity MVR
Balance as at 31 December 2021 as previously reported		26,314,583	10,420,200	1,542	73,827,615	110,563,940
Impact of initial application of IFRS 17	31	-	-	-	(13,537,411)	(13,537,411)
						-
Balance as at 1 January 2022		26,314,583	10,420,200	1,542	60,290,204	97,026,529
						-
Profit for the year		-	-	-	14,448,675	14,448,675
Dividend		-	-	-	(5,262,916)	(5,262,916)
Other comprehensive income for the year		-	7,875,000	-	-	7,875,000
Balance as at 31 December 2022		26,314,583	18,295,200	1,542	69,475,962	114,087,287
Profit for the year		-	-	-	16,791,357	16,791,357
Other comprehensive income for the year		-	50,885,100	-	-	50,885,100
Dividend		-	-	-	(6,578,645)	(6,578,645)
						-
Balance as at 31 December 2023		26,314,583	69,180,300	1,542	79,688,674	175,185,099

The accounting policies and notes on pages 59 through 96 form an integral part of the financial statements.

STATEMENT OF CASH FLOWS

	Note	Year ended 31.12.2023 MVR	Restated Year ended 31.12.2022 MVR
Operating activities			
Profit before taxation		20,052,538	17,748,463
Non-cash adjustment to reconcile profit to net cash flows			
Amortisation of intangible assets - software	13	514,471	498,993
Depreciation of property plant & equipment		503,563	323,448
Depreciation of right-of-use asset	15	1,293,686	1,293,686
Investment income	7	(12,314,160)	(10,378,909)
Finance cost		403,733	426,977
Loss on disposal		8,210	7,998
Working capital adjustments:			
(Increase) / decrease in re-takaful (re-insurance) assets		(359,871)	3,641,481
Increase in takaful contract asset		(396,518)	(1,014,972)
Decrease in other assets		1,334,030	321,331
Increase in amounts due from related parties		(106,885)	(65,927)
Increase in takaful contract liabilities		44,161,879	14,545,601
Decrease in re-takaful (re-insurance) payable		(5,611,279)	(722,572)
Increase in other liabilities		3,094,466	7,390,060
Increase in employee benefits		863,413	15,594
(Decrease) / increase in amounts due to related parties		(79,678)	119,537
		53,361,601	34,150,789
Income tax	10.4	(3,235,213)	(3,105,028)
Net cash generated from operating activities		50,126,388	31,045,761
Investing activities			
Investment in financial asset		(42,593,668)	(27,799,257)
Proceed from sale of finance instruments		1,352,292	-
Acquisition of property, plant and equipment	14	(2,442,026)	(257,887)
Acquisition of intangible assets	13	(1,991,353)	(168,697)
Investment income received		6,454,145	5,185,940
Investment in shares		-	(520,096)
Net cash used in investing activities		39,220,610	(23,559,997)
Financing activities			
Dividend paid	11	(6,578,645)	(5,262,916)
Lease liability payment	15.1	(774,094)	(774,095)
Net cash used in financing activities		(7,352,739)	(6,037,011)
Net Increase in cash and cash equivalents		3,553,039	1,448,753
Cash and cash equivalents at 1 January		5,818,928	4,370,175
Cash and cash equivalents at 31 December	19	9,371,967	5,818,928

The accounting policies and notes on pages 59 through 96 form an integral part of the financial statements.

NOTES TO 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 2023 was authorized for issue by the Board of Directors on 29 April 2024.

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.

The Company's Statement of Profit or loss and Other Comprehensive Income reflects the takaful service result, investment and other income and 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.
- Financial instruments at fair value through other comprehensive income are measured at fair value.
- The liability for employee benefits is valued and recognized at the present value using assumptions required under actuarial valuation techniques.
- Incurred but not reported / incurred but not enough reported liability – actuarially determined values based on internationally accepted actuarial policies and methodologies.

2. Basis of Preparation (Continued)

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 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 2023.

2.5 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 note 05.

2.6 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 16 – Financial Assets

3. Changes in accounting policies and disclosures

3.1. New and amended standards and interpretations

In these financial statements, the Company has applied IFRS 17 and IFRS 9 for the first time. The Company has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

3.1.1. IFRS 17 Insurance Contracts

IFRS 17 replaces IFRS 4 Insurance Contracts for annual periods on or after 1 January 2023.

The Company has restated comparative information for 2022 applying the transitional provisions in Appendix C to IFRS 17. The nature of the changes in accounting policies can be summarised, as follows:

3.1.1.1. Changes to classification and measurement

The adoption of IFRS 17 did not change the classification of the Company's insurance contracts.

The Company was previously permitted under IFRS 4 to continue accounting using its previous accounting policies. However, IFRS 17 establishes specific principles for the recognition and measurement of insurance contracts issued and reinsurance contracts held by the Company.

Under IFRS 17, the Company's insurance contracts issued and reinsurance contracts held are all eligible to be measured by applying the Premium Allocation Approach (PAA). The Premium Allocation Approach simplifies the measurement of insurance contracts in comparison with the general model in IFRS 17.

The measurement principles of the PAA differ from the 'earned premium approach' used by the Company under IFRS 4 in the following key areas:

- The liability for remaining coverage reflects premiums less deferred insurance acquisition cash flows and less amounts recognised in revenue for insurance services provided.
- Measurement of the liability for remaining coverage involves an explicit evaluation of risk adjustment for non-financial risk when a group of contracts is onerous in order to calculate a loss component. (previously these may have formed part of the unexpired risk reserve provision)
- Measurement of the liability for incurred claims (previously claims outstanding and incurred-but-not-reported (IBNR) claims) is determined on a discounted probability-weighted expected value basis, and includes an explicit risk adjustment for non-financial risk. The liability includes the Company's obligation to pay other incurred insurance expenses.
- Measurement of the asset for remaining coverage (reflecting reinsurance premiums paid for reinsurance held) is adjusted to include a loss-recovery component to reflect the expected recovery of onerous contract losses where such contracts reinsure onerous direct contracts.

The Company allocates the acquisition cash flows to groups of insurance contracts issued or expected to be issued using a systematic and rational basis. Insurance acquisition cash flows include those that are directly attributable to a group and to future groups that are expected to arise from renewals of contracts in that group. Where such insurance acquisition cash flows are paid (or where a liability has been recognised applying another IFRS standard) before the related group of insurance contracts is recognised, an asset for insurance acquisition cash flows is recognised. When insurance contracts are recognised, the related portion of the asset for insurance acquisition cash flows is derecognised and subsumed into the measurement at initial recognition of the insurance liability for remaining coverage of the related group.

The Company's classification and measurement of insurance and reinsurance contracts is explained in Note 4.1.

3.1.1.2. Changes to presentation and disclosure

For presentation in the statement of financial position, the Company aggregates insurance and reinsurance contracts issued and reinsurance contracts held, respectively and presents separately:

- Portfolios of insurance and reinsurance contracts issued that are assets
- Portfolios of insurance and reinsurance contracts issued that are liabilities
- Portfolios of reinsurance contracts held that are assets
- Portfolios of reinsurance contracts held that are liabilities

The portfolios referred to above are those established at initial recognition in accordance with the IFRS 17 requirements.

Portfolios of insurance contracts issued include any assets for insurance acquisition cash flows.

The line-item descriptions in the statement of profit or loss and other comprehensive income have been changed significantly compared with last year. Previously, the Company reported the following line items:

- Gross written takaful contribution
- Net written takaful contribution
- Net changes in reserves for unearned takaful contribution
- Takaful claims and benefits
- Acquisition cost

Instead, IFRS 17 requires separate presentation of:

- Insurance revenue
- Insurance service expenses
- Allocations of Reinsurance Premiums
- Amount Recoverable from Reinsureres for Incurred Claims

The Company provides disaggregated qualitative and quantitative information about:

- Amounts recognised in its financial statements from insurance contracts
- Significant judgements, and changes in those judgements, when applying the standard

3.1.1.3. Transition

On transition date, 1 January 2022, the Company:

- Has identified, recognised and measured each group of insurance contracts as if IFRS 17 had always Applied
- Has identified, recognised and measured assets for insurance acquisition cash flows as if IFRS 17 has always applied. However, no recoverability assessment was performed before the transition date.

At transition date, a recoverability assessment was performed, and no impairment loss was identified.

- Derecognised any existing balances that would not exist had IFRS 17 always applied.
- Recognised any resulting net difference in equity.

3.1.2. IFRS 9 Financial Instruments

IFRS 9 replaced IAS 39 Financial Instruments: Recognition and Measurement for annual periods beginning on or after 1 January 2018. However, the Company elected, under the amendments to IFRS 4, to apply the temporary exemption from IFRS 9, thereby deferring the initial application date of IFRS 9 to align with the initial application of IFRS 17.

The Company has applied IFRS 9 retrospectively and there are no differences arising from the adoption of IFRS 9.

The nature of the changes in accounting policies can be summarised, as follows:

3.1.2.1. Changes to classification and measurement

To determine their classification and measurement category, IFRS 9 requires all financial assets to be assessed based on a combination of the Company's business model for managing the assets and the instruments' contractual cash flow characteristics.

The IAS 39 measurement categories for financial assets (fair value through profit or loss (FVPL), available for sale (AFS), held-to-maturity (HTM) and loans and receivables (L&R) at amortised cost) have been replaced by:

- Financial assets at fair value through profit or loss, including equity instruments and derivatives
- Equity instruments at fair value through other comprehensive income, with no recycling of gains or losses to profit or loss on derecognition
- Debt instruments at amortised cost

The Company's classification of its financial assets is explained in Note 4.9.2 There are no quantitative impact of applying IFRS 9 as at 1 January 2022.

3.1.2.2. Changes to the impairment calculation

The adoption of IFRS 9 has fundamentally changed the Company's accounting for impairment losses for equity instruments held at FVOCI or amortised cost by replacing IAS 39's incurred loss approach with a forward-looking expected credit loss (ECL) approach.

IFRS 9 requires the Company to record an allowance for ECLs for all debt instruments not held at FVPL.

For debt instruments, the ECL is based on the portion of lifetime ECLs (LTECL) that would result from default events on a financial instrument that are possible within 12 months after the reporting date. However, when there has been a significant increase in credit risk since origination or purchase of the assets, the allowance is based on the full LTECL.

Details of the Company's impairment method are disclosed in Note 4.9.6. There are no quantitative impact of applying IFRS 9 as at 1 January 2022.

3.1.3. Transition disclosures – IFRS 9

A reconciliation between the carrying amounts under IAS 39 and the balances reported under IFRS 9 as of initial application date 1 January 2022 is, as follows:

	1 January 2023				
	IAS 39 Measurement			IFRS 09 Measurement	
Financial Assets	Category	Amount	Classification	Category	Amount
Loans and receivables	Loans and receivables	(124,419,791)	(124,419,791)	Debt Instruments at amortized cost	123,154,755
				Financial assets at fair value through profit or loss (mandatory)	1,265,036
Profit Receivable		1,952,662	(1,952,662)	Debt Instruments at amortized cost	1,952,662
Investment in equity securities - Quoted	Available for sale	72,000,000	(72,000,000)	Equity Instruments at fair value through OCI	72,000,000
Investment in equity shares/ securities	Financial assets at fair value through profit or loss (designated)	9,221,463	(9,221,463)	Financial assets at fair value through profit or loss (mandatory)	9,221,463

	1 January 2022				
	IAS 39 Measurement			IFRS 09 Measurement	
Financial Assets	Category	Amount	Classification	Category	Amount
Loans and receivables	Loans and receivables	119,466,279	(119,466,279)	Debt Instruments at amortized cost	118,468,892
				Financial assets at fair value through profit or loss (mandatory)	997,387
Profit Receivable		1,952,662	(1,952,662)	Debt Instruments at amortized cost	1,952,662
Investment in equity securities - Quoted	Available for sale	40,500,000	(40,500,000)	Equity Instruments at fair value through OCI	40,500,000
Investment in equity shares/ securities	Financial assets at fair value through profit or loss (designated)	5,431,653	(5,431,653)	Financial assets at fair value through profit or loss (mandatory)	5,431,653

4. Summary of Material accounting policy information

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.

4.1 Insurance and reinsurance contracts classification

The Company issues insurance contracts in the normal course of business, under which it accepts significant insurance risk from its policyholders. As a general guideline, the Company determines whether it has significant insurance risk, by comparing benefits payable after an insured event with benefits payable if the insured event did not occur. Insurance contracts can also transfer financial risk. The Company issues non-life insurance to individuals and businesses. Non-life insurance products offered health, fire, marine, marine hull & miscellaneous. These products offer protection of policyholder's assets and indemnification of other parties that have suffered damage as a result of a policyholder's accident.

The Company also issues reinsurance contracts in the normal course of business to compensate other entities for claims arising from one or more insurance contracts issued by those entities.

The Company does not issue any contracts with direct participating features.

4.2. Insurance and reinsurance contracts accounting treatment

4.2.1. Separating components from insurance and reinsurance contracts

The Company assesses its non-life insurance and reinsurance products to determine whether they contain distinct components which must be accounted for under another IFRS instead of under IFRS 17. After separating any distinct components, the Company applies IFRS 17 to all remaining components of the (host) insurance contract. Currently, the Company's products do not include any distinct components that require separation.

4.2.2. Level of aggregation

The level of aggregation for the Company is determined firstly by dividing the business written into portfolios. Portfolios comprise groups of contracts with similar risks which are managed together. Portfolios are further divided based on expected profitability at inception into three categories: onerous contracts, contracts with no significant risk of becoming onerous, and the remainder. This means that, for determining the level of aggregation, the Company identifies a contract as the smallest 'unit', i.e., the lowest common denominator. However, the Company makes an evaluation of whether a series of contracts need to be treated together as one unit based on reasonable and supportable information, or whether a single contract contains components that need to be separated and treated as if they were stand-alone contracts. As such, what is treated as a contract for accounting purposes may differ from what is considered as a contract for other purposes (i.e., legal or management). IFRS 17 also requires that no group for level of aggregation purposes may contain contracts issued more than one year apart.

The Company applied a modified retrospective approach for transition to IFRS 17. The portfolios are further divided by year of issue and profitability for recognition and measurement purposes. Hence, within each year of issue, portfolios of contracts are divided into three groups, as follows:

- A group of contracts that are onerous at initial recognition (if any)
- A group of contracts that, at initial recognition, have no significant possibility of becoming onerous subsequently (if any)
- A group of the remaining contracts in the portfolio (if any)

The profitability of groups of contracts is assessed by actuarial valuation models that take into consideration existing and new business. The Company assumes that no contracts in the portfolio are onerous at initial recognition unless facts and circumstances indicate otherwise. For contracts that are not onerous, the Company assesses, at initial recognition, that there is no significant possibility of becoming onerous subsequently by assessing the likelihood of changes in applicable facts and circumstances. The Company considers facts and circumstances to identify whether a group of contracts are onerous based on:

- Pricing information
- Results of similar contracts it has recognized
- Environmental factors, e.g., a change in market experience or regulations

The Company divides portfolios of reinsurance contracts held applying the same principles set out above, except that the references to onerous contracts refer to contracts on which there is a net gain on initial recognition. For some groups of reinsurance contracts held, a group can comprise a single contract.

4.2.3. Recognition

The Company recognises groups of insurance contracts it issues from the earliest of the following:

- The beginning of the coverage period of the group of contracts
- The date when the first payment from a policyholder in the group is due or when the first payment is received if there is no due date
- For a group of onerous contracts, if facts and circumstances indicate that the group is onerous.
- The Company recognises a group of reinsurance contracts held it has entered into from the earlier of the following:
- The beginning of the coverage period of the group of reinsurance contracts held.
- The date the Company recognises an onerous group of underlying insurance contracts if the Company entered into the related reinsurance contract held in the group of reinsurance contracts held at or before that date.

The Company adds new contracts to the group in the reporting period in which that contract meets one of the criteria set out above.

4.2.4. Contract boundary

The Company includes in the measurement of a group of insurance contracts all the future cash flows within the boundary of each contract in the group. Cash flows are within the boundary of an insurance contract if they arise from substantive rights and obligations that exist during the reporting period in which the Company can compel the policyholder to pay the premiums, or in which the Company has a substantive obligation to provide the policyholder with insurance contract services. A substantive obligation to provide insurance contract services ends when:

- The Company has the practical ability to reassess the risks of the particular policyholder and, as a result, can set a price or level of benefits that fully reflects those risks

Or

- Both of the following criteria are satisfied:
- The Company has the practical ability to reassess the risks of the portfolio of insurance contracts that contain the contract and, as a result, can set a price or level of benefits that fully reflects the risk of that portfolio
- The pricing of the premiums up to the date when the risks are reassessed does not take into account the risks that relate to periods after the reassessment date

A liability or asset relating to expected premiums or claims outside the boundary of the insurance contract is not recognised. Such amounts relate to future insurance contracts.

4.2.5. Measurement - Premium Allocation Approach

	IFRS 17 Options	Adopted approach
Premium Allocation Approach (PAA) Eligibility	Subject to specified criteria, the PAA can be adopted as a simplified approach to the IFRS 17 general model	Coverage period for Fire, health, miscellaneous, liability and Motor are one year or less and so qualifies automatically for PAA. Both bond and Engineering insurance contracts with coverage period greater than one year. However, there is no material difference in the measurement of the liability for remaining coverage between PAA and the general model, therefore, these qualify for PAA.
Insurance acquisition cash flows for insurance contracts issued	Where the coverage period of all contracts within a group is no longer than one year, insurance acquisition cash flows can either be expensed as incurred, or allocated, using a systematic and rational method, to groups of insurance contracts (including future groups containing insurance contracts that are expected to arise from renewals) and then amortised over the coverage period of the related group. For groups containing contracts longer than one year, insurance acquisition cash flows must be allocated to related groups of insurance contracts and amortised over the coverage period of the related group.	For all insurance contract groups, insurance Acquisition cash flows are allocated to related groups of insurance contracts and amortised over the coverage period of the related group.
Liability for Remaining Coverage (LFRC), adjusted for financial risk and time value of money	Where there is no significant financing component in relation to the LFRC, or where the time between providing each part of the services and the related premium due date is no more than a year, an entity is not required to make an adjustment for accretion of interest on the LFRC.	For all insurance contract group, there is no allowance as the premiums are received within one year of the coverage period.
Liability for Incurred Claims, (LFIC) adjusted for time value of money	Where claims are expected to be paid within a year of the date that the claim is incurred, it is not required to adjust these amounts for the time value of money.	For all insurance contract group, the incurred claims are expected to be paid out in less than one year. Hence, no adjustment is made for the time value of money.

4.2.5.1. Insurance contracts – initial measurement

The Company applies the premium allocation approach (PAA) to all the insurance contracts that it issues and reinsurance contracts that it holds, as:

- The coverage period of each contract in the group is one year or less, including insurance contract services arising from all premiums within the contract boundary (refer to 4.2.4)

Or

- For contracts longer than one year, the Company has modelled possible future scenarios and reasonably expects that the measurement of the liability for remaining coverage for the group containing those contracts under the PAA does not differ materially from the measurement that would be produced applying the general model. In assessing materiality, the Company has also considered qualitative factors such as the nature of the risk and types of its lines of business.

The Company does not apply the PAA if, at the inception of the group of contracts, it expects significant variability in the fulfilment cash flows that would affect the measurement of the liability for the remaining coverage during the period before a claim is incurred. Variability in the fulfilment cash flows increases with, for example:

- The extent of future cash flows related to any derivatives embedded in the contracts
- The length of the coverage period of the group of contracts

For a group of contracts that is not onerous at initial recognition, the Company measures the liability for remaining coverage as:

- The premiums, if any, received at initial recognition
- Minus any insurance acquisition cash flows at that date, with the exception of contracts which are one year or less where this is expensed,
- Plus or minus any amount arising from the derecognition at that date of the asset recognised for insurance acquisition cash flows and

- Any other asset or liability previously recognised for cash flows related to the group of contracts that the Company pays or receives before the group of insurance contracts is recognised.

For all business, there is no allowance for time value of money as the premiums are received within one year of the coverage period.

Where facts and circumstances indicate that contracts are onerous at initial recognition, the Company performs additional analysis to determine if a net outflow is expected from the contract. Such onerous contracts are separately grouped from other contracts and the Company recognises a loss in profit or loss for the net outflow, resulting in the carrying amount of the liability for the group being equal to the fulfilment cash flows. A loss component is established by the Company for the liability for remaining coverage for such onerous group depicting the losses recognised. For additional disclosures on the loss component, please refer to Note 4.2.6.2.

4.2.5.2. Insurance contracts – subsequent measurement

The Company measures the carrying amount of the liability for remaining coverage at the end of each reporting period as the liability for remaining coverage at the beginning of the period:

- Plus premiums in the period
- Minus insurance acquisition cash flows,
- Plus any amounts relating to the amortisation of the insurance acquisition cash flows recognised as an expense in the reporting period for the group
- Plus any adjustment to the financing component, where applicable
- Minus the amount recognised as insurance revenue for the services provided in the period
- Minus any investment component paid or transferred to the liability for incurred claims

The Company estimates the liability for incurred claims as the fulfilment cash flows related to incurred claims. The fulfilment cash flows incorporate, in an unbiased way, all reasonable and supportable information available without undue cost or effort about the amount, timing and uncertainty of those future cash flows, they reflect current estimates from the perspective of the Company, and include an explicit adjustment for non-financial risk (the risk adjustment). The Company does not adjust the future cash flows for the time value of money and the effect of financial risk for the measurement of liability for incurred claims that are expected to be paid within one year of being incurred.

Where, during the coverage period, facts and circumstances indicate that a group of insurance contracts is onerous, the Company recognises a loss in profit or loss for the net outflow, resulting in the carrying amount of the liability for the group being equal to the fulfilment cash flows. A loss component is established by the Company for the liability for remaining coverage for such onerous group depicting the losses recognised. For additional disclosures on the loss component, please refer to Note 4.2.6.2.

Insurance acquisition cash flows are allocated on a straight-line basis as a portion of premium to profit or loss (through insurance revenue).

4.2.5.3. Reinsurance contracts held – initial measurement

The Company measures its reinsurance assets for a group of reinsurance contracts that it holds on the same basis as insurance contracts that it issues. However, they are adapted to reflect the features of reinsurance contracts held that differ from insurance contracts issued, for example the generation of expenses or reduction in expenses rather than revenue.

Where the Company recognises a loss on initial recognition of an onerous group of underlying insurance contracts or when further onerous underlying insurance contracts are added to a group, the Company establishes a loss-recovery component of the asset for remaining coverage for a group of reinsurance contracts held depicting the recovery of losses.

The Company calculates the loss-recovery component by multiplying the loss recognised on the underlying insurance contracts and the percentage of claims on the underlying insurance contracts the Company expects to recover from the group of reinsurance contracts held. The Company uses a systematic and rational method to determine the portion of losses recognised on the group to insurance contracts covered by the group of reinsurance contracts held where some contracts in the underlying group are not covered by the group of reinsurance contracts held.

The loss-recovery component adjusts the carrying amount of the asset for remaining coverage.

4.2.5.4. Reinsurance contracts held – subsequent measurement

The subsequent measurement of reinsurance contracts held follows the same principles as those for insurance contracts issued and has been adapted to reflect the specific features of reinsurance held.

Where the Company has established a loss-recovery component, the Company subsequently reduces the loss-recovery component to zero in line with reductions in the onerous group of underlying insurance contracts in order to reflect that the loss-recovery component shall not exceed the portion of the carrying amount of the loss component of the onerous group of underlying insurance contracts that the entity expects to recover from the group of reinsurance contracts held.

4.2.5.5. Insurance acquisition cash flows

Insurance acquisition cash flows arise from the costs of selling, underwriting and starting a group of insurance contracts (issued or expected to be issued) that are directly attributable to the portfolio of insurance contracts to which the group belongs.

The Company uses a systematic and rational method to allocate:

(a) Insurance acquisition cash flows that are directly attributable to a group of insurance contracts:

(i) to that group; and
(ii) to groups that include insurance contracts that are expected to arise from the renewals of the insurance contracts in that group.

(b) Insurance acquisition cash flows directly attributable to a portfolio of insurance contracts that are not directly attributable to a group of contracts, to groups in the portfolio.

Where insurance acquisition cash flows have been paid or incurred before the related group of insurance contracts is recognised in the statement of financial position, a separate asset for insurance acquisition cash flows is recognised for each related group.

At the end of each reporting period, the Company revises amounts of insurance acquisition cash flows allocated to groups of insurance contracts not yet recognised, to reflect changes in assumptions related to the method of allocation used.

After any re-allocation, the Company assesses the recoverability of the asset for insurance acquisition cash flows, if facts and circumstances indicate the asset may be impaired. When assessing the recoverability, the Company applies:

- An impairment test at the level of an existing or future group of insurance contracts; and
- An additional impairment test specifically covering the insurance acquisition cash flows allocated to expected future contract renewals.

If an impairment loss is recognised, the carrying amount of the asset is adjusted and an impairment loss is recognised in profit or loss.

The Company recognises in profit or loss a reversal of some or all of an impairment loss previously recognised and increases the carrying amount of the asset, to the extent that the impairment conditions no longer exist or have improved.

4.2.5.6. Insurance contracts – modification and derecognition

The Company derecognises insurance contracts when:

- The rights and obligations relating to the contract are extinguished (i.e., discharged, cancelled or expired)

Or

- The contract is modified such that the modification results in a change in the measurement model or the applicable standard for measuring a component of the contract, substantially changes the contract boundary, or requires the modified contract to be included in a different group. In such cases, the Company derecognises the initial contract and recognises the modified contract as a new contract.

When a modification is not treated as a derecognition, the Company recognises amounts paid or received for the modification with the contract as an adjustment to the relevant liability for remaining coverage.

4.2.6. Presentation

The Company has presented separately, in the statement of financial position, the carrying amount of portfolios of insurance contracts issued that are assets, portfolios of insurance contracts issued that are liabilities, portfolios of reinsurance contracts held that are assets and portfolios of reinsurance contracts held that are liabilities.

Any assets for insurance acquisition cash flows recognised before the corresponding insurance contracts are included in the carrying amount of the related groups of insurance contracts are allocated to the carrying amount of the portfolios of insurance contracts that they relate to.

The Company disaggregates the total amount recognised in the statement of profit or loss and other comprehensive income into an insurance service result, comprising insurance revenue and insurance service expense, and insurance finance income or expenses.

The Company does not disaggregate the change in risk adjustment for non-financial risk between a financial and non-financial portion and includes the entire change as part of the insurance service result.

The Company separately presents income or expenses from reinsurance contracts held from the expenses or income from insurance contracts issued.

4.2.6.1. Insurance revenue

The insurance revenue for the period is the amount of expected premium receipts (excluding any investment component) allocated to the period. The Company allocates the expected premium receipts to each period of insurance contract services on the basis of the passage of time. But if the expected pattern of release of risk during the coverage period differs significantly from the passage of time, then the allocation is made on the basis of the expected timing of incurred insurance service expenses.

The Company changes the basis of allocation between the two methods above as necessary, if facts and circumstances change. The change is accounted for prospectively as a change in accounting estimate.
For the periods presented, all revenue has been recognised on the basis of the passage of time.

4.2.6.2. Loss components

The Company assumes that no contracts are onerous at initial recognition unless facts and circumstances indicate otherwise. Where this is not the case, and if at any time during the coverage period, the facts and circumstances mentioned in Note 4.2.2 indicate that a group of insurance contracts is onerous, the Company establishes a loss component as the excess of the fulfilment cash flows that relate to the remaining coverage of the group over the carrying amount of the liability for remaining coverage of the group as determined in Note 4.2.5.3. Accordingly, by the end of the coverage period of the group of contracts the loss component will be zero.

4.2.6.3. Loss-recovery components

As described in Note 4.2.6.2 above, where the Company recognises a loss on initial recognition of an onerous group of underlying insurance contracts, or when further onerous underlying insurance contracts are added to a group, the Company establishes a loss-recovery

component of the asset for remaining coverage for a group of reinsurance contracts held depicting the expected recovery of the losses.
A loss-recovery component is subsequently reduced to zero in line with reductions in the onerous group of underlying insurance contracts in order to reflect that the loss-recovery component shall not exceed the portion of the carrying amount of the loss component of the onerous group of underlying insurance contracts that the entity expects to recover from the group of reinsurance contracts held.

4.2.6.4. Insurance finance income and expense

Insurance finance income or expenses comprise the change in the carrying amount of the group of insurance contracts arising from:

- The effect of the time value of money and changes in the time value of money; and
- The effect of financial risk and changes in financial risk.

4.2.6.5. Net income or expense from reinsurance contracts held

The Company presents separately on the face of the statement of profit or loss and other comprehensive income, the amounts expected to be recovered from reinsurers, and an allocation of the reinsurance premiums paid. The Company treats reinsurance cash flows that are contingent on claims on the underlying contracts as part of the claims that are expected to be reimbursed under the reinsurance contract held, and excludes investment components and commissions from an allocation of reinsurance premiums presented on the face of the statement of profit or loss and other comprehensive income.

4.3 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.

4.4 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.

4.4.1 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.

4.4.2 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.

4.5 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.

4.6 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.

4.7 Other Assets & Receivables

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

4.8 Plant and Equipment

4.8.1 Cost

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

The cost of 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 Plant & Equipment have different useful lives, they are accounted for as separate items (major components) of 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.

4.8.2 Depreciation

The provision for depreciation is calculated by using a straight-line method on the cost of all 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 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.

4.9 Financial Assets

4.9.1. Initial recognition

The classification of financial instruments at initial recognition depends on their contractual terms and the business model for managing the instruments, as described in Notes 4.9.2.1.1 and 4.9.2.1.2.

Financial instruments are initially recognised on the trade date measured at their fair value (as defined in Note 2.5). Except for financial assets and financial liabilities recorded at FVPL, transaction costs are added to this amount.

4.9.2. Measurement categories

The Company classifies all of its financial assets based on the business model for managing the assets and the asset's contractual terms. The categories include the following:

- Amortised cost, as explained in Note 4.9.2.1
- FVOCI, as explained in Note 4.9.2.2
- FVPL, as explained in Note 4.9.2.3

4.9.2.1. Debt instruments measured at amortised cost

Debt instruments are held at amortised cost if both of the following conditions are met:

- The instruments are held within a business model with the objective of holding the instrument to collect the contractual cash flows
- The contractual terms of the debt instrument give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding

The details of these conditions are outlined below.

4.9.2.1.1. Business model assessment

The Company determines its business model at the level that best reflects how it manages groups of financial assets to achieve its business objective.

The Company holds financial assets to generate returns and provide a capital base to provide for settlement of claims as they arise. The Company considers the timing, amount and volatility of cash

flow requirements to support insurance liability portfolios in determining the business model for the assets as well as the potential to maximise return for shareholders and future business development.

The Company's business model is not assessed on an instrument-by-instrument basis, but at a higher level of aggregated portfolios that is based on observable factors such as:

- How the performance of the business model and the financial assets held within that business model are evaluated and reported to the Company's key management personnel
- The risks that affect the performance of the business model (and the financial assets held within that business model) and, in particular, the way those risks are managed
- How managers of the business are compensated (for example, whether the compensation is based on the fair value of the assets managed or on the contractual cash flows collected)
- The expected frequency, value and timing of asset sales are also important aspects of the Company's assessment

4.9.2.1.2. The SPPI test

As a second step of its classification process the Company assesses the contractual terms to identify whether they meet the SPPI test.

'Principal' for the purpose of this test is defined as the fair value of the financial asset at initial recognition and may change over the life of the financial asset (for example, if there are repayments of principal or amortisation of the premium/ discount).

The most significant elements of interest within a debt arrangement are typically the consideration for the time value of money and credit risk. To make the SPPI assessment, the Company applies judgement and considers relevant factors such as the currency in which the financial asset is denominated, and the period for which the interest rate is set.

4.9.2.2. Equity instruments measured at fair value through other comprehensive income

The Company applies the new category under IFRS 9 for equity instruments measured at FVOCI when both of the following conditions are met:

- The instrument is held within a business model, the objective of which is both collecting contractual cash flows and selling financial assets
- The contractual terms of the financial asset meet the SPPI test

These instruments largely comprise equity instruments that had previously been classified as available-for-sale under IAS 39. Equity instruments in this category are those that are intended to be held to collect contractual cash flows and which may be sold in response to needs for liquidity or in response to changes in market conditions.

4.9.2.3. Financial assets measured at fair value through profit or loss

Financial assets in this category are those that are managed in a fair value business model, or that have been designated by management upon initial recognition, or are mandatorily required to be measured at fair value under IFRS 9. This category includes debt instruments whose cash flow characteristics fail the SPPI criterion or are not held within a business model whose objective is either to collect contractual cash flows, or both to collect contractual cash flows and sell.

4.9.3. Subsequent measurement

4.9.3.1. Debt instruments at amortised cost

After initial measurement, debt instruments are measured at amortised cost, using the effective interest rate (EIR) method, less allowance for impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and fee or costs that are an integral part of the EIR. ECLs are recognised in the statement of profit or loss when the investments are impaired.

4.9.3.2. Equity instruments at fair value through other comprehensive income

FVOCI equity instruments are subsequently measured at fair value with gains and losses arising due to changes in fair value recognised in OCI. Interest income and foreign exchange gains and losses are recognised in profit or loss in the same manner as for financial assets measured at amortised cost. The ECL calculation for equity instruments at FVOCI is explained in Note 4.9.6.2. Where the Company holds more than one investment in the same security, they are deemed to be disposed of on a first-in first-out basis. On derecognition, cumulative gains or losses previously recognised in OCI are reclassified from OCI to profit or loss.

4.9.3.3. Financial assets at fair value through profit or loss

Financial assets at FVPL are recorded in the statement of financial position at fair value. Changes in fair value are recorded in profit or loss. Interest earned on assets mandatorily required to be measured at FVPL is recorded using contractual interest rate, as explained in Note 4.10.2. Dividend income from equity instruments measured at FVPL is recorded in profit or loss as other operating income when the right to the payment has been established.

4.9.4. Reclassification of financial assets and liabilities

The Company does not reclassify its financial assets subsequent to their initial recognition, apart from the exceptional circumstances in which the Company acquires, disposes of, or terminates a business line.

4.9.5. Derecognition

4.9.5.1. Derecognition other than for substantial modification

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when:

- The rights to receive cash flows from the asset have expired

Or

- The Company has transferred its right to receive cash flows from the asset or has assumed an Obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either:

(a) the Company has transferred substantially all the risks and rewards of the asset;

or

(b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

The Company considers control to be transferred if and only if, the transferee has the practical ability to sell the asset in its entirety to an unrelated third party and is able to exercise that ability unilaterally and without imposing additional restrictions on the transfer.

When the Company has neither transferred nor retained substantially all of the risks and rewards and has retained control of the asset, the asset continues to be recognised only to the extent of the Company's continuing involvement, in which case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

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 the Company could be required to pay.

4.9.5.2. Derecognition due to substantial modification of terms and conditions

The Company derecognises a financial asset when the terms and conditions have been renegotiated to the extent that, substantially, it becomes a new instrument, with the difference recognised as a derecognition gain or loss. In the case of debt instruments at amortised cost, the newly recognised loans are classified as Stage 1 for ECL measurement purposes.

When assessing whether or not to derecognise an instrument, amongst others, the Company considers the following factors:

- Change in currency of the debt instrument
- Introduction of an equity feature
- Change in counterparty
- If the modification is such that the instrument would no longer meet the SPPI criterion

If the modification does not result in cash flows that are substantially different, the modification does not result in derecognition. Based on the change in cash flows discounted at the original EIR, the Company records a modification gain or loss.

4.9.6. Impairment of financial assets

The Company recognises an allowance for ECLs for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at the appropriate effective interest rate.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

The Company considers a financial asset to be in default (credit impaired) when contractual payments are 90 days past due. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

4.9.6.1. The calculation of ECLs

The Company calculates ECLs based on scenarios to measure the expected cash shortfalls, discounted at an appropriate EIR. A cash shortfall is the difference between the cash flows that are due to the Company in accordance with the contract and the cash flows that the entity expects to receive.

The mechanics of the ECL calculations are outlined below and the key elements are, as follows:

- PD - The Probability of Default is an estimate of the likelihood of default over a given time horizon. It is estimated with consideration of economic scenarios and forward-looking information.
- EAD - The Exposure at Default is an estimate of the exposure at a future default date, taking into account expected changes in the exposure after the reporting date, including repayments of principal and interest, whether scheduled by contract or otherwise, and accrued interest from missed payments.
- LGD - The Loss Given Default is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the Company would expect to receive. It is usually expressed as a percentage of the EAD.

The Company allocates its assets subject to ECL calculations to one of these categories, determined as follows:

- 12mECL - The 12mECL is calculated as the portion of long term ECLs (LTECLs) that represent the ECLs that result from default events on a financial instrument that are possible within 12 months after the reporting date. The Company calculates the 12mECL allowance based on the expectation of a default occurring in the 12 months following the reporting date. These expected 12-month default probabilities are applied to a forecast EAD and multiplied by the expected LGD and discounted by an appropriate EIR. This calculation is made for each of the four scenarios, as explained above.
- LTECL - When an instrument has shown a significant increase in credit risk since origination, the Company records an allowance for the LTECLs. The mechanics are similar to those explained above, including the use of

multiple scenarios, but PDs and LGDs are estimated over the lifetime of the instrument. The expected losses are discounted by an appropriate EIR.

- Impairment For debt instruments considered credit-impaired, the Company recognises the lifetime
- expected credit losses for these instruments. The method is similar to that for LTECL assets, with the PD set at 100%.

4.9.6.2. Equity instruments measured at fair value through other comprehensive income

The ECLs for equity instruments measured at FVOCI do not reduce the carrying amount of these financial assets in the statement of financial position, which remains at fair value. Instead, an amount equal to the allowance that would arise if the assets were measured at amortised cost is recognised in OCI with a corresponding charge to profit or loss. The accumulated gain recognised in OCI is recycled to the profit or loss upon derecognition of the assets.

4.9.7. Write-offs

Financial assets are written-off either partially or in their entirety only when the Company has stopped pursuing the recovery. If the amount to be written -off is greater than the accumulated loss allowance, the difference is first treated as an addition to the allowance that is then applied against the gross carrying amount. Any subsequent recoveries are credited to credit loss expense. There were no write-offs over the periods reported in these financial statements.

4.10. Recognition of interest income

4.10.1. The effective interest rate method

Under IFRS 9, interest income is recorded using the effective interest rate (EIR) method for all financial assets measured at amortised cost. Similar to interest bearing financial assets previously classified as available-for-sale or held to maturity under IAS 39, interest income on interest bearing financial assets measured at FVOCI under IFRS 9 is also recorded using the EIR method. The EIR is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset or, when appropriate, a shorter period, to the gross carrying amount of the financial asset.

The EIR (and therefore, the amortised cost of the financial asset) is calculated by taking into account transaction costs and any discount or premium on acquisition of the financial asset as well as fees and costs that are an integral part of the EIR. The Company recognises interest income using a rate of return that represents the best estimate of a constant rate of return over the expected life of the debt instrument.

If expectations of a fixed rate financial asset's cash flows are revised for reasons other than credit risk, and the changes to future contractual cash flows are discounted at the original EIR with a consequential adjustment to the carrying amount. The difference to the previous carrying amount is booked as a positive or negative adjustment to the carrying amount of the financial asset in the statement of financial position with a corresponding increase or decrease in interest income.

For floating-rate financial instruments, periodic re-estimation of cash flows to reflect the movements in the market rates of interest also alters the effective interest rate, but when instruments were initially recognised at an amount equal to the principal, re-estimating the future interest payments does not significantly affect the carrying amount of the asset or the liability.

4.10.2. Interest and similar income

Interest income comprises amounts calculated using the effective interest method and other methods. These are disclosed separately on the face of the income statement.

In its Interest income calculated using the effective interest method the Company only includes interest on financial instruments at amortised cost or FVOCI.

Other interest income includes interest on all financial assets measured at FVPL, using the contractual interest rate.

The Company calculates interest income on financial assets, other than those considered credit-impaired, by applying the EIR to the gross carrying amount of the financial asset.

4.11 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 he 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

4.12 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.

4.13 Employee Benefits

Discretionary Defined Benefit Plan - Retirement Benefit Scheme
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 retirement benefit scheme, the liability to an employee arises based on their length of service and salary at retirement age and meeting other specific criteria. 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.

4.15 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.

4.16 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.

5. Significant judgements and estimates

The 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 are discussed below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur. The Company disaggregates information to disclose major product lines namely, fire, marine hull, motor, marine, health and miscellaneous issued. This disaggregation has been determined based on how the Company is managed.

5.1. Insurance and reinsurance contracts

The Company applies the PAA to simplify the measurement of insurance contracts. When measuring liabilities for remaining coverage, the PAA is broadly similar to the Company's previous accounting treatment under IFRS 4. However, when measuring liabilities for incurred claims, the Company now discounts cash flows that are expected to occur more than one year after the date on which the claims are incurred and includes an explicit risk adjustment for non-financial risk.

5.1.1. Liability for remaining coverage

The liability for remaining coverage, specifically being the provision for unearned contributions represents contributions charged for risks that have not yet expired. It provides for all claims expected to occur over the unexpired period of the contributions received. Generally, the reserve is released over the term of the contract and is recognized as contribution income. For onerous groups of contracts, the fulfilment cash flows will be calculated for comparison against the unearned contributions.

If these estimates show that the carrying amount of the unearned contributions is inadequate, the deficiency is recognized in the Statement of Profit or Loss by setting up a provision for loss component. The liabilities are derecognized when the contract expires, is discharged or is cancelled.

Onerous groups

For groups of contracts that are onerous, the liability for remaining coverage is determined by the fulfilment cash flows. Any loss-recovery component is determined with reference to the loss Component recognised on underlying contracts and the recovery expected on such claims from reinsurance contracts held.

5.1.2. Liability for incurred claims

The ultimate cost of outstanding claims is estimated by using a range of standard actuarial claims projection techniques, such as Chain Ladder and Bornheutter-Ferguson methods.

The main assumption underlying these techniques is that a Company's past claims development experience can be used to project future claims development and hence ultimate claims costs. These methods extrapolate the development of paid and incurred losses, average costs per claim (including claims handling costs), and claim numbers based on the observed development of earlier years and expected loss ratios. Historical claims development is mainly analysed by accident years, but can also be further analysed by geographical area, as well as by significant business lines and claim types. Large claims are usually separately addressed, either by being reserved at the face value of loss adjuster estimates or separately projected in order to reflect their future development. In most cases, no explicit assumptions are made regarding future rates of claims inflation or loss ratios. Instead, the assumptions used are those implicit in the historical claims' development data on which the projections are based. Additional qualitative judgement is used to assess the extent to which past trends may not apply in future, (e.g., to reflect one-off occurrences, changes in external or market factors such as public attitudes to claiming, economic conditions, levels of claims inflation, judicial decisions and legislation, as well as internal factors such as portfolio mix, policy features and claims handling procedures) in order to arrive at the estimated ultimate cost of claims that present the probability weighted expected value outcome from the range of possible outcomes, taking account of all the uncertainties involved.

Other key circumstances affecting the reliability of assumptions include variation in interest rates, delays in settlement and changes in foreign currency exchange rates.

5.2 Actuarial Valuations of the Takaful (insurance) contract liabilities

The valuation of Takaful (insurance) contract liabilities was carried out by Actuarial Partners Consulting Sdn. Bhd. (formerly known as Mercer Zainal Consulting Sdn. Bhd).

Non-life insurance contract liabilities are recognized when contracts are entered into and contributions are charged. These liabilities are known as the liability for incurred claims ("LIC") and liability for remaining coverage ("LRC").

The liability for incurred claims provides for all claims incurred but not yet settled at the Reporting date, whether reported or not, together with reduction for the

expected value of salvage and other recoveries, and the risk adjustment amount made on the corresponding fund. 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 using standard actuarial valuation methods. The liability is not discounted for the time value of money given its immateriality in line with the short-tailed nature of the majority of the Company's outstanding claims liability. No provision for equalization or catastrophe reserves is recognized.

The liability for remaining coverage, specifically being the provision for unearned contributions represents contributions charged for risks that have not yet expired. It provides for all claims expected to occur over the unexpired period of the contributions received. Generally, the reserve is released over the term of the contract and is recognized as contribution income. For onerous groups of contracts, the fulfilment cash flows will be calculated for comparison against the unearned contributions. If these estimates show that the carrying amount of the unearned contributions is inadequate, the deficiency is recognized in the Statement of Profit or Loss by setting up a provision for loss component. The liabilities are derecognized when the contract expires, is discharged or is cancelled.

5.3 Discretionary Defined Benefit Plan – Retirement Benefit Scheme (Note 23)
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.

5.4 Deferred Tax Asset (Note 10.2)
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. 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.

6. Standards Issued but not yet effective and New and Amended Standards and Interpretations

6.1 Standards Issued but not yet effective
The new and amended standards that are issued, but not yet effective to the date of issuance of these financial statements are disclosed below. None of the new or amended pronouncements are expected to have a material impact on the financial statements of the Company in the foreseeable future. The Company intends to adopt these amended standards, if applicable, when they become effective.

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 2024 and must be applied retrospectively.

Amendments to IFRS 16: Lease Liability in a Sale and Leaseback
In September 2022, the IASB issued amendments to IFRS 16 to specify the requirements that a seller- lessee uses in measuring the lease liability arising in a sale and leaseback transaction, to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right of use it retains.

The amendments are effective for annual reporting periods beginning on or after 1 January 2024 and must applied retrospectively to sale and leaseback transactions entered into after the date of initial application of IFRS 16. Earlier application is permitted and that fact must be disclosed.

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

Amendments to IAS 7 and IFRS 7: Supplier Finance Arrangements
In May 2023, the IASB issued amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures to clarify the characteristics of supplier finance arrangements and require additional disclosure of such arrangements. The disclosure requirements in the amendments are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk.

The amendments will be effective for annual reporting periods beginning on or after 1 January 2024. Early adoption is permitted, but will need to be disclosed. The amendments are not expected to have a material impact on the Company's financial statements.

6.2 New and Amended Standards and Interpretations
The Company applied for the first-time certain standards and amendments, which are effective for annual periods beginning on or after 1 January 2022. The Company has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

Amendments to IAS 8: Definition of Accounting Estimates

The amendments to IAS 8 clarify the distinction between changes in accounting estimates, changes in accounting policies and the correction of errors. They also clarify how entities use measurement techniques and inputs to develop accounting estimates.

The amendments had no impact on the Company's financial statements.

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

The amendments to IAS 1 and IFRS Practice Statement 2 Making Materiality Judgements provide 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 have had an impact on the Company's disclosures of accounting policies, but not on the measurement, recognition or presentation of any items in the Company's financial statements.

Amendments to IAS 12: Deferred Tax related to Assets and Liabilities arising from a Single Transaction

The amendments to IAS 12 Income Tax narrow the scope of the initial recognition exception, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences such as leases and decommissioning liabilities.

The amendments had no impact on the Company's financial statements.

7. Investment income

	Year ended 31.12.2023 MVR	Year ended 31.12.2022 MVR
Dividend income	3,499,577	1,981,608
Murabaha, Wakalah and Ijarah income	2,537,101	3,102,667
Mudarabah income	1,085,519	968,599
Sukuk income	716,546	449,560
Income from Islamic T-Bills	1,867,392	1,035,299
Net realised capital gain	-	57,243
Net fair value gains on financial assets at fair value through profit or loss	2,588,027	2,783,933
Income from deposit with Maldives Monetary Authority	19,998	19,998
	12,314,160	10,398,907

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

8. Other income

	Year ended 31.12.2023 MVR	Year ended 31.12.2022 MVR
Sundry income (Discount received from third party administrators, Excess payments write-off etc.)	4,699,576	2,780,398
	4,699,576	2,780,398

9. Other operating, investment related and administration expenses

	Year ended 31.12.2023 MVR	Year ended 31.12.2022 MVR
Staff expenses (9.1)	16,923,969	14,506,429
Administration & establishment expenses	14,783,383	13,460,786
Depreciation	503,563	400,360
Provision for retirement provident fund	863,413	15,594
Software	514,471	498,993
Consultancy fees	663,519	939,122

9.1 Staff expenses

	Year ended 31.12.2023 MVR	Year ended 31.12.2022 MVR
Wages, salaries & bonuses	12,708,941	11,920,754
Defined benefit plan	905,818	15,594
Staff welfare	206,113	93,945
Staff training	195,133	167,516
Medical claims	378,592	191,389
Staff incentives	1,246,140	1,157,501
Other staff cost	1,283,232	959,729
	16,923,969	14,506,429

9.2 Included in administrative & establishment expenses

	Year ended 31.12.2023 MVR	Year ended 31.12.2022 MVR
Audit fee	122,404	116,576

10. Income tax expense

	Year ended 31.12.2023 MVR	Year ended 31.12.2022 MVR
Income tax on profit (10.1)	3,424,498	3,201,372
Deferred tax (charge)/reverse during the year (10.3)	(163,317)	98,416
	3,261,181	3,299,788

10.1 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 31.12.2023 MVR	Year ended 31.12.2022 MVR
Accounting profit before income tax	20,052,538	22,379,475
Non-deductible expenses for the tax purpose		
Depreciation and amortization charge for the year	1,018,035	899,354
Other disallowable expenses	6,538,407	2,379,821
Deductible expenses for the tax purpose		
Capital allowances	(772,737)	(823,148)
Other allowable expenses	(3,506,254)	(2,993,025)
Taxable profit before adjustments	23,329,989	21,842,477
Tax free allowance	(500,000)	(500,000)
Taxable profit	22,829,989	21,342,477
Income tax on taxable profit @ 15%	3,424,498	3,201,372

10.2 Deferred tax liability/asset

	Year ended 31.12.2023 MVR	Year ended 31.12.2022 MVR
Temporary difference on assets and liabilities	750,782	525,418
Defined employee benefits	4,843,841	3,980,427
Total temporary difference on profit before tax	5,594,623	4,505,845
Net change in equity instruments at fair value through OCI	(67,806,000)	-
Total temporary difference on total comprehensive income	(62,211,377)	4,505,845
Tax rate	15%	15%
Deferred tax liability/(asset) as at 31 December	(9,331,707)	675,876

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 and the Fair value gain on the equity financial instruments. The Company's management expects to earn future taxable profits and therefore deferred tax asset is recognised.

10.3 Movement in deferred tax (liability)/asset

	Year ended 31.12.2023 MVR	Year ended 31.12.2022 MVR
At 1 January	675,876	774,292
Charge/(reversal) made during the year	163,317	(98,416)
Provision made during the year for other Comprehensive Income	(10,170,900)	-
Deferred Tax as at 31 December	(9,331,707)	675,876

10.4 Income tax payable

Tax payable as at 1 January	1,681,321	1,584,977
Income tax expense for the year	3,424,498	3,201,372
Tax paid during the year	(3,235,213)	(3,105,028)
Tax payable as at 31 December	1,870,606	1,681,321

11. Dividends Paid and Proposed

	Year ended 31.12.2023 MVR	Year ended 31.12.2022 MVR
Declared and paid during the year		
Cash dividends on ordinary shares:		
Final dividend for 2022 FY: MVR 0.19 (2021 MVR 0.13 per share)	3,947,187	2,631,458
Interim dividend for 2023 FY: MVR 0.13 (2022 MVR 0.13 per share)	2,631,458	2,631,458
Total dividends paid in the year	6,578,646	5,262,917

12. 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 31.12.2023 MVR	Year ended 31.12.2022 MVR
Amount used as the numerator:		
Profit for the year	16,791,357	14,448,675
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	0.83	0.71

13. Intangible assets

	Year ended 31.12.2023 MVR	Year ended 31.12.2022 MVR
Software at cost		
Balance as at 1st January	9,527,287	9,358,590
Additions	1,991,353	168,697
Balance as at 31st December	11,518,640	9,527,287
Amortisation		
Balance as at 1st January	4,182,947	3,683,954
Amortisation for the year	514,471	498,993
Transfer during the year	(147,607)	-
Balance as at 31st December	4,845,025	4,182,947
Carrying amount as at 31st December	6,673,615	5,344,340

14. Property, plant and equipment

	Balance As at 01.01.2023 MVR	Additions during the year MVR	Disposals during the year MVR	Balance As at 31.12.2023 MVR
At cost				
Furniture and fittings	1,537,123	13,956	(21,807)	1,529,272
Motor vehicles	100,880	-	-	100,880
Computers and peripherals	1,537,131	2,425,337	(320,941)	3,641,528
Other equipment	534,492	2,733	(51,106)	486,119
Total value of depreciable assets	3,709,626	2,442,026	(393,853)	5,757,799

	Balance As at 01.01.2023 MVR	Charge for the year MVR	Disposals / Transfer during the year MVR	Balance As at 31.12.2023 MVR
At cost				
Furniture and fittings	831,170	149,342	(21,706)	958,806
Motor vehicles	100,880	-	-	100,880
Computers and peripherals	1,094,819	333,531	(454,527)	973,824
Other equipment	487,876	20,690	(51,106)	457,459
Total depreciation	2,514,744	503,563	(527,338)	2,490,969
Carrying amount	1,194,882			3,266,830

15. Right-of-use assets

	Year ended 31.12.2023 MVR	Year ended 31.12.2022 MVR
As at 1 January	15,308,615	16,602,301
Amortization expense	(1,293,686)	(1,293,686)
As at 31 December	14,014,929	15,308,615
15.1 Lease obligation		
Additions of properties held under lease	6,379,005	6,726,123
Accretion of Finance Cost	403,731	426,978
Payments	(774,096)	(774,096)
As at 31 December	6,008,640	6,379,005

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 aforenoted 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.

16. Financial assets

	Year ended 31.12.2023 MVR	Year ended 31.12.2022 MVR
Financial instruments at fair value through profit or loss (16.1)	10,878,653	9,221,463
Equity instruments at fair value through other comprehensive income (16.2)	133,056,000	72,000,000
Debt instruments at amortized cost (16.3)	168,626,012	123,154,755
Profit receivable	1,931,515	1,952,662
	314,492,180	206,328,880
16.1 Financial instruments at fair value through profit or loss		
Bullion	-	1,265,036
Investment in equity shares (16.4.1)	10,878,653	7,956,427
	10,878,653	9,221,463
16.2 Equity instruments at fair value through other comprehensive income		
Investment in equity securities - Quoted (16.4.2)	133,056,000	72,000,000
	133,056,000	72,000,000
16.3 Debt Instruments at amortized cost		
Murabaha investments	337,844	707,331
Mudarabah investments	65,061,046	40,524,950
Wakalah investment	30,194,450	43,730,700
Ijarah investment	175,374	191,774
Sukuk investment	10,235,898	5,500,000
Islamic treasury bills	62,621,400	32,500,000
	168,626,012	123,154,755

Wakahla investments include MVR 9,020,700 invested in Expo Commodities DMCC, MVR 6,939,000 invested in Amana Takaful PLC, MVR 771,000 invested in Amana Takaful Life PLC and MVR 963,750 invested in Axpo Pty Private Limited which are related parties.

16.4 Financial instruments at fair value through profit or loss

	2023		2022	
	Number of shares	Market value MVR	Number of shares	Market value MVR
16.4.1 Quoted - Shares				
Dhivehi Raajjeyge Gulhun PLC (16.5)	2,270	308,266	2,270	251,970
Maldives Islamic Bank PLC (16.5)	6,372	471,018	6,372	254,880
Ooredoo Maldives PLC (16.5)	100,000	9,266,000	100,000	7,000,000
Amana Bank PLC (16.4.2.1 & 16.5)	7,591,740	833,369	3,641,124	449,577
	7,700,382	10,878,653	3,749,766	7,956,427
16.4.2 Quoted - Securities				
Maldives Islamic Bank PLC	1,800,000	133,056,000	1,800,000	72,000,000
	1,800,000	133,056,000	1,800,000	72,000,000
16.4.2.1 Cost as at 31 December		449,577		1,714,641
Less: change in fair value		(51,379)		(759,954)
Less: sold during the year		-		(520,096)
Additions: Scrip dividend		17,046		14,986
Additions: Right issue		418,125		-
Fair value as at 31 December		833,369		449,577

16.5 Fair value measurement hierarchy

The following table provides the fair value measurement hierarchy of the Group's assets and liabilities:

Fair value measurement hierarchy for assets as at 31 December 2023:

			Fair value measurement using		
			Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
	Date of valuation	value MVR	MVR	MVR	MVR
Assets measured at fair value:					
Financial assets					
Financial instruments at fair value through profit or loss	31 December 2023	10,878,653	833,369	10,045,284	-
Equity instruments at fair value through other comprehensive income	31 December 2023	133,056,000	-	133,056,000	-

17. Amounts due from related parties

	Year ended 31.12.2023 MVR	Year ended 31.12.2022 MVR
Amana Takaful PLC- Medical Takaful (Colombo)	162,387	142,278
Amana Takaful PLC	149,944	63,168
	312,331	205,446

18. Other assets

Other receivables	5,654,463	5,278,704
Less : Expected credit loss provision	(886,650)	-
	4,767,813	5,278,704
Deposits, advances and prepayments	501,713	1,324,852
	5,269,526	6,603,556

19. Cash and cash equivalents

Cash in hand	4,000	3,059
Balances with banks	9,367,967	5,815,869
	9,371,967	5,818,928

20. Issued share capital

	Year ended 31.12.2023 MVR	Year ended 31.12.2022 MVR
50,000,000 Ordinary shares of MVR 1.30	65,000,000	65,000,000
20.1		
20.2 Issued and fully paid share capital		
20,241,987 Ordinary shares of MVR 1.30	26,314,583	26,314,583

20.3 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. 3,947,187/- for 2022 and an interim dividend of MVR. 2,631,458/- during the year ended 31 December 2023.

21. Takaful (insurance) contract liabilities

	Year ended 31.12.2023 MVR	Year ended 31.12.2022 MVR
Provision for unearned contribution (premium) (21.1)	87,809,605	59,484,233
Claims outstanding (21.2)	39,704,626	22,818,982
Provision for claims IBNR (21.4)	1,049,057	2,098,195
Insurance contract liabilities	128,563,288	84,401,410
Deferred acquisition cost (21.3)	(4,277,993)	(2,945,041)
Contribution (premium) receivables	(11,704,055)	(12,640,489)
Insurance contract assets	(15,982,048)	(15,585,530)
	112,581,240	68,815,880

21.1 Provision for unearned contribution

	Year ended 31.12.2023 MVR	Year ended 31.12.2022 MVR
Provision for unearned contribution		
As at 1 January	59,484,233	44,628,802
Increased during the year	28,325,372	14,855,430
As at 31 December	87,809,605	59,484,233

21.2 Provision for claims outstanding

As at 1 January	22,818,982	26,076,797
Settled during the year	(113,793,535)	(92,733,708)
Provision made during the year	130,679,179	89,475,893
As at 31 December	39,704,626	22,818,982

21.3 Deferred Acquisition cost

As at 1 January	(2,945,041)	(2,649,643)
Increased during the year	(1,332,952)	(295,398)
As at 31 December	(4,277,993)	(2,945,041)

21.4 Provision for claims IBNR

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

22. Takaful (insurance) and Re-takaful (Re-insurance) contract liabilities

The breakdown of groups of insurance and reinsurance contracts issued, and reinsurance contracts held, that are in an asset position and those in a liability position is set out in the table below:

	2023			2022		
	Assets	Liabilities	Net	Assets	Liabilities	Net
Insurance contracts issued						
Fire	1,445,747	(6,917,043)	(5,471,295)	2,910,810	(5,589,826)	(2,679,015)
Marine Hull	1,994,624	(4,022,595)	(2,027,971)	2,934,634	(5,022,012)	(2,087,377)
Motor	805,459	(4,430,323)	(3,624,864)	378,315	(3,467,901)	(3,089,586)
Marine	43,522	(100,252)	(56,730)	189,592	(79,764)	109,828
Miscellaneous	1,904,757	(3,120,128)	(1,215,370)	1,036,012	(2,634,134)	(1,598,123)
Health	9,787,939	(109,972,948)	(100,185,009)	8,136,167	(67,607,774)	(59,471,607)
Total insurance contracts issued	15,982,048	(128,563,288)	(112,581,240)	15,585,530	(84,401,410)	(68,815,880)
Reinsurance contracts held						
Fire	4,668,573	(3,385,186)	1,283,388	5,536,435	(8,028,254)	(2,491,818)
Marine Hull	1,732,404	(1,532,149)	200,255	1,277,358	(1,714,992)	(437,634)
Motor	825,085	(32,947)	792,138	225,301	(2)	225,303
Marine	213,953	(101,127)	112,826	4,000	(166,538)	(162,538)
Miscellaneous	196,343	(1,129,075)	(932,732)	233,393	(1,881,978)	(1,648,585)
Total Reinsurance contracts held	7,636,358	(6,180,484)	1,455,874	7,276,487	(11,791,763)	(4,515,272)

22.1 Roll-forward of net asset or liability for insurance contracts issued showing the liability for remaining coverage and the liability for incurred claims

The roll-forward of the net asset or liability for insurance contracts issued, showing the liability for remaining coverage and the liability for incurred claims for insurance product line, is disclosed in the table below:

	Balance As at 01.01.2023 MVR	Movement During the Year	Balance As at 31.12.2023 MVR
Fire			
Insurance net asset/(liability) for remaining coverage of insurance contracts	348,356	(1,073,204)	(724,849)
Insurance liabilities for incurred claims	(3,027,371)	(1,719,076)	(4,746,447)
	(2,679,015)	(2,792,280)	(5,471,296)
Marine Hull			
Insurance net asset/(liability) for remaining coverage of insurance contracts	347,792	(841,964)	(494,172)
Insurance liabilities for incurred claims	(2,435,170)	901,370	(1,533,799)
	(2,087,378)	59,406	(2,027,971)
Motor			
Insurance net asset/(liability) for remaining coverage of insurance contracts	(2,720,415)	225,370	(2,495,044)
Insurance liabilities for incurred claims	(369,171)	(760,649)	(1,129,820)
	(3,089,586)	(535,279)	(3,624,864)
Marine			
Insurance net asset/(liability) for remaining coverage of insurance contracts	130,277	(155,125)	(24,847)
Insurance liabilities for incurred claims	(20,449)	(11,434)	(31,883)
	109,828	(166,558)	(56,730)
Miscellaneous			
Insurance net asset/(liability) for remaining coverage of insurance contracts	(1,286,371)	762,917	(523,454)
Insurance liabilities for incurred claims	(311,751)	(380,165)	(691,916)
	(1,598,122)	382,752	(1,215,370)
Health			
Insurance net asset/(liability) for remaining coverage of insurance contracts	(40,718,342)	(26,846,850)	(67,565,192)
Insurance liabilities for incurred claims	(18,753,265)	(13,866,553)	(32,619,818)
	(59,471,607)	(40,713,403)	(100,185,010)
Takaful (insurance) contract net liabilities	(68,815,880)		(112,581,240)

22.1 Roll-forward of net asset or liability for insurance contracts issued showing the liability for remaining coverage and the liability for incurred claims (continued)

The roll-forward of the net asset or liability for insurance contracts issued, showing the liability for remaining coverage and the liability for incurred claims for insurance product line, is disclosed in the table below:

	Balance As at 01.01.2022 MVR	Movement During the Year	Balance As at 31.12.2022 MVR
Fire			
Insurance net asset/(liability) for remaining coverage of insurance contracts	(6,037,427)	6,385,783	348,356
Insurance liabilities for incurred claims	(7,958,328)	4,930,957	(3,027,371)
	(13,995,755)	11,316,740	(2,679,015)
Marine Hull			
Insurance net asset/(liability) for remaining coverage of insurance contracts	1,502,135	(1,154,342)	347,792
Insurance liabilities for incurred claims	(543,240)	(1,891,930)	(2,435,170)
	958,895	(3,046,272)	(2,087,378)
Motor			
Insurance net asset/(liability) for remaining coverage of insurance contracts	(641,187)	(2,079,228)	(2,720,415)
Insurance liabilities for incurred claims	(560,395)	191,224	(369,171)
	(1,201,582)	(1,888,004)	(3,089,586)
Marine			
Insurance net asset/(liability) for remaining coverage of insurance contracts	(534,520)	664,797	130,277
Insurance liabilities for incurred claims	(13,434)	(7,015)	(20,449)
	(547,954)	657,783	109,828
Miscellaneous			
Insurance net asset/(liability) for remaining coverage of insurance contracts	(26,912,649)	25,626,277	(1,286,371)
Insurance liabilities for incurred claims	(404,558)	92,806	(311,751)
	(27,317,206)	25,719,084	(1,598,122)
Health			
Insurance net asset/(liability) for remaining coverage of insurance contracts	(3,018,567)	(37,699,774)	(40,718,342)
Insurance liabilities for incurred claims	(17,406,287)	(1,346,978)	(18,753,265)
	(20,424,855)	(39,046,752)	(59,471,607)
Takaful (insurance) contract net liabilities	(62,528,457)		(68,815,880)

23. Employee Benefits

	Year ended 31.12.2023 MVR	Year ended 31.12.2022 MVR
Employee Benefits - Retirement Benefit Scheme		
As at 1 January	3,980,427	3,964,833
Provision during the period	863,413	15,594
As at 31 December	4,843,841	3,980,427

The retirement benefit scheme liability was valued using actuarial technique by the management at 31.12.2023 as requires by IAS 19, Employee Benefits. Above balance included MVR 238,826 arising from current service cost and MVR 624,587 arrising from interest cost and the acturial changes. (2022: current service cost is MVR 317,187 and interest cost and the acturial changes are MVR (301,593).

23.1 Principal actuarial assumptions used for the Company as follows :

a) Discount Rate	6%	8%
b) Salary Increase	9%	8%
c) Incidence of Withdrawals	24%	18%
d) Retirement Age	55 years	55 years

24. Amounts due to related parties

	Year ended 31.12.2023 MVR	Year ended 31.12.2022 MVR
Amana Global Limited	39,913	119,591
	39,913	119,591

25. Other liabilities

	Year ended 31.12.2023 MVR	Year ended 31.12.2022 MVR
Commission payable	3,531,274	4,410,039
Other payables	27,212,539	22,840,947
Pending policy deposits	16,252,393	16,650,750
	46,996,206	43,901,736

26. 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.

26.1 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.

26.2 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 31.12.2023 MVR	Year ended 31.12.2022 MVR
Directors' fees, benefits & Expenses	3,843,168	3,339,318
	3,843,168	3,339,318

26.3 Transactions with other group companies

Information regarding the outstanding related party balances at the year ended, refer note 16, 17 and 24.

Name of the Company	Relationship	Nature of the transaction	Year ended 31.12.2023 MVR	Year ended 31.12.2022 MVR
Amana Global Limited	Affiliate company	Balance at 01 January	(119,592)	(54)
		Settlements (fund transfers to)	239,057	59,288
		Consultancy fee	(159,379)	(178,825)
		Balance at 31 December	(39,913)	(119,592)
Recorded under				
Amounts due to related parties			39,913	119,591
Amana Takaful PLC	Parent company	Current account transaction		
		Balance at 01 January	205,446	139,519
		Charges for the Year	(1,476,262)	(2,146,920)
		Settlement during the period	1,583,147	2,212,847
		Balance at 31st December	312,331	205,446
Recorded under				
Amounts due from related parties			312,331	205,446
		Other transactions		
		Balance at 01 January	5,588,145	10,178,288
		Dividend declared	(3,629,113)	(2,903,290)
		Dividend paid during the period	3,629,113	1,451,645
		Capital repayment for financing facility	-	(3,084,000)
		Profit for the year for financing facility	447,518	477,175
		Profit received for financing facility	(416,340)	(531,673)
		Balance at 31st December	5,619,323	5,588,145
Recorded under				
Financial assets			7,070,968	7,039,790
Other liability			(1,451,645)	(1,451,645)
			5,619,323	5,588,145

26.3 Transactions with other group companies contd.

Information regarding the outstanding related party balances at the year ended, refer note 16, 17 and 24..

Name of the Company	Relationship	Nature of the transaction	Year ended 31.12.2023 MVR	Year ended 31.12.2022 MVR
Amana Takaful Life PLC	Sister company	Balance at 01 January	783,516	783,516
		Profit for the year for financing facility	46,260	46,260
		Profit received for financing facility	(46,260)	(46,260)
		Balance at 31 December	783,516	783,516
Recorded under				
Financial assets			783,516	783,516
Expo Commodities DMCC	Affiliate company	Balance at 01 January	9,328,991	4,670,055
		Financing facility	-	4,626,000
		Profit for the year for financing facility	651,601	487,441
		Profit received for financing facility	(454,505)	(454,505)
		Balance at 31 December	**9,526,088**	**9,328,991**
Recorded under				
Financial assets			9,526,088	9,328,991
Axpo Pty Pvt Ltd	Affiliate company	Financing facility	1,156,500	-
		Capital repayment for financing facility	(192,750)	-
		Profit receivable for financing facility	21,229	
		Balance at 31 December	984,979	-
Recorded under				
Financial assets			984,979	-
Amana Bank PLC	Affiliate company	Balance at 01 January	449,577	1,714,641
		Change in fair value	(51,379)	(759,954)
		Sold during the year	-	(520,096)
		Additions - scrip dividend/ right issue	435,171	14,986
		Balance at 31 December	833,369	449,577
Recorded under				
Financial assets			833,369	449,577

27. Risk Management

27.1 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.

27.2 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.

27.2 Risk Management Framework contd.

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 defense.
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

27.3 Financial Risk

27.3.1 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.

27.3.1 Capital Management (Continued)

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.

27.4 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 2023 and 2022, is the carrying amounts of respective financial instruments.

	Neither Past due nor Impaired	Past due but not Impaired	Individually Impaired	As at 31st December 2023
Financial Assets				
Financial instruments at fair value through profit or loss				
Investment in Equity Securities	10,878,653	-	-	10,878,653
Equity Instruments at fair value through other comprehensive income				
Investment in Equity Securities	133,056,000	-	-	133,056,000
Debt Instruments at amortized cost				
Mudarabah investments	65,061,046	-	-	65,061,046
Murabaha investments	337,844	-	-	337,844
Wakalah investments	30,194,450	-	-	30,194,450
Sukuk investments	10,235,898	-	-	10,235,898
Ijarah investments	175,374	-	-	175,374
Islamic T-Bills	62,621,400	-	-	62,621,400
Profit Receivables	1,931,515	-	-	1,931,515
Other Assets exposed to Credit Risk				
Retakaful (Reinsurance) Receivables	7,636,358	-	-	7,636,358
Contribution (Premium) Receivables	15,982,048	-	-	15,982,048
Cash & Cash Equivalents	9,371,967	-	-	9,371,967
Total Credit exposure	347,482,553	-	-	347,482,553

27.4 Credit Risk (Continued)

Credit Exposure (Continued)

	Neither Past due nor Impaired	Past due but not Impaired	Individually Impaired	As at 31st December 2022
Financial Assets				
Financial instruments at fair value through profit or loss				
Investment in Equity Securities	7,956,427	-	-	7,956,427
Bullion investment	1,265,036			1,265,036
Equity Instruments at fair value through other comprehensive income				
Investment in Equity Securities	72,000,000	-	-	72,000,000
Debt Instruments at amortized cost				
Mudarabah 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
Islamic T-Bills	32,500,000	-	-	32,500,000
Profit Receivables	1,952,662	-	-	1,952,662
Other Assets exposed to Credit Risk				
Retakaful (Reinsurance) Receivables	7,276,487	-	-	7,276,487
Contribution (Premium) Receivables	15,585,530	-	-	15,585,530
Cash & Cash Equivalents	5,818,928	-	-	5,818,928
Total Credit exposure	235,009,826	-	-	235,009,826

27.4.1 Significant increase in credit risk, default and cure

The Company continuously monitors all assets subject to ECLs. In order to determine whether an instrument or a portfolio of instruments is subject to 12 months ECL or life time ECL, the Company assesses whether there has been a significant increase in credit risk since initial recognition.

The Company considers that there has been a significant increase in credit risk when any contractual payments are more than 90 days past due. In addition, the Company also considers a variety of instances that may indicate unlikeliness to pay by assessing whether there has been a significant increase in credit risk. Such events include:

- Internal rating of the counterparty indicating default or near-default
- The counterparty having past due liabilities to public creditors or employees
- The counterparty (or any legal entity within the debtor's group) filing for bankruptcy application/protection
- Counterparty's listed debt or equity suspended at the primary exchange because of rumors or facts about financial difficulties

The Company considers a financial instrument defaulted and, therefore, credit-impaired for ECL calculations in all cases when the counterparty becomes 90 days past due on its contractual payments. The Company may also consider an instrument to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full. In such cases, the Company recognises a lifetime ECL.

In rare cases when an instrument identified as defaulted, it is the Company's policy to consider a financial instrument as 'cured' and, therefore, re-classified out of credit-impaired when none of the default criteria have been present for at least twelve consecutive months.

There has been no significant increase in credit risk or default for financial assets during the year.

27.5 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.

27.5.1 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.

27.5.2 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

		2023		2022	
	Type of Classification	MVR 10% Decline	MVR 10% Increase	MVR 10% Decline	MVR 10% Increase
Financial Assets	FVTPL	9,790,788	11,966,518	6,756,165	8,752,070
	FVTOCI	119,750,400	146,361,600	64,800,000	79,200,000
Net impact on profit before tax	FVTPL	(1,087,865)	1,087,865	(750,685)	750,685
Net impact on OCI	FVTOCI	(13,305,600)	13,305,600	(7,200,000)	7,200,000

27.6 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.

27.6.1 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.

27.6.2 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.

27.6.3 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

27.7 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.

	2023			2022		
	MVR	USD	Total	MVR	USD	Total
Financial assets						
Cash and cash equivalents	7,742,602	1,731,604	9,474,207	3,449,814	2,371,650	5,821,465
Financial instruments at FVTPL and FVTOCI	143,934,653	-	143,934,653	79,956,427	1,265,036	81,221,463
Debt instruments at amortised cost	148,310,162	20,315,850	168,626,012	106,426,358	16,730,700	123,157,058
Insurance contract assets						
Fire	1,445,747	-	1,445,747	2,910,810	-	2,910,810
Marine Hull	1,994,624	-	1,994,624	2,934,634	-	2,934,634
Motor	805,777	-	805,777	378,315	-	378,315
Marine	43,522	-	43,522	189,592	-	189,592
Miscellaneous	1,908,533	-	1,908,533	1,036,012	-	1,036,012
Health	9,804,915	-	9,804,915	8,136,167	-	8,136,167
Insurance contract liabilities						
Fire	(6,917,043)	-	(6,917,043)	5,589,826	-	5,589,826
Marine Hull	(4,022,595)	-	(4,022,595)	5,022,012	-	5,022,012
Motor	(4,430,323)	-	(4,430,323)	3,467,901	-	3,467,901
Marine	(100,252)	-	(100,252)	79,764	-	79,764
Miscellaneous	(3,120,128)	-	(3,120,128)	2,634,134	-	2,634,134
Health	(109,972,948)	-	(109,972,948)	67,607,774	-	67,607,774

27.8 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 2023	Less than one Year	1-3 Years	3-5 Years	More than 5 years	No stated maturity	Total
Assets						
Equity Instruments at fair value through other comprehensive income	-	-	-	-	133,056,000	133,056,000
Equity Instruments at fair value through profit & loss	10,878,653	-	-	-	-	10,878,653
Mudarabah investments	65,061,046	-	-	-	-	65,061,046
Murabaha investments	-	337,844	-	-	-	337,844
Wakalah investments	10,444,750	19,749,700	-	-	-	30,194,450
Sukuk investments	-	-	10,235,898	-	-	10,235,898
Ijarah investments	-	175,374	-	-	-	175,374
Islamic T-Bills	62,621,400	-	-	-	-	62,621,400
Profit receivable	1,931,515	-	-	-	-	1,931,515
	150,937,364	20,262,918	10,235,898	-	133,056,000	314,492,180
Financial Liabilities						
Takaful (Insurance) contract liabilities	128,563,289	-	-	-	-	128,563,289
Re-takaful (Re-insurance) payables	6,180,484	-	-	-	-	6,180,484
Employee benefits	-	-	-	-	4,843,841	4,843,841
Other payables	3,531,274	-	-	-	-	3,531,274
	138,275,046	-	-	-	4,843,841	143,118,887

27.8 Liquidity Risk contd.

Maturity Analysis 2022	Less than one Year	1-3 Years	3-5 Years	More than 5 years	No stated maturity	Total
Equity Instruments at fair value through other comprehensive income	-	-	-	-	72,000,000	72,000,000
Financial instruments at fair value through profit or loss	9,221,463	-	-	-	-	9,221,463
Mudarabah 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
Profit receivable	1,952,662	-	-	-	-	1,952,662
	108,180,075	23,148,805	3,000,000	-	72,000,000	206,328,880
Financial Liabilities						
Takaful (Insurance) contract liabilities	84,401,410	-	-	-	-	84,401,410
Re-takaful (Re-insurance) payables	11,791,763	-	-	-	-	11,791,763
Employee benefits	-	-	-	-	3,980,427	3,980,427
Other payables	4,410,039	-	-	-	-	4,410,039
	100,603,211	-	-	-	3,980,427	104,583,638

27.9 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.

28. 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.

29. 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.

30. Capital commitments and contingent liabilities

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

31. Restatement

IFRS 17 replaces IFRS 4 Insurance Contracts for annual periods on or after 1 January 2023. The Company has restated comparative information for 01 January 2022 and 31 December 2023 applying the transitional provisions as stated below.

As at 01 January 2022	As presented in the 2021 financial statements MVR	Restatement MVR	Restated figures in 2021 Financial statements MVR
Statement of financial position			
Re-takaful (Re-insurance) receivables	10,917,968	(10,917,968)	-
Re-takaful (Re-insurance) contract liabilities	12,514,332	(10,917,968)	1,596,364
Contribution (Premium) receivables	14,570,558	(14,570,558)	-
Retained earnings	(73,829,157)	(13,537,411)	(60,291,746)
Insurance contract liabilities	(56,318,396)	1,033,147	(55,285,249)

Used the modified retrospective approach and restated the balances as at 01 January 2022 as per the transitional provision in IFRS 17. The adjustments are as follows;

As at 31 December 2022	As presented in the 2022 financial statements MVR	Restatement MVR	Restated figures in 2022 Financial statements MVR
Statement of financial position			
Re-takaful (Re-insurance) receivables	7,276,487	(7,276,487)	-
Re-takaful (Re-insurance) contract liabilities	11,791,760	(7,276,487)	4,515,273
Contribution (Premium) receivables	12,640,489	(12,640,489)	-
Insurance contract liabilities	63,287,945	5,527,935	68,815,880
Statement of comprehensive income			
Insurance service expense	93,681,739	5,582,236	99,263,975

IFRS 17 replaces IFRS 4 Insurance Contracts for annual periods on or after 1 January 2023. The Company has restated comparative information for 31 December 2022 applying the transitional provisions as stated above.

SHARE INFORMATION

CATEGORY OF SHAREHOLDERS

Amana Takaful PLC	11,166,500
ExpoLanka Holdings Ltd	4,600,000
A.G Capital Pvt Ltd	3,257,672
Other Shareholders	116,677
Public	1,101,138
Total	20,241,987

MARKET HIGHLIGHTS

Highest Traded Price	MVR 19.00
Lowest Traded Price	MVR 6.00
No. of Trades	39
No. of Shares Traded	155,059
Weighted Average Traded Price	MVR 9.09
Market Capitalization	MVR 323,871,792
Market Value per Share	MVR 16
Price-Earnings Ratio (P/E Ratio)	19.27
Dividend per Share	MVR 0.32
Net Asset Value per Share	MVR 8.65

GLOSSARY

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.

CLAIMS INCURRED BU T 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.

CLAIM OU 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, provides100% 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.

NOTES

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CORPORATE INFORMATION

NAME OF THE COMAPANY
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 Shafique Ahmed Jakhura
Ash-Sheikh Ali Zahir Bin Saeed Gasim
Ash-Sheikh Muhammad Huzaifah

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REINSURANCE PANEL
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Trust International Bahrain
Labuan Reinsurance (L) Ltd
Kuwait Re

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M. Coral Wood (Ground Floor)
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Male'
Republic of Maldives

PRINCIPAL BANKERS
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Bank of Maldives PLC
State Bank of India
Bank of Ceylon

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