

ANNUAL REPORT

2024



MALDIVES
PENSION
OFFICE



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AT A GLANCE



*revised on 13 May 2025

KEY MESSAGES

CHAIRPERSON'S STATEMENT



AHMED INAZ, PhD
Chairperson of the Board

On behalf of the Board of Maldives Pension Administration Office (Pension Office), I am pleased to present the Annual Report and Financial Statements of the Pension Office and Maldives Retirement Pension Scheme (MRPS) for the year ending 31 December 2024. This report provides an overview of the performance of the MRPS, the Pension Office's administration, and key developments that shaped the year.

2024 continued to be a year of growth for the Pension Office. Pension contributions to MRPS increased by 9.94%, with over 131,300 active employees. The total asset value of the fund grew by 12.62%, reaching MVR 24.78 billion. These results demonstrate our commitment to prudently managing the fund, ensuring that it continues to provide long-term financial security for our members.

KEY HIGHLIGHTS AND ACHIEVEMENTS

As we continued to build on our foundation of innovation, governance, and service excellence, the past year proved to be another milestone year. One of the most significant achievements of 2024 was the development and approval of the 2025-2029 Strategic Plan. This comprehensive plan will guide the Pension Office over the next five years, emphasizing our commitment to ensuring pension sustainability, providing member-centric services, fostering innovation,

and enhancing organizational resilience. In parallel, we also refined our vision and mission to align them closely with the strategic goals, ensuring that our actions are reflected in the long-term aspirations of our members and the nation.

Throughout the year, we worked towards diversifying the investment portfolio, ensuring risk-adjusted returns, and better alignment of investments with members' liability profiles. The year also saw a continued focus on improving our operational effectiveness and internal governance. The approval of several policies, such as those related to succession planning, employee well-being, and financial management demonstrated our dedication to creating a positive work environment while ensuring the highest standards of operational efficiency.

I am proud to highlight that in 2024, Pension Office received six recognitions at the ISSA Good Practice Award for Asia and the Pacific, including a Certificate of Merit with Special Mention for "Adaptive Strategies for Overcoming Obstacles: Building on Your Strengths."

A key factor behind this recognition was our customer service portal – the country's first fully digital platform offering all our services online. This achievement highlights our commitment to embracing adaptability as a core principle and the importance of evolving with changing preferences and technological advancements. Our ability to adapt and embrace digital solutions is a testament to our strength in overcoming challenges and delivering efficient, accessible services around the clock, wherever in the world they are needed.

ACKNOWLEDGEMENTS

On behalf of the Board, I would like to extend my sincere appreciation to outgoing Board Member Ms. Maryam Abdul Nasir for her valuable contributions representing the Ministry of Finance. We also warmly welcomed Uz. Ashraf Rasheed, who joined the Board in June 2024, and

look forward to benefiting from his expertise and guidance.

The exceptional leadership and dedication of our Chief Executive Officer, Ms. Sujatha Haleem, has been pivotal to the success of the Pension Office. Her vision, combined with her commitment to innovation, resilience, and excellence, continues to inspire the entire team to strive for even greater achievements.

I would also like to express my heartfelt thanks to the entire Pension Office team for their unwavering dedication. Their hard work and commitment to excellence have been the foundation of our achievements, and I am confident that they will continue to play a critical role in the success of the Pension Office.

The Board's sincere appreciation also goes out to all stakeholders, including our members, employers, institutions, and financial partners, for their ongoing trust and support. Your confidence in the Pension Office inspires us to continually strive for excellence, and we are committed to upholding that trust in the years to come.

Additionally, private sector assistance for the growth and sustainability of the fund has also been crucial to our success. We have continued to increase investments, diversify our asset allocations, and create a financial environment that promotes long-term pension sustainability by working together with private institutions. The private sector also plays a key role in pension coverage, contributions, and innovation of financial products, and the assistance from the sector with pension enrollment and compliance has also helped MRPS grow steadily, benefiting employees and strengthening the economy.

LOOKING AHEAD

As we look ahead, the Pension Office remains committed to ensuring the long-term sustainability of the pension system. Our primary focus in the year to come will be to continue optimizing our investment

strategy and further implementing the initiatives outlined in our new Strategic Plan. Additionally, one of our key targets will be to collaborate with other institutions and champion financial literacy and promote saving, with a particular focus on empowering younger generations to take charge of their retirement planning. We believe these efforts will help foster a culture of saving for the future and will further solidify MRPS as a fundamental pillar of the social protection framework, ensuring a dignified retirement for our members.

Looking ahead to 2025 and beyond, we are excited for the opportunities and challenges that lie ahead, and we remain dedicated to our mission of delivering a secure and sustainable retirement future for all our members.

MESSAGE FROM CHIEF EXECUTIVE OFFICER



SUJATHA HALEEM
Chief Executive Officer

As we conclude the year 2024, I am pleased to reflect on another year of significant progress and achievement for the Pension Office. The Maldives Retirement Pension Scheme (MRPS) has continued to steadily grow, with over 131,300 active members and a 9.94% increase in contributions by the end of the year. Our strategic investment approach delivered a 5.14% return, with MRPS fund value surpassing MVR 24.78 billion at the end of the year.

STRATEGIC PLAN 2025 - 2029

Continuing our commitment to ensuring the sustainability and attractiveness of the pension system, this year was also crucial in setting the course for the future, as we developed our Strategic Plan for 2025-2029. With a renewed focus on delivering inclusive and sustainable pension services and collaborating on innovative social protection solutions, our vision is to empower individuals to retire with dignity and enhance their quality of life.

In alignment with our enhanced vision and mission, we are positioning ourselves to navigate the challenges and opportunities ahead. Our priority on Community and Member-Centric Services, Optimizing and Innovating Solutions, Pension Sustainability, and Organizational Development and Resilience underscores our commitment to strengthening the role of the Pension Office as a social protection ecosystem enabler.

This strategic direction is designed to align with and adopt internationally accepted best practices in pension and social security systems, to ensure long-term value for our members, promote economic well-being, and build a resilient, adaptive institution capable of addressing the evolving needs of both the workforce and the broader community. By focusing on sustainable solutions and enhancing service delivery through globally recognized standards, we aim to not only secure the financial future of our members, but also contribute positively to the nation's economic development.

Our achievements in 2024, including the completion of the Strategic Plan along with the refinement of our mission and vision, have laid a strong foundation for the Pension Office's continued growth and success. As we move forward, we remain steadfast in our commitment to providing innovative, high-quality services that meet the needs of our members, ensuring their long-term retirement security and empowering them to live their lives with dignity. On this note, I would like to extend my sincere appreciation to the entire Pension Office team for their dedication and collaboration in developing this plan internally. Their collective efforts and strategic foresight have been instrumental in shaping a roadmap that will drive the continued success and growth of the organization.

COLLABORATIONS

We have continued to strengthen our collaboration with our beneficiaries and the wider community. A key highlight was our contribution to the development of a Senior Citizens' Community Center "Isravvehinge Naadhee" in Male', a joint effort with the Ministry of Social and Family Development. This strategic initiative, aimed at offering senior citizens opportunities to engage in social activities and programs that foster active and healthy lifestyles, is one of many ways we are contributing to the broader social protection system.

We look forward to expanding these efforts and exploring further partnerships with stakeholders, working collectively to enhance social protection in the

Maldives. Our aim is to contribute to the resilience and inclusivity of the community, ensuring our strategies reflect the evolving needs of our members and the community.

RECOGNITIONS

Our dedication and effort have been recognized globally over the years, marking a proud achievement for us. In 2024, we received six recognitions at the ISSA Good Practice Award for Asia and the Pacific, a prestigious platform that highlights excellence in social security administration. Among these recognitions was a Certificate of Merit with Special Mention for our innovative work on "Adaptive Strategies for Overcoming Obstacles: Building on Your Strengths". This recognition is a testament to the effectiveness of our strategies in addressing challenges while continuing to drive impactful results for our members. It not only reflects the innovative approaches we have taken but also reaffirms and validates the work we are doing to improve and adapt the pension system for a better future. This global recognition inspires us to continue striving for progress and further innovation.

APPRECIATION

Our successes would not have been possible without the ongoing support and guidance of our Board, particularly Chairperson Dr. Ahmed Inaz, whose leadership has been instrumental in shaping our strategic direction. His dedication to fostering collaboration has also played a pivotal role in our growth and achievement.

At the heart of every organization are the people who make it possible. It is their individual accomplishments that collectively contribute to the overall success of the organisation. I would like to extend my deepest gratitude to the Executive Management and every member of the Pension Office team for their hard work, dedication, and collaboration, that have been the driving force behind our achievements. Our commitment to investing in and empowering our staff allows us to not only build a stronger workforce, but also foster a culture of innovation, growth, and resilience.

I would also like to express my heartfelt gratitude to all our stakeholders for their continued support and collaboration. A special thanks goes to the World Bank, the International Social Security Association, as well as national social security institutions from around the globe. Their invaluable support and technical assistance have played a crucial role in our journey.

LOOKING AHEAD

As we look ahead to 2025 and beyond, our primary focus will be on the implementation of our "Strategic Plan for 2025-2029". This plan sets out a clear vision for the future, with short and mid-term goals designed to further improve the pension system. We are confident that the direction we've set will bring about transformative changes that will benefit our members for years to come. While we are prepared to adapt and respond to unforeseen challenges, we are resolute in our commitment to securing a better retirement future for all.

Our commitment remains in ensuring the long-term sustainability of the pension system while continuously enhancing the value and security it provides to our members. We will focus on diversifying investments to strengthen our portfolio and optimize asset allocation. Additionally, we will continue to invest in research and foster dialogue within the social security and financial sectors, collaborating with stakeholders to ensure the pension system remains resilient and responsive to emerging challenges.

We recognize the importance of fostering a national culture of saving, as well as enhancing the financial literacy and awareness of our members and the broader community. To this end, public awareness campaigns, educational initiatives, and advocacy efforts will remain a top priority in the upcoming year as well. Our goal is to ensure that members are well-equipped to make informed decisions about their retirement savings, ultimately empowering them to secure a more comfortable future.

As we look to the future, we understand that our success

is ultimately driven by the strength and capabilities of our team. Each member of the Pension Office team brings invaluable experience, knowledge, and institutional memory that are essential for the continued growth of our organisation. Retaining and nurturing this expertise is crucial to ensuring the long-term success of our mission, and to achieve this, we will prioritize the development of our people and focus on building a strong leadership succession. The Pension Office Scholarship Program, which is open to the public, and our Scholarship Policy for staff are both key initiatives designed to equip individuals with the skills and knowledge needed to excel. These programs will help us build a team that is ready to meet the challenges of tomorrow, while preserving the experience and expertise that have been fundamental to our success.

In conclusion, 2024 has been a year of remarkable achievements for the Pension Office, driven by a shared commitment to our members, sound governance, and prudent financial management. With the continued support of our stakeholders, we are confident that we will continue to deliver on our mission to secure the financial well-being of our people and ensure the long-term sustainability of Maldives Retirement Pension Scheme.

ABOUT PENSION OFFICE

WHO WE ARE

Maldives Pension Administration Office (Pension Office), established under the Maldives Pension Act (Pension Act) is mandated with the following functions:-

- Administer and manage pension schemes established under the Pension Act;
- Provide Retirement Pension;
- Disburse Old-Age Basic Pension;
- Formulate regulations, standards and guidelines to operate schemes established under the Pension Act;
- Conduct awareness programmes on schemes established under the Pension Act.

Pension Office is also responsible for invest contributions to the Maldives Retirement Pension Scheme (MRPS), aiming to increase value and maximise retirement savings.

OUR VISION

"Empower individuals to retire in dignity and enhance quality of life"

OUR MISSION

"To deliver inclusive and sustainable pension services, and collaborate to achieve innovative social protection solutions"

CORE VALUES

INTEGRITY

We commit to upholding the highest standards of honesty to preserve impeccable image nationally and internationally.

AGILITY

We embrace change and respond swiftly to evolving needs, continuously adapting and learning from experience to build lasting value and resilience.

ACCOUNTABILITY

We take responsibility for our actions and outcomes, fostering trust with members and stakeholders.

INNOVATION

We value ideas and new ways to interpret and understand surroundings and emerging trends.

EXCELLENCE

We are driven to deliver the highest level of performance, continuously improving to exceed expectations.

GUIDING PRINCIPLES

TRANSPARENCY

We are committed to openness and honesty by providing clear information and building trust with stakeholders and members.

CONTINUOUS DEVELOPMENT

We will ensure that the institution remains at the forefront of excellence by promoting skill development and performance improvement.

COLLABORATION

We will cultivate strong partnerships and dialogue to achieve common goals and deliver effective solutions.

SUSTAINABILITY

We will integrate sustainable practices into operations, ensuring long-term environmental, social, and economic responsibility.

FINANCING AND EXPENDITURE

As per Section 7(a) of the Pension Act, the Pension Office is financed through an administrative fee charged on the Retirement Saving Account (RSA) balance of MRPS members. The administrative fee charged in 2024 was 0.5% for pre-retirement funds and 0.3% for post-retirement funds.

ACCREDITATIONS

ISO CERTIFICATION



(ISO/IEC 27001:2013) Information Security Management System – 7 May 2023

ACCA APPROVED EMPLOYER



- Professional Development – 5 April 2024
- Trainee Development – Platinum – 5 April 2024

ISSA CERTIFICATION



ISSA Guidelines on Contribution Collection and Compliance (edition 2019) – May 2024

OUR JOURNEY

2009

May: Ratification of Pension Act and establishment of Pension Office

2011

Apr: Implementation of centralized state pension disbursement mechanism

May: Participation of private sector employees in MRPS

Oct: Member online access to Retirement Savings Account

Nov: First MRPS investment in Equity

Nov: Commence disbursement of pension for foreigners

2013

Feb: First MRPS investment in Fixed Income Corporate Bond issued by HDFC

Dec: MRPS investment in Sukuk issued by HDFC

2015

Jan: Admin fee levied on MRPS members reduced from 1% to 0.9%

May: Establishment of Pension Office Contact Center

May: Release of Pension Office Mobile Application

2017

Jan: Admin fee levied on MRPS members reduced from 0.9% to 0.8%

Mar: First disbursement of funds towards collateralization of RSA funds for home purchase

Aug: Pension Office's IT infrastructure moved to Google Cloud

Dec: MRPS contributions surpassed MVR 1 billion mark

2019

Mar: 4th amendment to Pension Act

Mar: MRPS Hajj Benefit

2010

May: Introduction of MRPS and participation of state employees

May: Appointment of custodian for MRPS funds

Jun: First investment of pension funds

Oct: Commencement of disbursement of pensions from MRPS

Dec: Issuance of recognition bond for accrued pension rights

2012

May: Launch of "Koshaaru" – Pension Management System

2014

Mar: First trade in secondary stock market

Jun: Commencement of work towards formulation of a Disability Insurance benefit for MRPS members

Aug: Commencement of participation of self-employed persons in MRPS

Sep: Establishment of an Investment Compliance and Internal Audit function within Pension Office

Dec: Completion of the first year as a financially independent institution

2016

Apr: 3rd Amendment to Maldives Pension Act was ratified

Aug: Regulation on Collateralizing Accumulated Pension Fund for Home Purchase published

Aug: The new Pension Office website, including a new Dhivehi version, was launched

2018

Jan: Admin fee levied on MRPS members reduced from 0.8% to 0.6%

2021

Dec: Launching of Koshaaru Portal – Maldives First Fully Digital Customer Service Portal

2023

Mar: Invested in the first security listed on Viyana

Mar: MRPS fund reached MVR 20 billion

Aug: Formulation and implementation of Governance Code

Aug: Launched the First short course on the Maldives Pension System

Sep: Review and revision of the Statement of Investment Principles (SOIP) and Strategic Asset Allocation (SAA)

Oct: Formulation of Regulation on Investment Screening and Due Diligence

2020

Mar: Formal recognition of ISO 27001

Jun: Formal recognition of compliance with ISSA Guidelines on Contribution Collection and Compliance

2022

June: Adoption of Strategic Plan 2022 – 2024

Sep: Migration to new Organisational Structure

Dec: Land acquired for development of Pension Office building

2024

Jan: Reduction of administration fee to 0.5% p.a. for pre-retirement funds and 0.3% p.a. for post-retirement funds

Feb: Invested in the establishment of Senior Citizens' Community Centre in Male' City

Mar: Implementation of a hybrid work model

Mar: Launch of Pension Office AI Chatbot "Pari"

Mar: Launch of the Pension Office Data Dashboard

Apr: 3rd amendment of the Regulation on Maldives Retirement Pension Scheme

Apr: Certified as an ACCA approved employer (Professional Development and Trainee Development – Platinum)

May: Recertification of ISSA Recognition for Contribution Collection and Compliance

May: Recertification of ISO 27001 (Information Management System)

Jun: Launched the Career Compass Program

Nov: Adoption of Strategic Plan 2025–2029

Dec: 6 recognitions received for the ISSA Good Practice Award Competition for Asia and the Pacific 2024

LEADERSHIP

BOARD MEMBERS

CHAIRPERSON



AHMED INAZ, PhD
Chairperson of the Board

PUBLIC SECTOR REPRESENTATIVES



SHIFAZA WAJEEH
Board Member



**FATHIMATH ABDULLAH
KAMAALUDEEN**
Board Member



UZ. ASHRAF RASHEED
Board Member

PRIVATE SECTOR REPRESENTATIVES



ABDUL MAJEEED ALI
Board Member



**MOHAMED GHALY
MURTHALA**
Board Member



AISHATH FAZEENA
Board Member



UZA. MIZNA AHMED
Board Member

LEADERSHIP

EXECUTIVE MANAGEMENT



SUJATHA HALEEM
Chief Executive Officer



AHMED SHAFEEZ
Chief Technology Officer
Served until 31 August 2024



MARIYAM SHIUNA
Chief Operating Officer



HAWWA FAJUWA
Chief Financial Officer

SENIOR MANAGEMENT



MAHMOOD WAHEED
Director, Innovation and Technology



AISHATH FAZNA
Director, Stakeholder Relations



AZHATH RUSHDY
Director, Policy and Programs



ABDULLA FIKUREE
Director, Legal Affairs



AMINATH IRTTHYASHA
Director, Investment and Research



MOHAMED NASEEH
Director, Corporate Affairs



MARIYAM SHADIYA
Head of Registration and Records



MARIYAM MAJIDHA HASSAN
Head of Collection and Compliance



AMINATH ENASH AHMED
Head of Executive Bureau



MARIYAM JUMANA
Head of Pensions and Benefits



HAIFA AHMED
Head of Investment and Advisory Services

2024 REVIEW

KEY HIGHLIGHTS

CHANGE TO THE ADMINISTRATIVE FEE STRUCTURE

The fourth revision to the administration fee charged from MRPS members RSA in accordance with the Pension Act became effective on 01 January 2024. For the first time, different rates were fixed for post and pre-retirement funds. With this revision, the admin fee was reduced from 0.6% to 0.5% for pre-retirement funds and 0.6% to 0.3% for post-retirement funds.

IMPLEMENTATION OF HYBRID WORK

During the year, a hybrid work model was implemented along with a comprehensive monitoring framework, enabling flexible and agile work arrangements for staff. In line with our commitment to fostering work life balance and flexible work arrangements, this initiative is aimed at adapting to the evolving landscape of modern work models and enhancing employee engagement.

THIRD AMENDMENT OF THE REGULATION ON MRPS

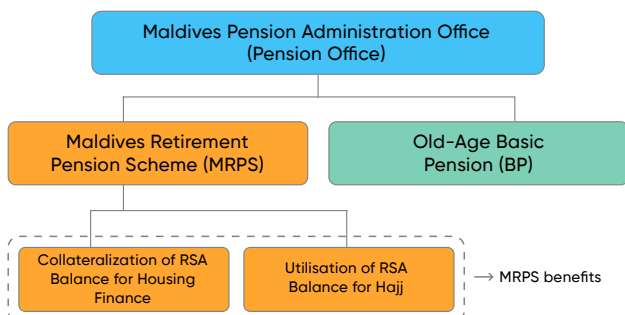
As part of enhancing compliance and enforcement, the Third Amendment of the Regulation on MRPS was introduced during the year. The amendment introduced provisions to strengthen the framework for employer record-keeping and establishing a structured inspection mechanism.

STRATEGIC PLAN 2025-2029

With the completion of Strategic Plan 2022-2024, we successfully developed and adopted a new Strategic Plan for the years 2025-2029 with a renewed focus on inclusive and sustainable pension services. In line with international best practices in pension and social security administration, the new Strategic Plan aims to ensure income security in retirement and contribute to the economic well-being of the nation. The strategic priorities and accompanying goals will guide and drive our efforts to deliver long-term value to our members while fostering growth and adaptability within the institution.

SCHEME ADMINISTRATION

Under the Pension Act, the Pension Office administers two pension schemes; the contribution based MRPS, and the Old-Age Basic Pension (BP) funded by the Government. Members of the MRPS also have the opportunity to benefit from their savings prior to retirement age, via additional benefits offered under MRPS: Collateralization of RSA Balance for Housing Finance and Utilisation of RSA Balance for Hajj.



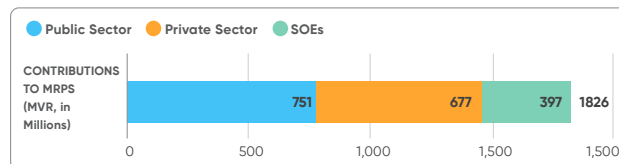
MALDIVES RETIREMENT PENSION SCHEME (MRPS)

MRPS aims to ensure that members save a portion of their earnings during their working life, enabling them to financially support themselves upon retirement. MRPS is a defined contributory pension scheme, with both the employee and the employer contributing an amount equivalent to 14 percent of the employee's pensionable wage. Contributions are invested in different assets through the funds managed by the Pension Office, and upon retirement the members are entitled to receive the returns from these investments on top of the accumulated contributions.

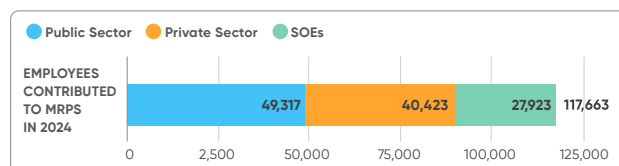
CONTRIBUTIONS TO MRPS

By the end of the reporting period, a total of 117,663 employees across 3,492 registered employers contributed to MRPS. In 2024, employers and employees jointly contributed a total of MVR 1.82 billion to the MRPS, with the larger portion of contributions coming from the private sector.

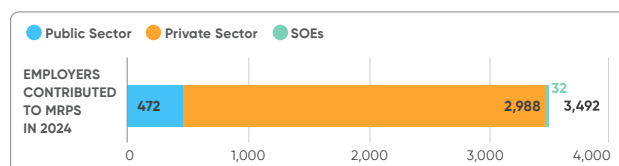
CONTRIBUTIONS TO MRPS IN 2024



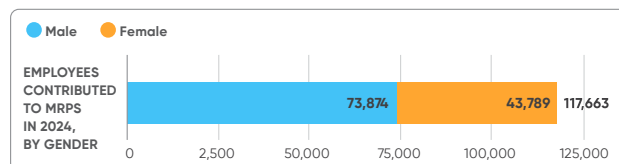
EMPLOYEES CONTRIBUTED TO MRPS IN 2024



EMPLOYERS CONTRIBUTED TO MRPS IN 2024



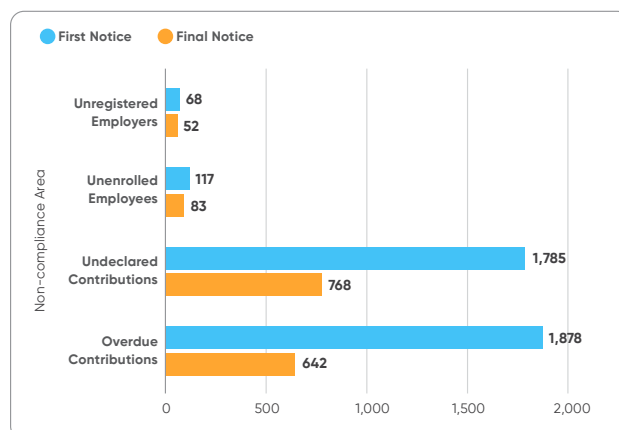
EMPLOYEES CONTRIBUTED TO MRPS IN 2024, BY GENDER



COMPLIANCE

As envisioned in the Pension Act, in order to protect the rights and future pension security of Maldivians, the Pension Office ensures employers comply with the mandatory obligations and take action against non-compliant employers. Actions taken against non-compliant employers include serving notices, publishing employer's information on the Pension Office website, and proceeding to legal action upon exhaustion of all these actions.

NON-COMPLIANT NOTICES ISSUED IN 2024



During the year, 5,393 notices were issued to non-compliant employers amongst which the leading area of non-compliance was undeclared contributions to MRPS.

LEGAL ACTION AGAINST NON-COMPLIANT EMPLOYERS

Legal action was initiated for 59 new cases during 2024 to recover outstanding pension contributions amounting to MVR 2.57 million. In addition, 47 judgment enforcement cases were submitted to the court during the year.

Including both newly initiated cases and those from previous years, a total of 49 cases were concluded during the year, resulting in the recovery of MVR 2.15 million.

COURT HEARINGS

During the year, 276 court hearings were scheduled for cases related to the Pension Office. The majority of hearings took place in the Civil Court, while additional sessions were held in the High Court and Magistrate Courts.

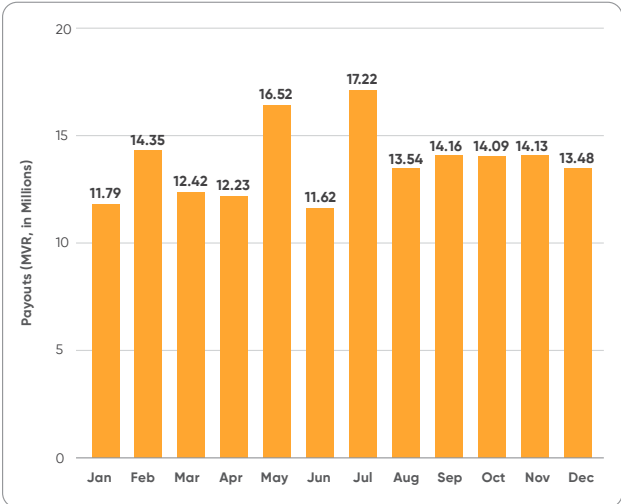
PRECEDENT-SETTING RULINGS

In 2024, the High Court set key precedents in two appeals filed by the Pension Office. In one case, it overturned a Family Court order that directed the deduction of Basic Pension to settle child maintenance, affirming that Basic Pension must be paid directly to beneficiaries.

In another appeal, the High Court ruled against a Magistrate Court order requiring the Pension Office to settle a decreed debt of a MRPS member using funds saved in their Retirement Savings Account. It upheld that pension savings can only be disbursed as per the Pension Act.

BENEFITS FOR MRPS MEMBERS

MRPS MONTHLY PAYOUTS IN 2024

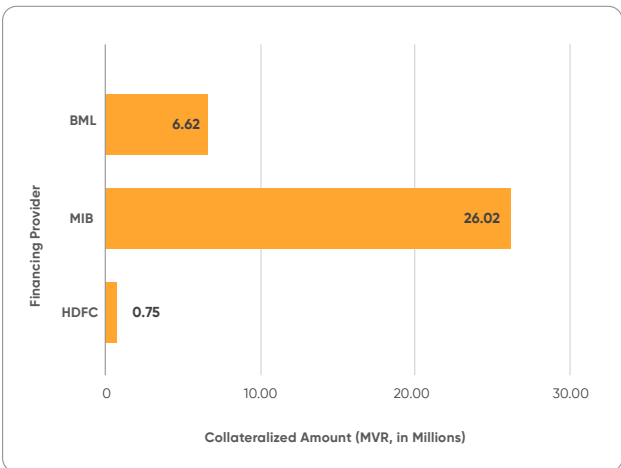


Eligible members of the scheme are also entitled to receive benefits prior to retirement, including Collateralization of RSA Balance for Housing Finance, and Utilisation of RSA Balance for Hajj.

COLLATERALIZATION OF RSA BALANCE FOR HOUSING FINANCE

Offered in collaboration with housing finance providers, under this benefit, members are able to collateralize a portion of their RSA Balance towards purchase of housing through third-party financing mechanisms. Any returns generated on the collateralized amount is periodically credited to the individual's RSA, and the collateralized amount is returned back to MRPS at the end of the financing period.

COLLATERALIZATIONS IN 2024



During the reporting period, 203 MRPS members collateralized an amount totalling MVR 33.39 million with different financing providers.

This adds to the existing collateralizations from previous years, with a net value of MVR 175.28 million in collateralized funds by the end of 2024, which also includes an income of MVR 2.70 million earned on the collateralized deposits.

UTILISATION OF RSA BALANCE FOR HAJJ

This benefit allows eligible MRPS members to utilise funds from the individual's RSA Balance towards financing their obligatory Hajj pilgrimage.

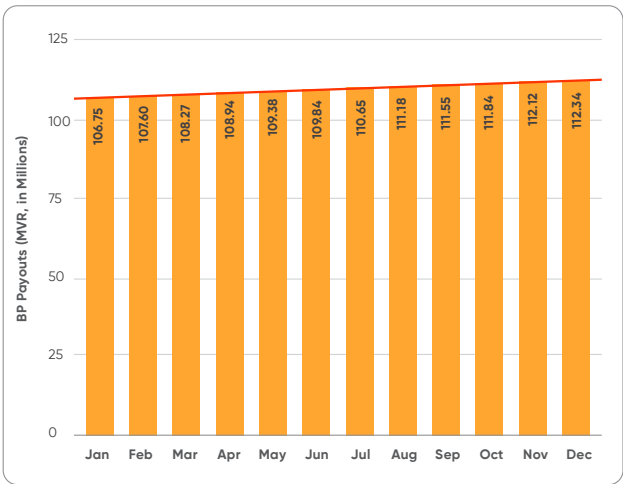
In the year 2024, a total of 54 members utilised RSA funds to perform obligatory Hajj and a total of MVR 3.02 million was disbursed to the facilitating partner Maldives Hajj Corporation Limited (MHCL).

During the year, 524 members eligible to utilize RSA funds for obligatory Hajj secured Hajj slots through MHCL for upcoming years. A total of MVR 29.33 million was reserved from their RSA for this purpose.

BASIC PENSION SCHEME

Old-Age Basic Pension Scheme (BP) is designed to ensure financial security for senior citizens above 65 years of age by providing a minimum level of pension. Fully funded by the Government, this scheme provides a lifelong pension benefit to all Maldivian citizens meeting the eligibility criteria of the scheme. Since March 2019, the Basic Pension benefit amount is MVR 5,000.

BASIC PENSION PAYOUTS IN 2024



From January 2024 to December 2024, a total of MVR 1.32 billion was disbursed to beneficiaries registered with the Pension Office to receive Basic Pension. The number of net beneficiaries increased from 22,020 at the end of 2023 to 23,811 by the end of 2024.

DISBURSEMENT OF OTHER PENSION BENEFITS (OPBS)

Under a Memorandum of Understanding (MOU) executed between the Pension Office and the Ministry of Finance and Planning (MoFP), Pension Office serves as the central agency for the disbursement of various state funded pensions and benefits since April 2011.

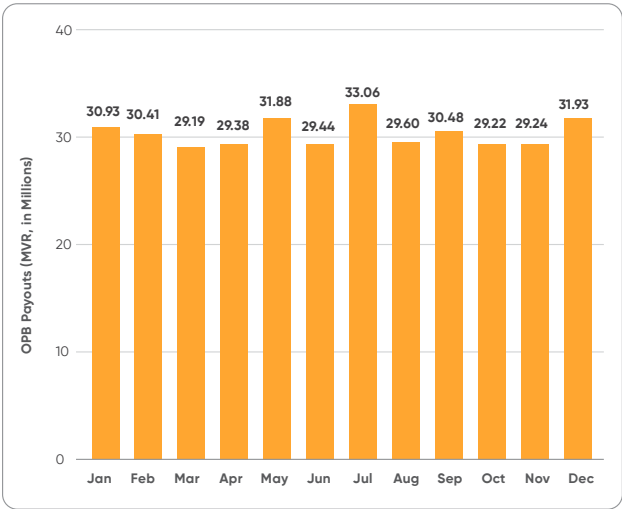
TOTAL BENEFICIARIES AS AT 31 DECEMBER 2024

7,271

TOTAL AMOUNT DISBURSED (MVR)

364.76 MILLION

OPB PAYOUTS IN 2024



ECONOMY AND FINANCIAL MARKET

The economic environment, financial sector and capital market conditions significantly impact investment returns in the domestic market. As MRPS assets are fully concentrated in the domestic market, it is imperative to closely monitor key developments in the capital market and the broader economic and fiscal landscape. This ensures that the investment strategy remains aligned with long-term objectives and responsive to market dynamics, while accounting for emerging risks and opportunities.

ECONOMIC HIGHLIGHTS

The Maldivian economy is expected to expand further in 2024, with real GDP growth rate projected at 5.1%, an increase of 0.4 percentage points from the 4.7% growth rate recorded in 2023¹. This upward trajectory was primarily driven by the expansion in the transportation and communication sector, alongside optimistic performance in other key sectors such as tourism and public administration². The tourism sector, which represents the largest economic sector, continued its growth in 2024, with total tourist arrivals surpassing 2 million³.

Inflation pressures eased in 2024, with annual inflation rate declining to 1.4% from 2.9% in 2023. The decrease was largely due to the moderation in global commodity prices⁴. The waning effects of the 2023 Goods and Service Tax (GST) rate hike and the decrease in energy related costs due to Government Ramadan discounts on electricity bills in April 2024 also contributed to the decline in inflation⁵. However, in the final quarter of the year, average inflation rate accelerated to 3.3% followed by the amendments to the Export-Import Act of the Maldives (31/1979), which led to a surge in tobacco prices. Additionally, with planned subsidy reforms, set to be implemented in mid-2025, the inflation rate is projected to reach 3.9% in 2025, according to the Government Budget 2025⁶.

Looking at the fiscal developments, the fiscal deficit widened in 2024, reflecting continued pressures on government expenditures. The total government expenditure in 2024 increased by 6.4% compared to 2023, reaching MVR 47.8 billion, of which, 75.6% was spent on current expenditures⁷. Similarly, total government revenue (excluding grants) decreased by 1.4% compared to the preceding year, reaching MVR 32.7 billion⁸. As the total government expenditure surpassed the total government revenue, the fiscal deficit of MVR 13.6 billion.

Government debt also continued to remain elevated in 2024. As of 2024Q4, the Public and Publicly Guaranteed (PPG) debt stood at MVR 145.0 billion, which is approximately 133.1% of the GDP⁹. Additionally, foreign exchange reserves of the Maldives remained on a downward trajectory. The usable reserve assets inclusive of other foreign assets stood at USD 63.1 million in December 2024, a 65.1% decline compared to the same period in 2023. Furthermore, in the short run, government debt service burden remains high due to significant debt service requirements.

Overall, the fiscal outlook of the economy reflects heightened external vulnerability and liquidity risk. Due to this, credit rating agencies, Moody's and Fitch downgraded the country rating in 2024. The latest country ratings for the Maldives from Moody's and Fitch stand at 'Caa2'¹⁰ and 'CC'¹¹ respectively. Nonetheless, measures such as the introduction of Foreign Currency Act (32/2024) and revisions brought to the TGST, Airport Taxes and Fees, and Green Tax may play a role in improving the dollar inflows to the financial sector of the Maldives.

As MRPS funds continue to grow year on year, the scheme actively seeks new and readily available investment opportunities in the market. However, due to limited growth in the capital market, MRPS investments remain heavily concentrated in government securities.

As a result, the scheme's risk exposure is closely tied to the country's sovereign creditworthiness and the overall fiscal position. The recent downgrades in the Maldives' credit ratings and elevated debt levels underscore the need for continuous monitoring of the country's fiscal sustainability and credit risk to manage investment risk effectively.

CAPITAL AND FINANCIAL MARKETS

In 2024, the Maldives Stock Exchange (MSE) saw a 132.07% increase in secondary market share trading, reflecting a surge in market activity. However, the total value of shares traded decreased from MVR 311.2 million in 2023 to MVR 32.6 million in 2024. This decline was primarily due to the exceptionally high trading value in 2023, which was driven by the purchase of Bank of Maldives Plc (BML) shares worth MVR 301.7 million by Maldives Retirement Pension Scheme (MRPS). Despite the lower trading value, the average Maldives Stock Exchange Index (MASIX) was at 423.7 in 2024, reflecting an increase of 8.2% compared to 2023 average MASIX of 391.7. During the year 2024, MASIX peaked at 501.2¹².

Although no Initial Public Offerings (IPOs) took place in 2024, a number of debt securities were listed in the private securities market via the Viyana Platform. Notable listings included Parallel Istisna Sukuk by EyeCare Private Limited and Istisna Sukuk by IUM Holdings Private Limited from which a total of MVR 86 million was collectively raised. Additionally, during the year, the Capital Market Development Authority (CMDA) introduced an amendment to the Maldives Securities Act (2/2006), enabling the Authority to establish a regulatory framework tailored for foreign investors interested in engaging in securities investments in the Maldives¹³.

The banking sector continued to grow, with total assets reaching MVR 98.2 billion, representing a growth of 3.4% year-on-year growth¹⁴. Similarly, overall lending increased by 4.2% during the year. In contrast, the deposit base of banks remained relatively stable at MVR 55.5 billion, with only a marginal growth of 0.02%.

At the end of the year 2024, the average lending rates by banks to the private sector and public sector was at 11.7% and 8.8%, respectively. The average interest rate offered by banks on short-term time deposits increased to 3.02%, which represents a 29.7% increase compared to 2023. Similarly, the interest rate on long-term time deposits rose to 5.18%, up from 4.71% in 2023¹⁶. The treasury bill rates remained unchanged from the previous year.

During the year, the value of assets held by Other Financial Corporations (OFCs), increased to MVR 32.9 billion from MVR 29.4 billion in the previous year. A significant proportion of these assets, approximately 62.5%, are held by MRPS. In terms of asset composition of OFCs, securities accounted for 55.7% (MVR 18.3 billion) followed by loans and advances at 25.4% (MVR 8.3 billion)¹⁷. This reflects an overall asset base growth of 11.8% in 2024.

Overall, the financial market saw positive developments throughout the year, including increased secondary market activity, growth in credit creation, and upward movements in interest rates. Although capital market activity remained limited, the listing of new debt instruments and regulatory changes to facilitate foreign investor participation indicate gradual market evolution. Given the concentrated nature of MRPS investments and the emerging investment avenues, ongoing monitoring of market developments remains important to identify potential opportunities for portfolio diversification and long-term returns.

¹ Monthly Statistics Vol.26; No.1 January 2025, MMA

² Economic Update, Vol.7; Issue 3, March 2025, MMA

³ MMA Statistics Database, MMA

⁴ Maldives Development Update, October 2024, World Bank

⁵ Quarterly Economic Bulletin, Vol.30; No.2, Second Quarter 2024, MMA

⁶ Economic Outlook, Budget 2025, MOFP

⁷ Monthly Statistics Vol.26; Issue 3 March 2025, MMA

⁸ Monthly Statistics Vol.26; Issue 3 March 2025, MMA

⁹ Quarterly Debt Bulletin, Fourth Quarter 2024, MOFP

¹⁰ Rating Action Commentary, 29 August 2024, Fitchratings

¹¹ Rating Action, 03 December 2024, Moody's

¹² Trading History (as at 31.12.2024), MSE.

¹³ Maldives Securities Act (Act No. 2/2006)

¹⁴ Monthly Statistics Vol.26; Issue 3 March 2025, MMA

¹⁵ Monthly Statistics Vol.26; Issue 3 March 2025, MMA

¹⁶ Monthly Statistics Vol.26; Issue 3 March 2025, MMA

¹⁷ Monthly Statistics Vol.26; No.1 January 2025, MMA.

MALDIVES RETIREMENT PENSION SCHEME (MRPS) PERFORMANCE REPORT

FUNDS' PERFORMANCE

Fund-level Weighted Average Returns

MRPS Funds	Net Assets* (MVR, in Millions)	Returns		
		2024	2023	Since Inception
Investment	18,988.47	5.20%	5.01%	6.06%
Shariah	1,027.45	4.51%	4.04%	3.23%
Conservative	675.01	4.49%	4.45%	5.16%
Shariah Conservative	17.22	3.54%	2.35%	3.10%
Recognition Bond	4,074.65	5.15%	5.10%	5.24%

* excludes unrealized gain from fair value through other comprehensive income (FVOCI)

In terms of performance at individual Fund level, Investment Fund saw an increase in returns of 0.19 percentage points in 2024 compared to the previous year. This improvement in returns is predominantly attributed to increase in allocation to longer tenor T-Bonds during the year. These longer tenors contributed to an overall improvement in T-Bond returns, as longer tenors offer higher returns accounting for term premium.

Shariah Fund returns improved by 0.47 percentage points, primarily due to reallocation of investments from General Investment Account (GIA) to higher profit yielding asset classes. A key factor behind diversification was initiation of investments in a new asset class, Wakalah Deposit Account, in 2024, which provides returns similar to traditional Fixed Deposit Accounts.

Conservative Fund's returns remained relatively stable, with a slight improvement of 0.04 percentage points over the year. This is due to the fact that no major change in asset allocation of the Fund was observed during the year, and the returns offered by the asset classes the Fund has invested in has remained consistent.

Shariah Conservative Fund experienced the most

significant improvement in returns in 2024, where the returns improved by 1.19 percentage points. This notable change is mainly attributed to the reallocation of the Fund's assets throughout the year. The allocation to GIAs decreased from 69.89% in 2023 to 22.62% in 2024, while the allocation to Wakalah Bi Al-Isthithmar rose from 21.81% in 2023 to 72.73% in 2024. Wakalah Bi Al-Isthithmar offers returns similar to T-bills, so this reallocation has led to returns gradually increasing.

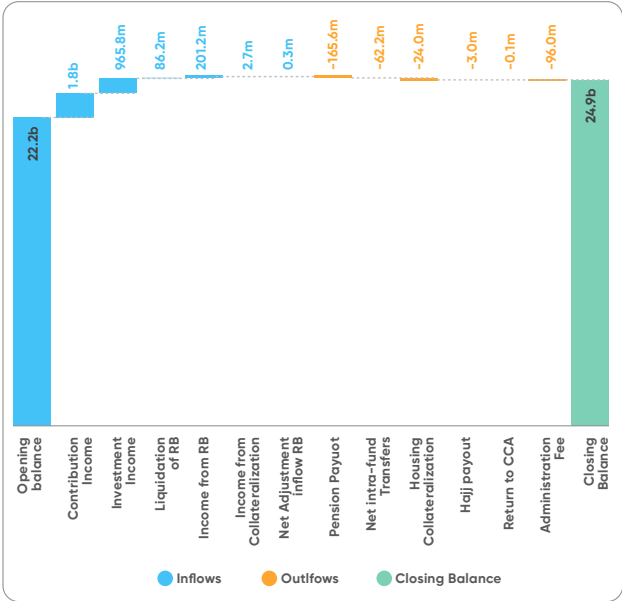
Scheme-level Weighted Average Returns

Period	Returns
12-month	5.14%
3-year	5.01%
5-year	5.02%
Since Inception	5.58%

In terms of Scheme level performance, MRPS returns marked an increase by 0.16 percentage points in 2024 compared to the previous year (2023: 4.98%). The MRPS returns in 2024 surpassed both the 3-year and 5-year weighted average returns.

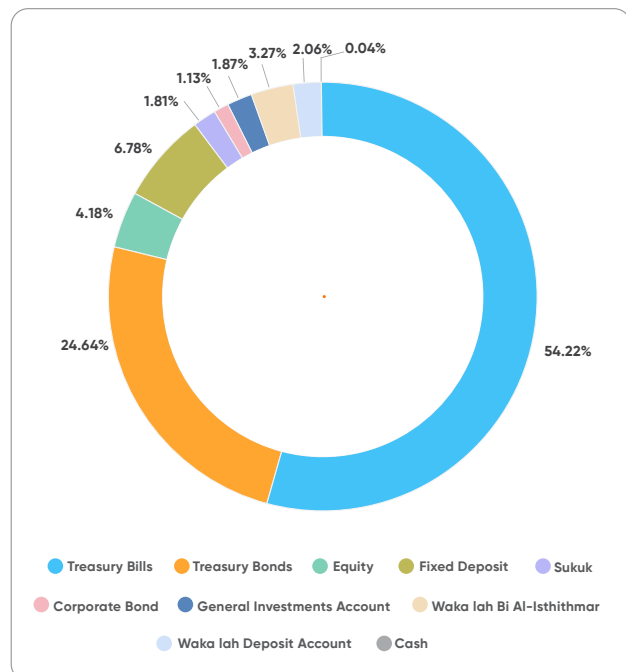
MRPS FUNDS' ACTIVITIES AND ALLOCATION

Scheme Level Inflows and Outflows



At the end of 2024, the Net Asset Value (NAV) of the Funds was at MVR 24.90 billion representing a net increase of 12.40% from MVR 22.15 billion in the previous year.

Asset Allocation of MRPS



The composition of T-Bills in the portfolio notably decreased from 58.53% in 2023 to 54.22% in 2024, while the allocation to T-Bonds increased slightly from 24.47% to 24.64%. There was an increase in the allocation to Fixed Deposits, rising from 4.66% to 6.78%, as well as an increase in the allocation to Wakalah Bi Al-Istithmar, from 1.09% to 3.27%. Additionally, the asset allocation to the new asset class initiated in 2024, Wakalah Deposit Account was 2.06%.

Asset allocation to Equity decreased from 4.79% to 4.18% due to absence of Equity investment opportunities in 2024. The allocation to Sukuk and Corporate Bonds each saw a modest decline of 0.26 percentage points, primarily due to the limited availability of viable investment opportunities in the capital market. The asset allocation to GIA's also declined by 1.10 percentage point as Funds from the Shariah Fund has been reallocated to the asset classes Wakalah Bi Al-Istithmar and Wakalah Deposit Account.

Below table provides details of the allocation of these asset classes by counterparty.

Asset Allocation by Counterparty

Asset Class	Counterparty	Allocation
Equity	Dhiraagu	1.1%
	Ooredoo	1.2%
	MIB	0.4%
	BML	1.5%
Treasury Bills	Government	54.2%
Treasury Bonds	Government	24.6%
Corporate Bonds	HDFC	0.4%
	Euro Marketing	0.1%
	MPL	0.2%
	MFLC	0.6%
Sukuk	HDFC	1.7%
	Medtech	0.1%
	EyeCare	0.1%
Fixed Deposit	HBL	2.9%
	BOC	1.8%
	CBM	2.1%
General Investment Account	MIB	1.9%
Wakalah Bi Al-Istithmar	Government	3.3%
Wakalah Deposit Account	MIB	2.1%

INVESTMENT FUND

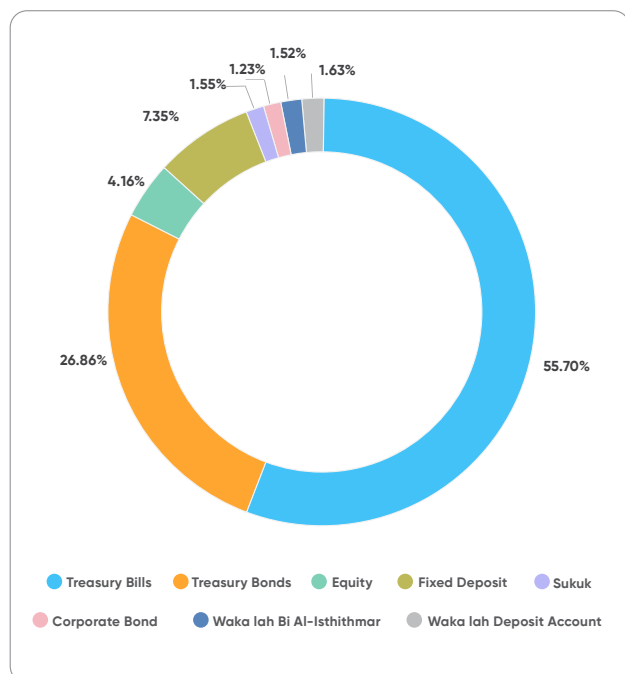
The Investment Fund is one of the pre-retirement Fund options provided to the MRPS members to contribute and grow their retirement savings through gains from investments in various assets. The Investment Objective of the Fund is to attain 5-year average annual investment returns equal to or exceeding the 5-year average annual wage growth of members by at least 2%. Investment Fund is the largest MRPS Fund by Assets Under Management (AUM).

The NAV of the Investment Fund stood at MVR 18.99 billion at the end of 2024, reflecting a 13.46% increase compared to the previous year (2023: MVR 16.74 billion).

During 2024, the Fund received contributions totaling MVR 1.74 billion, marking a 9.63% increase in contributions compared to the previous year (2023: 1.59 billion). This represents over 95% of the total contribution inflows to the MRPS. Additionally, the Fund generated MVR 896.66 million in income from investments, leading to a 17.59% increase in investment income compared to MVR 762.50 million earned as investment income in 2023.

With respect to the outflows transpired from the Investment Fund during the year 2024, a net intra-Fund transfer of MVR 283.80 million was made. This primarily represents intra-Fund transfers of MVR 147.31 million made to the Conservative Fund subsequent to the retirement and death of members. Furthermore, MVR 18.85 million has been utilised from the Fund as housing collateralisation and MVR 2.52 million has been transferred out from the Fund as Hajj Payments. The Investment Fund is subject to an administrative fee of 0.5% of the AUM of the Fund to cover the costs of administering the scheme. During the year, administrative fees totaling MVR 89.21 million were realized as fees for the administration of the Fund.

Asset Allocation of the Investment Fund



The Investment Fund consists of two portfolios; Core Portfolio and Performance Seeking Portfolio.

In terms of the asset composition of the Fund, 93.06% of the Fund is allocated to the Core Portfolio which

primarily consist of Treasury bills, Treasury bonds, Bank Deposits and Wakalah Bi Al-Isthithmar. Furthermore, 6.94% of the Fund is allocated in the Performance Seeking Portfolio which includes asset classes such as Equity, Corporate Bonds, and Shariah-compliant Sukuks.

A significantly high allocation to the Core Portfolio is largely driven by the sparse investment opportunities available in the market for high yield investments with longer tenor combined with a high growth rate of the Fund due to accumulation of returns and contribution inflows.

SHARIAH FUND

MRPS members who prefer to invest their contributions in Shariah-compliant investments have the option to select the Shariah Fund. The Investment Objective of this fund is to generate similar returns to the MRPS Investment Fund through Shariah-compliant investments.

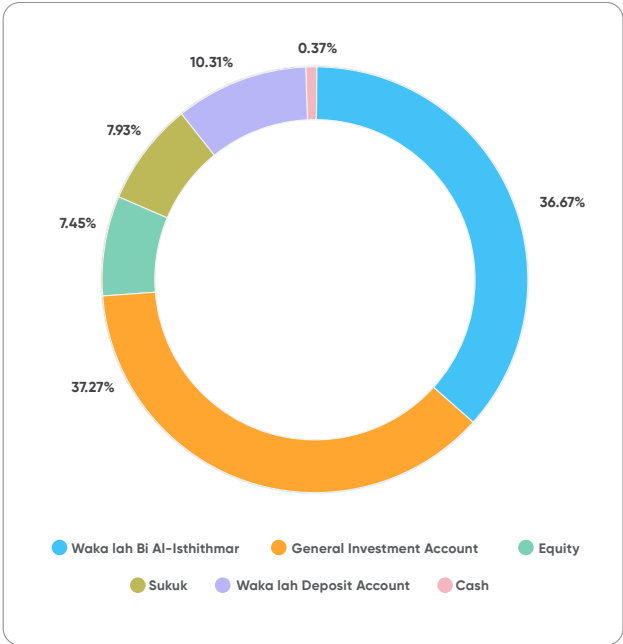
At the end of 2024, the NAV of the Fund reached approximately MVR 1.03 billion, marking a 32.24% increase compared to MVR 776.97 million in the previous year. The substantial growth in the NAV and the contributions received can be attributed to the significant intra-Fund transfers made during the year, totaling MVR 131.05 million. This represents the transfer of members from the Investment Fund to Shariah Fund.

The contributions collected by the Fund saw a significant increase of 28.43% compared to the previous year (2023: MVR 69.56 million), reaching MVR 89.34 million. The contribution inflow to the Shariah Fund amounts to approximately 4.88% of the aggregate contribution inflows to MRPS. The Fund also earned MVR 39.48 million in investment income, which is a 48.99% growth compared to investment income earned in 2023 (2023: 26.50 million).

With regards to the outflows from the Fund, MVR 4.55 million was transferred to the Shariah Conservative Fund, due to the retirement or death of members. Additionally, MVR 3.77 million has been transferred back to the Investment Fund, resulting from portfolio switch by members preferring to transfer back to the Investment

Fund. Furthermore. Moreover, MVR 5.19 million has been utilised from the Fund as housing collateralisation and MVR 0.34 million has been paid out as Hajj Payment. An Administrative Fee of 0.5% is charged to the Fund which resulted in an admin fee cost MVR 4.53 million for the year.

Asset Allocation of the Shariah Fund



Similar to the Investment Fund, Shariah Fund is also divided into two portfolios; Core Portfolio and Performance Seeking Portfolio. In terms of the composition, 84.57% of the Fund is invested in Core Portfolio which comprises the asset classes GIA, Wakalah Bi Al-Isthithmar and Wakalah Deposit Account. Remaining 15.43% of the Fund is invested in the Performance Seeking Portfolio, which comprises Equity and Sukuks issued in the capital market.

CONSERVATIVE FUND

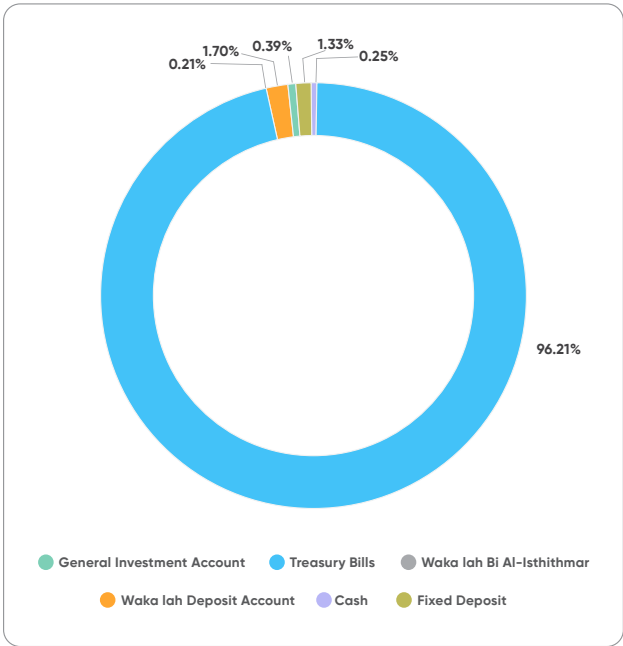
The Conservative Fund of MRPS is composed of members transitioning from the Investment Fund upon retirement. It is designed to preserve the value of their retirement savings while maintaining sufficient liquidity to meet ongoing pension payouts.

The NAV of the Fund at the end of 2024 is MVR 675.01 million, which represents an increase by 16.60% during

the year (2023: MVR 578.92 million). The largest inflow to the Fund was made via the intra-fund transfer of MVR 147.31 million which represents the transfers of the retirement savings of MRPS members from the Investment Fund once they reach the retirement age of 65 years.

An aggregate of MVR 162.77 million has been disbursed as pension to the retired members, which represents an increase of 14.41% when compared to previous year's pension disbursement of MVR 142.27 million. The Administrative Fee of 0.3% charged to the Fund for the year amounted to MVR 1.67 million.

Asset Allocation of the Conservative Fund



The Fund remains fully invested in Core Portfolio in short-term instruments, consisting of the majority of Treasury bills (96.20%), to ensure liquidity to meet the requirement of pension disbursement to the retirees.

SHARIAH CONSERVATIVE FUND

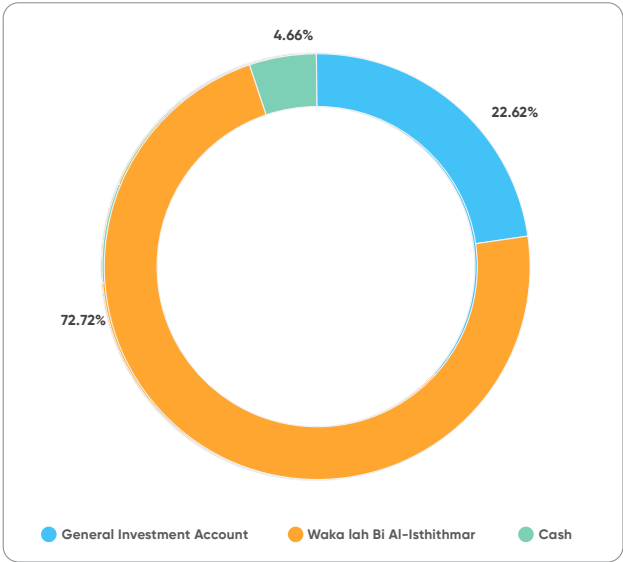
Shariah Conservative Fund of MRPS is composed of members transitioning from the Shariah Fund upon retirement. It is designed to preserve the value of their retirement savings while maintaining sufficient liquidity to meet ongoing pension payouts.

At the end of 2024, the NAV of the Fund accumulated to MVR 17.22 million which represents an increase of 49.22% from the previous year (2023: MVR 11.54 million).

The Shariah Conservative Fund received a total of MVR 5.44 million during the year from intra-Fund transfers, which includes the retirement savings of the retirees from the Shariah Fund.

A total of MVR 2.82 million was paid out as pension payouts, which represents a slight decrease compared to the MVR 4.05 million disbursed in the previous year. An Administrative Fee of MVR 0.04 million was charged to the Fund during the year.

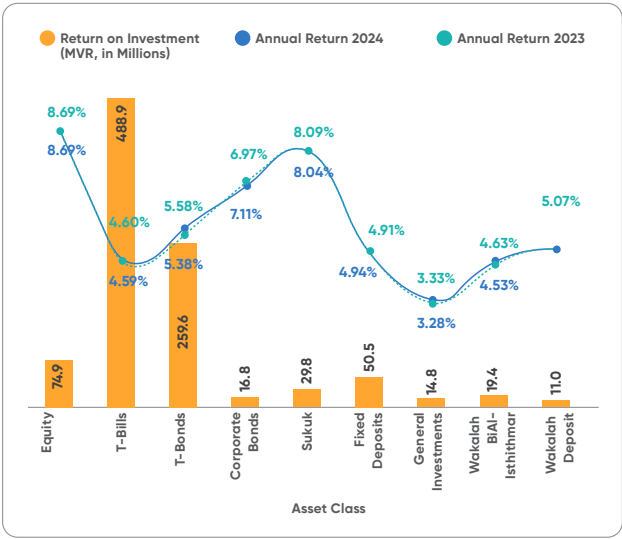
Asset Allocation of the Shariah Conservative Fund



The Fund remains fully invested in Core Portfolio in short-term instruments, consisting of Wakalah Bi Al-Istithmar and GIA, to ensure liquidity to meet the requirement of pension disbursement to the retirees.

MRPS ASSET'S PERFORMANCE

Asset Performance



The total return on investment for the year amounted to MVR 965.76 million, which was an increase of 18.66% compared to previous year (2023: MVR 813.87 million).

Equity continued to be the highest-yielding asset class throughout 2024, consistent with trends from previous years. The annual return of 8.69% remained in line with the returns achieved in the previous year.

Equity is followed by Sukuk as the second highest-yielding asset class, marking a slight improvement in returns by 0.05 percentage points compared to the previous year.

There was a notable year-on-year improvement in returns for T-Bonds and Wakalah Bi Al-Istithmar, with returns increasing by 0.20 and 0.10 percentage points, respectively. The improvement in T-Bond returns in 2024 was due increased allocation to longer tenor T-Bonds. Wakalah Bi Al-Istithmar returns also improved, as some of the investments made in 2024 resulted in additional returns. However, a slight decline in returns were observed in Corporate Bonds and Fixed Deposits.

LEGISLATIVE AND REGULATORY DEVELOPMENTS

The 5th Amendment of the Pension Act ratified on 5 August 2019 was the last revision made to the Act. The following regulatory amendment was introduced in 2024:

Regulation	Introduction Date
Third Amendment of the Regulation on Maldives Retirement Pension Scheme	25 April 2024

The Third Amendment of the Regulation on Maldives Retirement Pension Scheme was introduced to enhance compliance and enforcement. This included introducing provisions to strengthen the framework for employer record-keeping and establishing a structured inspection mechanism.

The revisions improved contribution collection and debt recovery by enabling the Pension Office to update contribution details for previously declared months. Measures were introduced to streamline part-payment arrangements, providing employers with more flexibility to settle outstanding contributions.

PUBLIC RELATIONS AND AWARENESS

Throughout 2024, we undertook various public relations initiatives aimed at raising awareness about financial security, retirement planning, and ensuring that members and the general public were well-informed about the Maldives Pension System and services of Pension Office. These activities included face-to-face engagements, digital campaigns, large-scale awareness initiatives and dissemination of up to date information of services and activities of Pension Office through the website, social and news media.

We also executed targeted initiatives to provide members and the public with essential financial literacy tools and knowledge.

Key initiatives included:

Face-to-Face Engagements



Information sessions and seminars were conducted to provide direct guidance and support on our services.

Digital and Print Campaigns



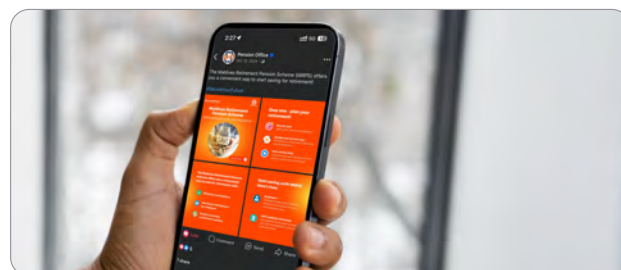
Awareness materials such as leaflets, informative prints, and digital outdoor advertisements were distributed throughout the year to ensure accessibility to crucial information.

Community Engagement



Events helped bring services closer to the people, fostering direct interactions and addressing stakeholder concerns in real-time.

Social Media Campaigns



Leveraging social media platforms, we executed dedicated campaigns to educate members on financial planning and retirement security.

EVENTS AND ACTIVITIES

MALDIVES FINANCE FORUM 2024

"A SUSTAINABLE PENSION SYSTEM"

Maldives Finance Forum 2024 was held on 22 July 2024, in Kurumba Maldives. The forum served as a platform for fostering dialogue with key stakeholders in the social protection and finance sector, facilitating discussions on the importance, opportunities and challenges in building and maintaining a sustainable pension system in Maldives, at the onset of an aging population.

The need to prepare as a country for an aging population was a recurring theme throughout the forum. The importance of care work and the care economy as a means to ensure the well-being of senior citizens was highlighted based on the fact that the working population would be required to support the growing elderly population.

The forum helped to identify problems in the current pension system, address challenges and deliberate on corrective policy decisions to enhance the sustainability of the Maldives Pension System.



OTHER EVENTS

CAREER COMPASS

In an effort to provide young individuals with valuable career insights and foster their professional development, we launched the "Career Compass" program during the year 2024. This interactive initiative is designed to equip participants with essential tools and knowledge to successfully navigate their career paths.

The Career Compass program covers a wide range of topics, including career guidance, CV writing, financial literacy, and pension-related information. These subjects are explored through interactive discussions, hands-on activities, and practical learning experiences, ensuring that participants gain practical skills and a deeper understanding of key career concepts.

The first session of the Career Compass program took place on 21 of September 2024, facilitated by in-house members from the Pension Office. The session welcomed participants aged 16 to 22. Additionally, subsequent sessions were successfully conducted in Addu City, further expanding the program's reach and impact.



DONOR FUNDED PROJECTS

SUSTAINABLE AND INTEGRATED LABOR SERVICES (SAILS)

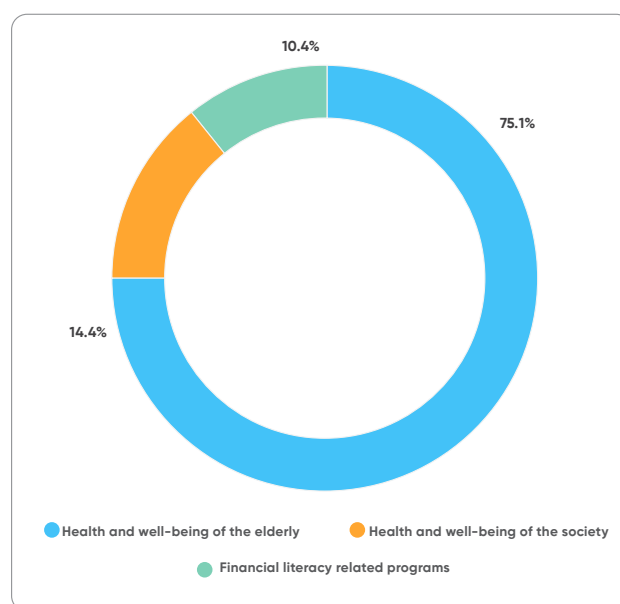
Funded by the World Bank and initiated in 2022, the SAILS Project is currently implemented by the Ministry of Higher Education Labour and Skills Development and Pension Office. The project is aimed at enhancing the resiliency and employability of Maldivian workers by establishing a sustainably financed Unemployment Insurance Scheme and Integrated Labor Market Services.

During the year 2024, with the change in administration and proposed scope changes to the Project, deliberations are underway between the Ministry of Finance and the World Bank to restructure the project.

Under the designated component, Pension Office has established data warehousing infrastructure which would significantly contribute to the enhancement of our data analytics capabilities.

CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

Under the CSR Policy, we extended sponsorship and financial assistance to several initiatives focused on enhancing the social security and well-being of elderly and the society, as well as initiatives aimed at improving the financial literacy of the community. This commitment reflects our dedication to making a positive impact beyond our core responsibilities, contributing to national development and societal growth through engagement in community efforts.



HEALTH AND WELL-BEING OF THE ELDERLY

Under this priority area, financial assistance was provided to the Ministry of Social and Family Development to establish an Elderly Community Centre in Male' City. Officially opened on 17 February 2024, the Centre established a space for senior citizens to socialise and engage in activities that promote their health and well-being.

Financial assistance was also provided to the Maldives Senior Citizens Association toward aiding their programs aimed at advocating for the rights of senior citizens to enhance the quality of their life.

As part of a partnership with Kulhudhuffushi City Council to develop a Senior Citizens' Park in Kulhudhuffushi City,

committed funds were disbursed following the completion of the first deliverable of the project.

HEALTH AND WELL-BEING OF THE SOCIETY

Continuing from the year 2023, CSR funding was provided to the Maldivian Red Crescent towards establishing a dedicated Patient Transport Service Team to cater to the growing need for patient transport service in the Greater Male’ Area.

As part of creating awareness on the importance of wearing life jackets, CSR funding was provided to the Maldives National Boating Association to conduct a “Life Jacket. Wear It” Campaign targeting vessel skippers.

During the year, CSR funding was also provided to the Shaviyani Atoll Council to support the Atoll-wide Inter-School Speech Competition.

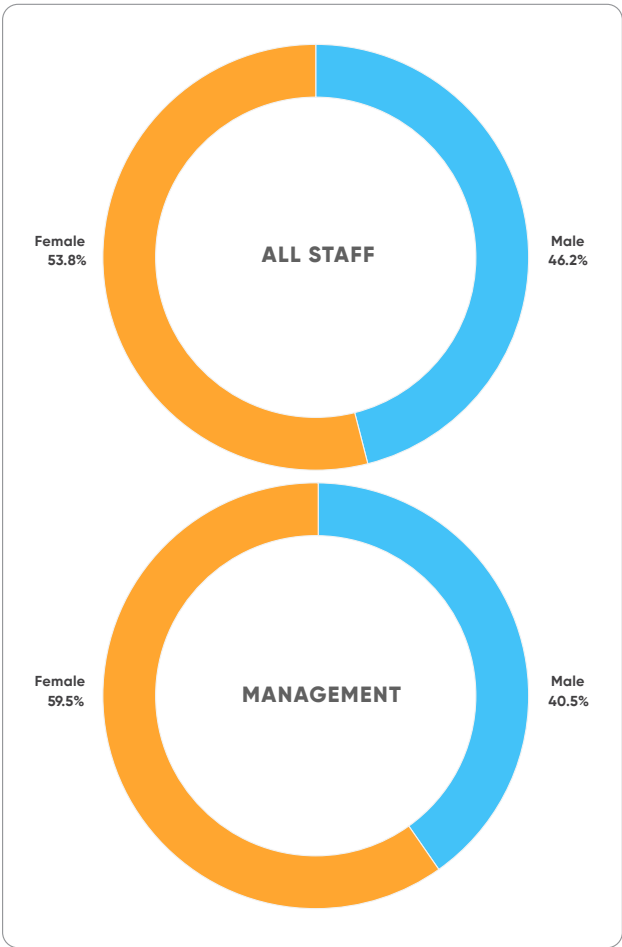
To contribute to initiatives that promote skills and career development, financial assistance was provided to the Ministry of Higher Education, Labour and Skills Development for the National Skills and Career Expo Event “Dhaalan 2024”.

FINANCIAL LITERACY RELATED PROGRAMS & PROJECTS

In assisting programs aimed at improving financial literacy in the community, funding was provided to the Institute of Chartered Accountants of the Maldives (CA Maldives) to conduct the Maldives Accountants Forum 2024 and International Financial Reporting Standards (IFRS) and International Standards on Auditing (ISAs) Forum 2024.

PEOPLE

In 2024, our employee development initiatives were highly prioritized to support organizational growth and enhance employee capacity development. We concluded the year with a team of 91 staff, maintaining a balanced gender distribution across the organization. This commitment towards gender balance was also reflected in our Senior Management, where female representation comprised 55.56% of the management team.



CAPACITY DEVELOPMENT

A key focus of the year was Capacity Development, where we implemented a diverse range of training programs and developmental initiatives aimed at enhancing employee skills and knowledge. These included 8 online training sessions with 31 participants, 7 tailored training programs led by external trainers with 279 participants, and overseas training for 22 staff members.

	Online	External Trainer-Led	Local	Overseas
Trainings	8	6	1	11
Participants	31	120*	1	22

*The number includes trainings conducted for all staff

To further enhance their knowledge, our staff also participated in relevant workshops, seminars, forums and conferences throughout the year. These initiatives provided valuable opportunities for our staff to gain new insights, stay up-to-date with industry trends and best practices whilst building their networks with peers and key industry experts.

	Local	Overseas
Workshops, Seminars, Forums and Conferences	16	16
Participants	40	38

Through offering diverse learning opportunities, we highlight our ongoing commitment to cultivating a culture of continuous learning and professional growth within the organization. We remain dedicated to attracting, retaining, and developing top talent, ensuring that we are well-equipped for future success.

DIGITAL TRANSFORMATION

Building on the progress made in 2023, a number of digital transformation initiatives were carried out in 2024, signifying our dedication to leveraging innovation and technology to enhance efficiency, security, and service delivery in pension management, while ensuring reliable and secure services to our stakeholders.

LAUNCH OF THE NEWLY REDESIGNED WEBSITE

The newly designed website is crafted to enhance and facilitate all visitors' experiences. With a modern design and intuitive navigation, the website serves as a one-stop platform for individuals and organisations to access essential pension-related information and services. Key features of the website included:

- **Simplified Navigation:** Find information quickly with an organised menu and improved search functionality.

- **User-Centric Design:** Tailored for ease of use, ensuring accessibility for users of all technical levels.
- **Online Services:** Access a variety of online tools and resources, including benefit calculations and application submissions.
- **Mobile-Friendly Experience:** Optimized for use across all devices, allowing you to stay connected on the go.
- **Comprehensive Information:** Learn about pension schemes, regulations, and updates through well-structured content sections.
- **Interactive Support:** Get assistance through AI-based search, live chat and FAQ sections for seamless issue resolution.

The new website reflects our commitment to transparency, accessibility, and innovation, and how we are transforming pension services for a better tomorrow.

REDEVELOPMENT OF KOSHAARU SYSTEM

Koshaaru, the pension information management system, has served as the digital platform for managing pension contribution collection and payments since 2011. The redevelopment of Koshaaru to incorporate technological advancements and meet the evolving needs of the institution remains a strategic priority. In 2024, multiple initiatives were undertaken as part of this redevelopment effort, including the enhancement of employment, contribution, payment, and reconciliation services to support functions such as employee enrolment, contribution declaration, adjustments, and timely contribution reconciliation.

The redevelopment of the payout system, including the development of the Pension Claims Service, State Benefit Service, and State Care Registration Services was carried out during the year to enable users to seamlessly submit, track, and manage payout claims. Additionally, a data migration pipeline for employment, contribution and payment reconciliation services was implemented to ensure the smooth transfer of data from legacy systems to the new platform.

IMPLEMENTATION OF NEW AI-DRIVEN PROCESSES

During the year 2024, we launched PARI, an AI-powered chatbot, which was seamlessly integrated with our newly redesigned website. PARI enhances user experience by providing chat support 24/7 ensuring access even outside regular operating hours. PARI is designed to function in both English and Dhivehi, making it more user-friendly to a wide range of users accessing our website.

Another key initiative carried out during the year was the development of an internal chatbot designed to provide seamless access to internal documents and their contents. This chatbot leverages advanced Natural Language Processing (NLP) and AI technologies, has been integrated with document repositories and the knowledge base, ensuring that users can access up-to-date policies, procedures, and other essential resources at their fingertips. This work marks a significant step in modernizing our internal communication and knowledge-sharing systems, fostering a more efficient and connected workplace.

During the year 2024, we also successfully developed and trained an AI model to map ISCO job classifications to employee designations within the Employment Service of the new Koshaaru system. The AI model automated the process of aligning employee designations with ISCO classifications, leading to greater efficiency, accuracy, and consistency, strengthening data integrity and enhancing workforce analytics and reporting capabilities.

IMPLEMENTATION OF THE DATA WAREHOUSE

As part of our commitment to leverage data for comprehensive pension management, during the year we have implemented a Data Warehouse on Google BigQuery, marking a significant advancement in our data management and analytics capabilities. The implementation involved migrating data from multiple sources, including transactional systems and external data feeds, into BigQuery, where it can now be efficiently stored and processed. We also optimized the

data structure for faster querying, enabling more efficient reporting and real-time analytics. The successful deployment of the Data Warehouse in BigQuery is a key milestone in modernizing our data infrastructure and positioning us for continued growth and innovation in data-driven initiatives.

CYBERSECURITY MEASURES

Cybersecurity remains a key priority as we continue to safeguard sensitive pension information and ensure the reliability of the systems. During the year 2024, we deployed Wazuh Manager on Google Cloud Platform, Security Operations Center (SOC) protecting workloads across on-premises, virtualized, containerized, and cloud-based environments, helping us protect data assets against security threats. We also implemented Zero Trust Security using Identity-Aware Proxy (IAP) of Google Cloud Platform to provide a single point of control for managing user access to web applications and cloud resources, ensuring centralized access control. A Disaster Recovery (DR) site with timely backup transfers of all production files, including MySQL, MSSQL was implemented ensuring data security and business continuity. We also restructured the Pension Office Google Cloud Platform (GCP) Infrastructure to ensure that deployments to production are restricted to approved builds, ensuring a controlled and secure deployment process. The integration of Google Cloud Logging with Wazuh was aimed at strengthening security monitoring and threat detection, ensuring a more secure and resilient cloud environment.

UPGRADE FROM ISO27001:2013 TO ISO27001:2022

In line with the updated requirements of ISO 27001 (Information Security Management System - ISMS), upgrade works were initiated during the year to ensure compliance with the latest standards. The works included a comprehensive review of the existing documents and processes to align with the revised requirements including the development and implementation of new policies and procedures for the 11 newly introduced controls. These controls were integrated to strengthen our information security posture, improve risk management practices, and ensure better protection of sensitive data.

STRATEGY REVIEW

REVIEW OF STRATEGIC PLAN 2022-2024

We embarked on our Strategic Plan 2022–2024 with a vision to “ensure future pension security and pension stability of our people” and a mission to “enhance the sustainability and attractiveness of the pension system.” The plan, adopted by the Board on June 15, 2022, was built on four strategic priorities and three enabling strategies, with a strong focus on digital transformation and enhancing member benefits.

STRATEGIC FRAMEWORK

The Strategic Plan was structured around four key priorities: Diversifying Investments, Enhancing Member Benefits and Services, Awareness and Research, and Digital Transformation. These priorities were supported by three critical enablers: People, Governance, and Systems. The framework was designed to address both immediate operational needs and long-term strategic goals, while maintaining alignment with the organization's core values.

STRATEGIC PRIORITIES:



Diversify Investments

Maximize returns through portfolio diversification, risk-adjusted strategies, and exploring domestic and international opportunities.



Enhance Member Benefits and Services

Introduce new benefits, expand coverage, and improve accessibility.



Awareness and Research

Enhance awareness efforts to increase public confidence in MRPS and facilitate data-backed decision making through research on pension and social security.



Digital Transformation

Develop the infrastructure and skills required to leverage rapidly evolving technologies for competitive advantage in the digital economy.

STRATEGIC ENABLERS



People

Implement human capital strategies oriented towards a culture of growth.



Governance

Implement a transparent and accountable system that focuses on identifying and mitigating risk.



Systems

Increase digital capabilities and establish an open-minded culture to embed agile services and automation throughout the organisation.

IMPLEMENTATION THROUGH STRATEGIC ACTION PLAN

To execute the strategic plan, a detailed Strategic Action Plan (SAP) 2022–2024 was formulated, outlining 114 specific initiatives across the strategic priorities and enablers. The SAP provided a clear roadmap with quarterly targets and specific completion timelines for each initiative. During the implementation phase, the action plan was adapted to the Objectives and Key Results (OKR) framework, enabling better tracking and measurement of outcomes.

KEY ACHIEVEMENTS OF THE STRATEGIC PLAN 2022-2024

DIVERSIFYING INVESTMENTS

We made significant progress in diversifying investments under the MRPS during the review period. The Strategic Asset Allocation (SAA) and Statement of Investment Principles (SOIP) were revised to reflect evolving investment goals, and a Regulation on Investment Screening and Due Diligence was introduced to strengthen governance. In 2023, new equity investment was made in BML, and we began investments in privately listed securities in the newly established private market segment, marking a key milestone in diversifying instruments and enhancing returns. In 2024, we began investing in a new Shariah-compliant asset class, the Wakalah Deposit Account, which offers returns comparable to conventional fixed deposits. We also

made the first investment in a Structured Deposit Facility under MRPS in 2024. To further optimise the portfolio, Treasury Bill maturities were converted into higher-yield, long-term Treasury Bonds, reducing concentration in short-term instruments. MRPS has maintained a return above inflation, recording 5.14% by the end of 2024.

ENHANCING MEMBER BENEFITS AND SERVICES

Significant progress was made in improving member services, with notable achievements including supporting the establishment of the first Senior Citizens' Community Centre, conducting review of Government Pensions and MRPS Pensionable Wage, researching options for potential new member benefits, and hosting consecutive annual finance forums to foster national level dialogue on finance and social sector. We also extended legal action coverage across the country to enhance compliance and successfully piloted the Career Compass Program, which targets youth career and professional development.

AWARENESS AND RESEARCH

Under this priority area, we conducted nationwide awareness campaigns reaching 10,191 people through 119 engagement activities, launched financial literacy programs, and achieved an estimated social media reach of 1.3 million through 347 campaigns and posts.

DIGITAL TRANSFORMATION

In the digital sphere, key initiatives completed include the implementation of data warehouse infrastructure, re-development of the Pension Contribution Collection Service and revamping of our website. We also launched a Data Dashboard for the public, improving access to key data and statistics through a user-friendly digital interface.

PEOPLE

We successfully aligned our Organizational Structure with the Strategic Priorities and implemented a comprehensive Succession Plan, introduced numerous HR policies including Employee Wellness Policy. We also established a hybrid work model with an accompanying monitoring framework, enabling agile working and remote work flexibility for all teams, demonstrating adaptability to evolving workplace trends.

GOVERNANCE

On governance front we formulated and implemented our Governance Code. Other key achievements included establishing a dedicated risk management function, conducting gap analysis of the Pension Act, and recertification of ISO 27001 (Information Security Management Systems) and Recertification of ISSA recognition in contribution collection and compliance.

SYSTEMS

Leveraging technology for secure and efficient service delivery, we launched the AI-powered Chatbot Pari to enhance customer service capabilities, developed multiple new applications including PenSign and Death Registration Service, established a robust authentication system, and maintained 99% uptime for all IT infrastructure and services.

MONITORING AND EVALUATION

The implementation of the Strategic Plan was supported by robust monitoring, evaluation and reporting mechanisms. We adopted the Objectives and Key Results (OKR) framework to track progress made on team initiatives towards achieving the strategic objectives. Quarterly Reports with information on operational activities and execution of strategic initiatives were formulated and submitted to the Board. Working sessions were held annually with the Management and the Board to review progress and realign initiatives where necessary. This systematic approach to monitoring enabled agile adjustments, maintaining focus on strategic priorities while adapting to changing circumstances and stakeholder needs.

Implementation of the planned activities under the Strategic Plan 2022-2024 contributed significantly to our continued growth and development throughout the past three years. While some initiatives remain in progress, the significant achievements across all strategic priorities and enablers demonstrates our commitment to enhancing pension security and stability for the people of Maldives.

THE NEXT FIVE YEARS: STRATEGIC PLAN 2025–2029

In 2024, we embarked on a comprehensive strategic planning initiative to chart our strategic direction for the next five years. With the launch of the Strategic Plan 2025–2029 we reaffirmed our commitment to fostering retirement security and socio-economic resilience.

STRATEGIC PLANNING PROCESS

The strategic planning process, conducted from May to October 2024, aimed to align the organization with evolving socio-economic needs, technological advancements, and emerging challenges in pension governance. The planning process involved extensive internal collaboration, with staff across departments contributing through workshops and working sessions. A dedicated Advisory and Planning Committee, led by the Management team, oversaw the initiative. Key steps included a situational analysis using SWOT and PESTLE frameworks, stakeholder consultations, and revisions to the organization's vision, mission, and core values. External stakeholders, including government agencies and civil society organizations, provided critical feedback to ensure alignment with national priorities.

The outputs of this process were the Strategic Plan 2025–2029, which outlines long-term priorities, and the Strategic Action Plan 2025–2027, which translates these priorities into actionable objectives.

STRATEGIC PRIORITIES AND GOALS

The Strategic Plan 2025–2029 reaffirms our commitment to the revised vision of “empowering individuals to retire in dignity and enhance quality of life” and mission to deliver “inclusive and sustainable pension services.” Altogether, 17 strategic goals spread across four strategic priorities guide our efforts over the next five years:

1 COMMUNITY AND MEMBER-CENTRIC SERVICE



Enhancing client satisfaction, promoting financial literacy, and championing socio-economic resilience through targeted programs.

2 OPTIMISE AND INNOVATE SOLUTIONS



Leveraging technology and partnerships to improve public service delivery and data-driven decision-making.

3 PENSION SUSTAINABILITY



Prioritizing investment diversification, flexible retirement options, and research to ensure long-term system resilience.

4 ORGANISATIONAL DEVELOPMENT AND RESILIENCE



Emphasizing digital transformation, cybersecurity, Environment, Social and Governance (ESG) alignment, and workforce development.

These priorities and strategic goals address both internal capacity-building and external service delivery, ensuring that we remain a cornerstone of Maldives' social protection ecosystem.

IMPLEMENTATION THROUGH THE STRATEGIC ACTION PLAN

The Strategic Action Plan 2025–2027 operationalizes the Strategic Plan using the Objectives and Key Results (OKR) framework. It serves as a critical implementation tool, breaking down the five-year strategic goals into 90+ annual objectives across the years 2025, 2026, and 2027, providing clear direction for departments and teams.

This action plan outlines specific, measurable, achievable, relevant, and time-bound objectives, specifying the responsible departments, collaborating departments, and key results for each year.

These details will facilitate effective monitoring and evaluation of the progress towards achieving strategic goals, allowing for course correction and adjustments when necessary.

MONITORING AND REPORTING ACTIVITIES

We will implement robust measures to monitor and report progress under the Strategic Plan 2025–2029. Annual Work Plans, derived from the Action Plan, will outline specific initiatives, responsible departments, and quarterly targets. Progress will be tracked through Quarterly Reports submitted to the Board, detailing achievements, challenges, and corrective actions.

Biannual Management-Board Working Sessions will review progress, assess alignment with strategic priorities, and refine annual plans as needed. A Mid-term Review in 2027 will evaluate the Action Plan's effectiveness, inform adjustments, and guide the development of the 2028–2029 Action Plan, incorporating stakeholder feedback and emerging trends. These mechanisms would ensure accountability, agility, and alignment with our mission, fostering transparency and adaptive governance.

OUTLOOK

NAVIGATING GLOBAL TRENDS THROUGH STRATEGIC AGILITY

As we concluded the Strategic Plan 2022–2024, we stand at a pivotal juncture, poised to address emerging challenges and opportunities in a rapidly evolving global landscape. The Strategic Plan 2025–2029 and its accompanying Action Plan 2025–2027 outline a forward-looking agenda anchored in resilience, innovation, and inclusivity. The upcoming year, 2025, will be pivotal in laying the groundwork for achieving our long-term goals. Our key initiatives for the year are spread across four thematic areas that reflect global trends shaping the social security and financial sectors, and outlines our efforts to enhance pension security, foster financial empowerment, and deliver inclusive and sustainable services.

ACCELERATING DIGITAL TRANSFORMATION AND SERVICE INNOVATION

The global shift toward digitalization continues to redefine service delivery expectations. In 2025, we will prioritize integrating advanced technologies to streamline operations and improve member engagement. Initiatives such as the rollout of an enhanced mobile application, AI-driven chatbots for real-time member support, and automation of pension payout system will modernize service delivery. These efforts align with global trends in fintech adoption and responsive governance, ensuring that members benefit from seamless, secure, and accessible digital services. Additionally, the implementation of a unified data-sharing platform with partner agencies will strengthen interoperability across public institutions, mirroring international best practices in digital public infrastructure. By leveraging technology, we aim to reduce administrative burdens, enhance transparency, and position ourselves as a regional leader in digital pension administration.

STRENGTHENING PENSION SUSTAINABILITY THROUGH DIVERSIFIED INVESTMENTS

Volatile global financial markets and the imperative for climate-resilient economies necessitate a strategic overhaul of investment frameworks. In 2025, we will focus on optimizing asset allocation through diversified investments specifically by working together with private sector institutions. Collaboration with international partners to adopt cutting-edge risk management tools, including ISO 31000 compliant frameworks, will ensure alignment with global standards safeguarding fiduciary responsibility and long-term fund sustainability.

EXPANDING COVERAGE AND BRIDGING THE INFORMAL SECTOR GAP

Persistent gaps in social protection coverage, particularly among informal workers, remain a critical challenge globally. In 2025, we will intensify efforts to enroll informal sector workers into the MRPS through revised regulatory frameworks, targeted outreach campaigns, and partnerships with informal sector industry groups. This initiative reflects broader regional and international trends, such as the International Labour Organization's (ILO) advocacy and call for the establishment of universal social protection and the integration of gig economy workers into formal systems. By introducing flexible contribution mechanisms and tailored financial literacy programs, we aim to reduce exclusion and empower vulnerable groups. Concurrently, the launch of a national Pension Perception Index will provide data-driven insights to refine outreach strategies and align services with

BUILDING ORGANIZATIONAL RESILIENCE THROUGH ROBUST GOVERNANCE

In an era of heightened cybersecurity threats and operational complexities, institutional resilience is paramount. We will implement ISO 31000 compliant risk

management framework and processes, and work towards achieving ISSA Certification for Good Governance in 2025, reinforcing compliance with international benchmarks. Enhanced cybersecurity measures, including endpoint detection systems and secure encryption protocols, will safeguard member data against escalating global cyber risks. Internally, the establishment of a Learning and Development function, coupled with competency-based training programs, will cultivate a skilled workforce capable of navigating technological and demographic shifts. These steps resonate with recommendations from key international agencies to invest in long-term resilience of social security systems in order to navigate the uncertain and challenging times ahead.

Our roadmap for 2025 is a testament to our commitment to aligning national priorities with global imperatives. By focusing on digital innovation, sustainable finance, inclusive coverage, and institutional resilience, we are poised to navigate the complexities of a transforming world. These efforts will not only safeguard the retirement security of Maldivians but also reinforce our role as a catalyst for socioeconomic resilience in the Asia-Pacific region. As global trends continue to evolve, we remain steadfast in our mission to empower individuals to retire with dignity, ensuring no one is left behind in the journey toward a secure and equitable future.

GOVERNANCE

CORPORATE GOVERNANCE

PENSION OFFICE BOARD & COMMITTEES

The Board of Pension Office, formed under the Pension Act, is the governing body entrusted with the responsibility of directing and overseeing the execution of the various functions stipulated under the Act and its subsequent regulations. The Board is also responsible for commissioning and approving policies, guidelines, and systems that ensure the organisation's adherence to best practices in accordance with the Governance Code. In order to effectively carry out the Board's functions, the Board delegates relevant responsibilities to 4 (four) standing committees.

RISK MANAGEMENT & CONTROLS

INTERNAL AUDIT

Operating independently, the Internal Audit function reports to the Audit and Risk Management Committee (ARMC) of the Board, and is responsible for auditing all functions and operations at the Pension Office to ensure the adequacy and robustness of the mechanisms in place.

EXTERNAL AUDIT

ARMC routinely invites independent external auditors to audit the financial statements of both the Pension Office, and the MRPS. For the Financial Year 2024, KPMG was the appointed external auditor.

BOARD MEMBERS REPORT

The Board of Pension Office comprises 8 members representing the public sector and the private sector, appointed by the President, in accordance with Section 8 of the Pension Act.

The Board of Pension Office is authorised to exercise all the powers necessary to implement its mandated functions under the Pension Act and Regulations thereunder. Accordingly, it is the fiduciary responsibility of the Board to oversee the administration of MRPS in the best interest of members and beneficiaries

COMPOSITION OF THE BOARD (AS OF 31 DECEMBER 2024)

1. Dr. Ahmed Inaz – Chairperson of the Board
2. Ms. Fathimath Abdullah Kamaaluddeen – Board Member representing the Capital Market Development Authority
3. Uz. Ashraf Rasheed – Board Member representing the Ministry of Finance and Planning
4. Ms. Shifaza Wajeesh – Board Member representing the Ministry of Social and Family Development
5. Mr. Abdul Majeed Ali – Board Member representing the Private Sector
6. Mr. Mohamed Ghaly Murthala – Board Member representing the Private Sector
7. Ms. Aishath Fazeena – Board Member representing the Private Sector
8. Uza. Mizna Ahmed – Board Member representing the Private Sector

OUTGOING BOARD MEMBERS DURING 2023

Board Member representing the Ministry of Finance, Maryam Abdul Nasir’s tenure ended on 20th April 2024.

BOARD MEETINGS

The Board convened 12 times during the year 2024. Details of membership and the number of meetings attended by each Board Member are included below:

Member	No. of Meetings Held ¹	No. of Meetings Attended
Dr. Ahmed Inaz	12	12
Fathimath Abdullah Kamaaluddeen	12	10
Ashraf Rasheed	8	8
Shifaza Wajeesh	12	12
Abdul Majeed Ali	12	12
Mohamed Ghaly Murthala	12	12
Aishath Fazeena	12	12
Uza. Mizna Ahmed	12	12
Maryam Abdul Nasir	4	4

¹ Reflects the number of meetings held during the time the Member held office, which they were required to attend.

BOARD STANDING COMMITTEES

To strengthen the governance, specific responsibilities are delegated to the standing committees. During the reporting period, there were 4 active standing committees of the Board:

- Investment Committee (IC)
- Audit and Risk Management Committee (ARMC)
- Remuneration and Nomination Committee (RNC)
- Innovation and Technology Committee (ITC)

KEY DECISIONS OF 2024

STRATEGIC PLAN 2025 – 2029

In 2024, the Board approved the Strategic Plan of Pension Office for 2025–2029, which outlines the organisation's strategic direction for the next five years. Building on the successes of previous years and stakeholder feedback, this Strategic Plan is designed to strengthen the Pension Office's capacity to deliver high-quality, member-centric services while promoting innovation, sustainability, and organizational resilience. The Strategic Plan also includes a structured approach to implementation, with regular reporting mechanisms to the Board to monitor its implementation and ensure the achievement of strategic goals.

In the course of developing the Strategic Plan, the Board and management also engaged in discussions to

refine the organization's vision and mission, ensuring they were better aligned with the strategic direction. As a result of these deliberations, a revised version of the vision and mission was approved by the Board, further solidifying the alignment between the organization's core values and its long-term objectives.

INVESTMENT

During the year, the Board worked towards ensuring that the retirement savings of MRPS members were invested to achieve optimal risk adjusted returns while building a diversified portfolio. As part of these efforts, the Pension Office proactively engaged with the Ministry of Finance and Planning to convert maturing Treasury Bills into long term securities, resulting in investments in 20-year and 30-year Treasury Bonds to better align the portfolio with members' liability profiles.

Additionally, the Board approved investments in structured term deposits and Sukuk, further supporting its strategy to enhance portfolio diversification while effectively managing risk.

PENSION OFFICE SCHOLARSHIP PROGRAM

In 2024, the Board approved the Pension Office Scholarship Program along with the Policies required for its implementation, set to begin in 2025. This annual, fully-funded scholarship initiative reflects the Board and the organisation's continued commitment towards contributing to the development of the financial sector and supporting the growth of individuals within it.

EMPLOYEE ENGAGEMENT AND WELL-BEING

The Board continued to prioritize the development of the Pension Office's team throughout the year 2024. Several policies were approved to improve organizational efficiency, while also focusing on motivating and supporting the team to foster a positive and productive work environment. These included:

- Scholarship Policy
- Policy on Succession Planning
- Policy on Provision of Salary Advance

- Policy on Providing Financial Assistance Due to Permanent Disability, Terminal Illness or Death
- Gratuity Policy
- Promotion Policy
- Redundancy Policy
- Anti-Harassment Policy

OPERATIONAL EFFECTIVENESS

The Board approved the Enterprise Resource Planning (ERP) Project to improve operational efficiency through digital tools and improved processes.

Additionally, several operational policies were also approved, including the Property, Plant and Equipment Management Policy, Overseas Travel Policy, and the Procurement Policy, all aimed at enhancing internal processes and ensuring consistent standards. The approval of the Corporate Credit Card Policy and the Surplus Fund Management Policy will further streamline the financial management and asset oversight.

Collectively, these policies are designed to improve day-to-day operations and strengthen the Pension Office's capacity to deliver high-quality services to members.

INVESTMENT COMMITTEE REPORT

The Investment Committee created as per section 9(a) of the Pension Act, is the Board sub-committee responsible for formulating and reviewing the investment principles and the basic investment guidelines for the MRPS fund, as per the regulations of the Securities Market Regulator.

COMPOSITION

The Committee composition at the end of the year was as follows:

- Uz. Ashraf Rasheed (Committee Chairperson)
- Mr. Abdul Majeed Ali
- Uza. Mizna Ahmed

Following are the changes to the Committee composition within the year:

- Ms. Maryam Abdul Nasir (Committee Member till 20th April 2024)
- Uz. Ashraf Rasheed (Appointed as Committee Chairperson by the Committee, effective 18 July 2024)
- Mr. Mohamed Ghaly Murthala (Committee Reserve Member till 13 August 2024)

COMMITTEE MEETINGS AND ATTENDANCE

Member	No. of Meetings Held ¹	No. of Meetings Attended
Uz. Ashraf Rasheed	6	6
Abdul Majeed Ali	9	9
Uza. Mizna Ahmed	9	9
Maryam Abdul Nasir	3	3

¹ Reflects the number of meetings held during the time the Member held office, which they were required to attend

MAJOR INVESTMENTS

- MVR 18 million in a 5-year Parallel Istisna' Sukuk issued by Eyecare Pvt Ltd;
- MVR 200 million in a Structured Term Deposit with Habib Bank Ltd, tenors of up to 4 years;
- Treasury Bonds issued by Ministry of Finance and Planning;
 - MVR 300 million in a 5 year Treasury Bond;
 - MVR 500 million in a 20 year Treasury Bond;
 - MVR 300 million in a 30 year Treasury Bond;

Additionally, the Committee endorsed investments in Wakalah Bank Deposit Accounts at Maldives Islamic Bank.

COMMITTEE ACTIVITY HIGHLIGHTS OF 2024

INVESTMENT PERFORMANCE AND RISK ASSESSMENT

The committee reviewed the investment performance, risk exposure and risk assessment across various asset classes. This assessment included counterparty risk evaluations for Government Debt Securities, Banking and Other Financial Institutions, Equity Holdings and Debt Securities listed on Viyana Board.

RISK MANAGEMENT FRAMEWORK

As part of the efforts to strengthen governance and oversight of MRPS investments, the Committee reviewed the Risk Management Framework proposed by the Investment Consultant. The framework aims to provide a structured approach to identifying, assessing, monitoring and mitigating risks associated with MRPS's investments. It will enhance risk transparency and investment oversight, while ensuring alignment of investment activities with the Fund's long-term objectives and support informed decision making.

POLICY ON VALUATION OF SECURITIES OF MRPS

Following the proposal by Management to revise the Policy on Valuation of Securities, the Committee reviewed and deliberated on the changes related to valuation of equity investments. Following the Committee's review, the policy was referred to the Board for approval.

FOREIGN CURRENCY ACCUMULATION STRATEGY

The Committee deliberated on the Foreign Currency Accumulation Strategy proposed by the Management and recommended exploring currency conversion avenues for MRPS. The aim of the strategy is to identify avenues which can facilitate foreign currency accumulation for MRPS, in order to support MRPS's initiative to diversify investments overseas.

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

The Audit and Risk Management Committee was established primarily for the purpose of assisting the Board to oversee financial reporting and internal controls of the Pension Office. The responsibilities of the Committee have since been broadened to include risk management function under its mandate as well.

RESPONSIBILITIES OF THE COMMITTEE

The primary functions of the Committee are as follows:

- Provide an independent review and supervision of financial reporting;
- Review and where appropriate make recommendations to the Board on adequacy and effectiveness of internal controls, compliance and risk management systems;
- Monitor the effectiveness of the Internal Audit function and external auditors of the Pension Office.

COMPOSITION OF THE COMMITTEE

At the beginning of the year, the Committee comprised 3 Members and a Reserve Member from the Pension Office Board. However, as per the revised Terms of Reference of the Committee approved by the Board, the Reserve Member was removed effective 13 August 2024.

The Committee composition at the end of the year was as follows:

- Ms. Aishath Fazeena (Committee Chairperson)
- Mr. Abdul Majeed Ali
- Mr. Mohamed Ghaly Murthala

Following are the changes to the Committee composition within the year:

- Ms. Shifaza Wajeeth (Reserve Member from 01 January to 12 August 2024)

COMMITTEE MEETINGS AND ATTENDANCE

The committee met 5 (five) times during the year 2024. Details of the attendance at the meetings, are as follows:

Member	No. of Meetings Held ¹	No. of Meetings Attended
Aishath Fazeena	5	5
Abdul Majeed Ali	5	5
Mohamed Ghaly Murthala	5	5

¹ Reflects the number of meetings held during the time the Member held office, which they were required to attend

COMMITTEE ACTIVITY REVIEW

- The Committee reviewed and approved the Annual Report of the Committee for the previous year, which highlighted the major activities of the Committee during the year.
- The Committee reviewed and endorsed the Terms of Reference for Outsourcing Internal Audit Service.
- The Committee reviewed the Corporate Credit Card Policy, and submitted it to the Board for approval.
- The Committee reviewed and endorsed the Internal Audit Inception Report, which includes the audits planned to be conducted by the internal audit department throughout the year.
- The Committee reviewed and endorsed the Audited Financial Statements and the Management Letter by the External Auditors of Maldives Pension Administration Office and Maldives Retirement Pension Scheme for the year ended 31st December 2023.
- The Committee reviewed the CMDA Inspection Report and endorsed the Action Plan presented by the Management.
- The Committee reviewed the Internal Audit reports presented to the Committee by the Internal Audit, and reported the findings and recommendations to the Board accordingly.

REMUNERATION AND NOMINATION COMMITTEE REPORT

The Remuneration and Nomination Committee assists the Board to oversee strategic human resource management related matters of the Pension Office. The Committee also advises the Board on remuneration related matters and oversees the nomination and appointment of employees to Executive Management positions, and appointment of technical experts to Pension Office as well as to the Committees of the Board.

RESPONSIBILITIES OF THE COMMITTEE

The primary functions of Committee include the following:

- Assisting the Board and Management to retain an appropriate structure, size and balance of skills to support the strategic objectives of the Pension Office.
- Make recommendations to the Board regarding the remuneration and benefits policies of the organisation to keep it at par with the industry standards.
- Overseeing arrangements for appointment of the Executive Management including Chief Executive Officer (including selection processes) and succession planning of the organisation.
- Approving human resources related policies of the organisation.

COMPOSITION OF THE COMMITTEE

At the beginning of the year, the Committee comprised 3 Members and a Reserve Member from the Pension Office Board. However, as per the revised Terms of Reference of the Committee approved by the Board, the Reserve Member was removed effective 13 August 2024.

The Committee composition at the end of the year was as follows:

- Uza. Mizna Ahmed (Committee Chairperson)
- Ms. Shifaza Wajeeh
- Mr. Mohamed Ghaly Murthala

Following are the changes to the Committee composition within the year:

- Ms. Aishath Fazeena (Reserve Member from 01 January to 12 August 2024)

COMMITTEE MEETINGS AND ATTENDANCE

The committee met 5 (five) times during the year 2024. Details of the attendance at the meetings, are as follows:

Member	No. of Meetings Held ¹	No. of Meetings Attended
Mizna Ahmed	5	5
Shifaza Wajeeh	5	5
Mohamed Ghaly Murthala	5	5

¹ Reflects the number of meetings held during the time the Member held office, which they were required to attend

COMMITTEE ACTIVITY REVIEW

- The Committee reviewed and approved the Annual Report of the Committee for the previous year, which highlighted the major activities of the Committee during the year.
- The Committee carried out the recruitment process to hire a Chief Internal Auditor.
- The Committee reviewed the following Policies, and submitted to the Board for approval:
 - Reviewing the Board Performance Assessment Policy
 - Reviewing the Board Training and Development Policy
 - Overseas Travel Policy
 - Anti-Harassment Policy
 - Promotion Policy

- Performance Appraisal Framework for the Chief Executive Officer
 - Policy on Provision of Salary Advance
 - Gratuity Policy
 - Policy on Provision of Financial Assistance to Employees Upon Termination Due to Permanent Disability, Terminal Illness or Death
 - Policy on Succession Planning
 - Redundancy Policy
 - Scholarship Policy
 - Recruitment Policy
 - Policy for Reimbursement of Professional Membership Fees
- The Committee conducted the annual review of the composition of Board Committees.
 - The Committee reviewed the changes to the Organisational Structure proposed by the Management, and submitted to the Board for approval.
 - The Committee reviewed the concept for the Pension Office Scholarship Program, and submitted the endorsed concept to the Board for approval.

INNOVATION AND TECHNOLOGY COMMITTEE REPORT

The Innovation and Technology Committee was established by the Board as part of its governance framework, primarily for the purpose of assisting the Board in overseeing the strategic direction of innovation, technology and information security management of the Pension Office.

RESPONSIBILITIES OF THE COMMITTEE

The primary functions of the Committee includes the following:

- Support the Board by guiding and overseeing the Pension Office's strategic initiatives in innovation and technology.
- Ensure robust information security management practices are in place, aligning with the evolving technological landscape.
- Proactively monitor, identify, and address emerging technology-related risks and opportunities to safeguard and advance the objectives of the Pension Office.

COMPOSITION OF THE COMMITTEE

At the beginning of the year, the Committee comprised 3 Members and a Reserve Member from the Pension Office Board. However, as per the revised Terms of Reference of the Committee approved by the Board, the Reserve Member was removed effective 13 August 2024.

The Committee composition at the end of the year was as follows:

- Ms. Shifaza Wajeesh (Committee Chairperson)
- Ms. Aishath Fazeena
- Uz. Ashraf Rasheed

Following are the changes to the Committee composition within the year:

- Ms. Maryam Abdul Nasir (Committee Member from January to 20 April 2024)
- Uz. Ashraf Rasheed (Appointed to the Committee on 03 June 2024)
- Mr. Abdul Majeed Ali (Reserve Member from 01 January to 12 August 2024)

COMMITTEE MEETINGS AND ATTENDANCE

The Committee met once during the year 2024. Details of the attendance at the meetings, are as follows:

Member	No. of Meetings Held ¹	No. of Meetings Attended
Shifaza Wajeesh	1	1
Ashraf Rasheed	1	1
Aishath Fazeena	1	1
Maryam Abdul Nasir	-	-

¹ Reflects the number of meetings held during the time the Member held office, which they were required to attend

COMMITTEE ACTIVITY REVIEW

- The Committee reviewed the updates from the Innovation and Technology Division, including the ongoing and planned projects.
- The Committee reviewed the Information Security Management System (ISMS), which is also a requirement of the ISO Certification. In the review, Committee members analysed and deliberated on the top cybersecurity risks internationally, nationally, and to the Pension Office, and the status of those, security and other risks, and costs.
- The Committee reviewed the demo of Koshaaru Employment and Collection Service and deliberated on the development of Koshaaru and reviewed its release timeline, and further monitored the progress in comparison to the scheduled timeline.

GLOSSARY

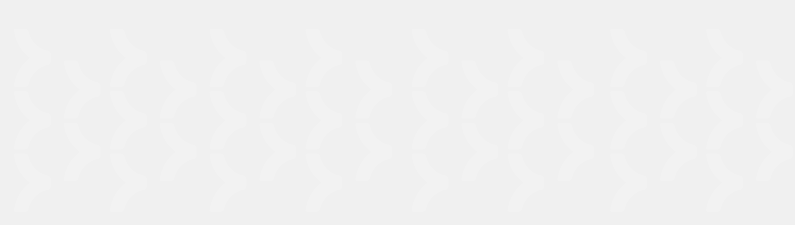
ARMC	Audit and Risk Management Committee
BOC	Bank of Ceylon
BML	Bank of Maldives
BP	Basic Pension
CBM	Commercial Bank of Maldives
CA MALDIVES	Institute of Chartered Accountants of the Maldives
CMDA	Capital Market Development Authority
CSR	Corporate Social Responsibility
EURO MARKETING	Euro Marketing Pvt Ltd
EYECARE	EyeCare Pvt Ltd
GIA	General Investment Asset
HBL	Habib Bank Limited
HDFC	Housing Development Finance Corporation
IC	Investment Committee
IFRS	International Financial Reporting Standards
ISA	International Standards on Auditing
ISO	International Organization for Standardization
ISSA	International Social Security Association
ISMS	Information Security Management Systems
ITC	Innovation and Technology Committee
MASIX	Maldives Stock Exchange Index
MEDTECH	Medtech Diagnostics Pvt Ltd
MFLC	Maldives Finance and Leasing Company Pvt Ltd
MHCL	Maldives Hajj Corporation Limited
MIB	Maldives Islamic Bank
MMA	Maldives Monetary Authority
MOFP	Ministry of Finance and Planning
MPL	Maldives Ports Limited
MRPS	Maldives Retirement Pension Scheme
MSE	Maldives Stock Exchange
OPB	Other Pension Benefits
RNC	Remuneration and Nomination Committee
RSA	Retirement Savings Account
SAA	Strategic Asset Allocation
SAILS	Sustainable and Integrated Labor Services Project
SOIP	Statement of Investment Principles



FINANCIALS



**MALDIVES
PENSION
OFFICE**



**MALDIVES PENSION ADMINISTRATION OFFICE
(FORMED UNDER THE MALDIVES PENSION ACT NO.08/2009)
FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED
31ST DECEMBER 2024**

**MALDIVES PENSION ADMINISTRATION OFFICE
(FORMED UNDER THE MALDIVES PENSION ACT NO. 8/2009)
FINANCIAL STATEMENTS**

FOR THE YEAR ENDED 31ST DECEMBER 2024

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Independent Auditors' Report
To the Board of Maldives Pension Administration Office

Opinion

We have audited the financial statements of Maldives Pension Administration Office ("the Entity"), which comprise the statement of financial position as at 31st December 2024, the statements of comprehensive income, changes in equity and cash flows for the year then ended and notes to the financial statements, comprising a summary of material accounting policies and other explanatory information set out in pages 3 to 26.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Entity as at 31st December 2024 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 *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Entity in accordance with International Ethics Standards Board for Accountants International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Maldives, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Matter

The financial statements of the Entity for the year ended 31st December 2023 were audited by another auditor who expressed an unmodified opinion on those statements on 2nd April 2024.

Other Information

Management is responsible for the other information. The other information comprises the information included in the annual report but does not include financial statements and our auditors' report thereon. The annual report is expected to be made available to us after the date of this auditors' report.

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 identified above when it becomes available 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.

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to the those charged with governance.



Responsibilities of Management and Those Charged with Governance for the Financial Statements

The Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs, and for such internal control as the 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, the management is responsible for assessing the Entity'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 the management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.


Auditors' 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 auditors' 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 judgment 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 Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board.
- Conclude on the appropriateness of the 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 Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' 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 auditors' report. However, future events or conditions may cause the Entity 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 to the 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.



Ali Muaaz
Audit License No: ICAM-IL-FQ1
For and on behalf of KPMG Maldives

24th April 2025
Male'



MALDIVES PENSION ADMINISTRATION OFFICE
(FORMED UNDER THE MALDIVES PENSION ACT NO. 8/2009)
STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31ST DECEMBER

	Note	2024 MVR	2023 MVR
Income			
Management Fee Income	6	95,954,922	101,415,862
Interest Income	7	11,274,243	8,178,121
Other income	8	960,270	1,175,132
		<u>108,189,435</u>	<u>110,769,115</u>
Expenses			
Salaries and allowance	9	(40,578,116)	(33,598,086)
Custodian fees	10	(4,750,000)	(5,075,000)
Administrative expenses	11	(15,828,721)	(12,379,620)
		<u>(61,156,837)</u>	<u>(51,052,706)</u>
Income over Expenses for the year		<u><u>47,032,598</u></u>	<u><u>59,716,409</u></u>

These financial statements are to be read in conjunction with the related notes, which form an integral part of the financial statements of MPAO set out pages 7 to 26. The Report of the Independent Auditors is given on pages 1 to 2.



**MALDIVES PENSION ADMINISTRATION OFFICE
(FORMED UNDER THE MALDIVES PENSION ACT NO. 8/2009)
STATEMENT OF FINANCIAL POSITION**

AS AT 31ST DECEMBER

	Note	2024 MVR	2023 MVR
ASSETS			
Non current assets			
Property and equipment	12	41,229,256	39,997,585
Intangible Assets	13	157,489	-
Right-of-use assets	14	16,287,786	17,247,786
Total non current assets		<u>57,674,531</u>	<u>57,245,371</u>
Current assets			
Investment in fixed deposits	15	275,554,717	226,392,660
Other receivables	16	10,542,924	10,810,030
Cash and cash equivalents	17	15,042,693	16,760,617
Total current assets		<u>301,140,334</u>	<u>253,963,307</u>
Total assets		<u>358,814,865</u>	<u>311,208,678</u>
EQUITY AND LIABILITIES			
Equity			
Capital and General Reserve	18	20,000,000	20,000,000
Accumulated funds		333,282,096	286,249,498
Total equity		<u>353,282,096</u>	<u>306,249,498</u>
Current liabilities			
Other payables	19	5,137,368	4,959,180
Credit card payable	17	395,401	-
Total liabilities		<u>5,532,769</u>	<u>4,959,180</u>
Total equity and liabilities		<u>358,814,865</u>	<u>311,208,678</u>

These financial statements are to be read in conjunction with the related notes, which form an integral part of the financial statements of MPAO set out pages 7 to 26. The Report of the Independent Auditors is given on pages 1 to 2.

The financial statements were approved by the Board of Directors and signed on its behalf by;


Name of the Director


Fathimath Sujatha Haleem


Dr. Ahmed Inaz

Abdul Majeed Ali

Signature







24th April 2025



MALDIVES PENSION ADMINISTRATION OFFICE
(FORMED UNDER THE MALDIVES PENSION ACT NO. 8/2009)
STATEMENT OF CHANGES IN ACCUMULATED FUNDS

FOR THE YEAR ENDED 31 ST DECEMBER	Capital and General Reserve MVR	Accumulated Fund MVR	Total Equity MVR
As at 1 st January 2023	20,000,000	226,533,089	246,533,089
Income over expenses for the year	-	59,716,409	59,716,409
As at 31 st December 2023	<u>20,000,000</u>	<u>286,249,498</u>	<u>306,249,498</u>
As at 1 st January 2024	20,000,000	286,249,498	306,249,498
Income over expenses for the year	-	47,032,598	47,032,598
As at 31 st December 2024	<u>20,000,000</u>	<u>333,282,096</u>	<u>353,282,096</u>

These financial statements are to be read in conjunction with the related notes, which form an integral part of the financial statements of MPAO set out pages 7 to 26. The Report of the Independent Auditors is given on pages 1 to 2.



MALDIVES PENSION ADMINISTRATION OFFICE
(FORMED UNDER THE MALDIVES PENSION ACT NO. 8/2009)
STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31ST DECEMBER

	Note	2024 MVR	2023 MVR
Cash flows from operating activities			
Income over expenses		47,032,598	59,716,409
Adjustments for			
Loss on Disposal of Property Plant and Equipment	11	32,863	-
Depreciation of property, plant and equipment	12	897,654	1,055,568
Amortization of right-of-use assets	14	960,000	960,000
Interest income from investment in fixed deposits	15	(11,274,243)	(8,178,121)
Operating surplus before working capital changes		<u>37,648,872</u>	<u>53,553,856</u>
Working capital changes			
Changes in other receivables		267,106	(2,520,607)
Changes in other payables		178,188	(1,113,422)
Cash flows generated from operating activities		<u>38,094,166</u>	<u>49,919,827</u>
Cash flows from investing activities			
Acquisition of property, plant and equipments	12	(2,162,188)	(1,460,575)
Acquisition of intangible assets	13	(157,489)	-
Reinvested in fixed deposits during the year	15	(271,000,000)	(223,000,000)
Fixed deposits matured during the year	15	223,000,000	176,000,000
Interest received	15	10,112,186	7,501,000
Net cash used in investing activities		<u>(40,207,491)</u>	<u>(40,959,575)</u>
Net (decrease)/increase in cash and cash equivalents		(2,113,325)	8,960,252
Cash and cash equivalents at the beginning of the year		16,760,617	7,800,365
Cash and cash equivalents at the end of the year	17	<u>14,647,292</u>	<u>16,760,617</u>

These financial statements are to be read in conjunction with the related notes, which form an integral part of the financial statements of MPAO set out pages 7 to 26. The Report of the Independent Auditors is given on pages 1 to 2.



**MALDIVES PENSION ADMINISTRATION OFFICE
(FORMED UNDER THE MALDIVES PENSION ACT NO.08/2009)
NOTES TO THE FINANCIAL STATEMENTS**

1. REPORTING

Maldives Pension Administration Office (the "Entity") is formed on 13th May 2009 under the Maldives Pension Act No. 8 of 2009 of the Republic of Maldives. The registered office is located at Allied Building, Chandhanee Magu, Male', Republic of Maldives and it is an independent legal entity with perpetual succession and with a separate seal under the Act.

The main principal activities of the are;

- Administering the Pension Schemes Established under the Act.
- Providing the Maldives Retirement Pension.
- Formulating, standards, and guidelines to operate the schemes established under the Act.
- Paying Maldives Old-Age Basic Pensions Established under the Act.
- Conducting public awareness programs on the pension schemes established under the Act.

2. BASIS OF PREPARATION

(a) Statement of Compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRSs").

(b) Basis of Measurement

The financial statements have been prepared on the historical cost basis.

(c) Functional and Presentation Currency

These financial statements are presented in Maldivian Rufiyaa, which is the 's functional currency. All financial information presented in Maldivian Rufiyaa has been rounded to the nearest Rufiyaa.

The decision has been taken by management of the entity to maintain the reporting currency as Maldivian Rufiyaa in the financial statements since most of the business transactions are dealt in Maldivian Rufiyaa.

(d) Going concern basis of accounting

The financial statements have been prepared on a going concern basis.

(e) Use of Estimates and Judgements

In preparing these financial statements, management has made judgements and estimates that affect the application of the Entity's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

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



MALDIVES PENSION ADMINISTRATION OFFICE
(FORMED UNDER THE MALDIVES PENSION ACT NO.08/2009)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

2. BASIS OF PREPARATION (CONTINUED)

(e) Use of Estimates and Judgements (Continued)

A. Judgements

Information about critical judgement in applying accounting policies that has the most significant effect on the amounts recognised in the financial statements is included in the respective notes.

B. Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties as at 31st December 2024 that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities in the next financial year is included in the respective notes.

i. Measurement of fair values

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

The Entity has an established control framework with respect to the measurement of fair values.

When measuring the fair value of an asset or a liability, the Entity uses observable market 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 follow

- 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 fall into 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 Entity recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

3. CHANGE IN MATERIAL ACCOUNTING POLICIES

A number of new accounting standards and amendments have come into effect for annual periods starting after 1st January 2024. However, these new standards and the amendments do not have a material impact on the Entity's financial statements.

04. MATERIAL ACCOUNTING POLICIES

The Entity has consistently applied the following accounting policies to all accounting periods presented in these financial statements, except as disclosed in the Note 3.



04. MATERIAL ACCOUNTING POLICIES (CONTINUED)

4.1 Foreign Currency Transactions

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

Monetary assets and liabilities denominated in foreign currencies are translated into 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 into 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 at the exchange rate at the date of the transaction. Foreign currency differences are generally recognized in profit or loss and presented within finance costs.

4.2 Management Fee Income

Management fee is recognized on accrual basis when the administration service is provided to the Maldives Retirement Pension Scheme ("MRPS").

4.3 Interest Income

Interest income comprises interest accrues, using the effective interest rate of the fixed deposit calculated at the acquisitions or origination date.

4.4 Property, Plant and Equipment

(i) Recognition and Measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labor, any other costs directly attributable to bringing the assets to a working condition for their intended use, the costs of dismantling and removing the items and restoring the site on which they are located and capitalized borrowing costs. Purchased software that is integral to the functionality of the related equipment is capitalized as part of that equipment.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognized net within other income in profit or loss.

(ii) Subsequent Costs

The cost of replacing a part of an item of property, plant and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Entity, and its cost can be measured reliably. The carrying amount of the replaced part is derecognized. The costs of the day-to-day servicing of property, plant and equipment are recognized in profit or loss as incurred.



MALDIVES PENSION ADMINISTRATION OFFICE
(FORMED UNDER THE MALDIVES PENSION ACT NO.08/2009)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

04. MATERIAL ACCOUNTING POLICIES (CONTINUED)

4.4 Property, Plant and Equipment (Continued)

(iii) Depreciation

Depreciation is calculated over the depreciable amount, which is the cost of an asset, or other amount substituted for cost, less its residual value.

Depreciation is recognized in profit or loss on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment, since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Entity will obtain ownership by the end of the lease term.

The estimated useful lives for the current and comparative periods are as follows:

Computers and Communication Equipment	- Over 3-5 years
Furniture and fittings	- Over 3 years
Motor Vehicles	- Over 5 years
Office equipment	- Over 3-5 years

Depreciation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

A full month's depreciation is provided in the month of ready to use while, no depreciation is provided in the month of disposal.

4.5 Capital Work in Progress

Assets under construction as at the year-end represents the costs incurred or accrued for the projects which are not commissioned for commercial operation as at the year end.

4.6 Intangible Asset

(i) Recognition and Measurement

Intangible assets that are acquired by the Company, which have finite useful lives, are measured at cost less accumulated amortization and accumulated impairment losses. Costs that are directly associated with the purchase and implementation of identifiable and unique software products by the Company are recognized as intangible assets. Expenditures that enhance and extend the benefits of computer software programs beyond their original specifications and lives are recognized as a capital improvement and added to the original cost of the software.

(ii) Subsequent expenditure

Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill is recognized in profit or loss as incurred.

(iii) Amortization

Amortization is charged to the income statement on a straight-line basis over the estimated useful lives of assets unless such lives are indefinite. The estimated useful lives for the current and comparative periods are as follows:

Computer software - Over 5 years



4. MATERIAL ACCOUNTING POLICIES (CONTINUED)

4.7 Financial Instruments

(i) Recognition and Initial Measurement

Trade receivables are initially recognized when they are originated. All other financial assets are initially recognized when the Entity becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) is initially measured at fair value plus, for an item not at Fair Value through Profit or loss ("FVTPL"), transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

(ii) Classification and subsequent measurement

Financial assets

On initial recognition, a financial asset is classified as measured at: amortized cost, Fair Value through Other Comprehensive Income ("FVOCI") – Debt investment, FVOCI – equity investment or FVTPL.

Financial assets are not classified subsequent to their initial recognition unless the Entity changes its business model for managing financial assets. In which case all affected financial assets are classified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL:

- It is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- Its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets - Business Model Assessment

The Entity makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to the management.

Transfers of financial assets to third parties in transactions that do not qualify for de-recognition are not considered sales for this purpose, consistent with the Entity's continuing recognition of the assets. Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

Financial assets - Assessment Whether the Cash Flows are Solely Payment of Principal and Interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs as well as a profit margin.

4. MATERIAL ACCOUNTING POLICIES (CONTINUED)

4.7 Financial Instruments (Continued)

(ii) Classification and subsequent measurement (Continued)

Financial assets - Assessment Whether the Cash Flows are Solely Payment of Principal and Interest (Continued)

In assessing whether the contractual cash flows are solely payments of principal and interest, the Entity considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition.

(iii) Financial assets - Subsequent Measurement and gains and losses

Financial Assets at Amortized Cost

These assets are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses. Interest Income, foreign exchange gains and losses and impairment are recognized in profit or loss. Any gain or loss on de-recognition is recognized in profit or loss.

(iv) Financial liabilities – classification, subsequent measurement and gains and losses

Financial Liabilities are classified as measured at amortized cost or FVTPL. Other than the financial liability measured at FVTPL, the Financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in profit or loss. Any gain or loss on de-recognition is also recognized in profit or loss.

The Entity's non-derivative financial liabilities consist of other payables. Such financial liabilities are recognized initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortized cost using the effective interest method.

(v) De-recognition

Financial assets

The Entity de-recognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of the ownership of the financial asset are transferred or in which the Entity neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

Financial Liabilities

The Entity de-recognizes a financial liability when its contractual obligations are discharged or cancelled, or expire. The Entity also de-recognizes a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value.



4. MATERIAL ACCOUNTING POLICIES (CONTINUED)

4.7 Financial Instruments (Continued)

(v) De-recognition (Continued)

Financial Liabilities (Continued)

On de-recognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including non-cash assets transferred or liabilities assumed) is recognized in profit or loss.

4.8 Impairment

(i) Non-derivative financial assets

Financial instruments

The Entity recognizes loss allowances for ECLs on financial assets measured at amortized cost. The Entity measures loss allowances at an amount equal to lifetime ECLs, except for the bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition, which are measured at 12-month ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Entity considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Entity's historical experience and informed credit assessment that includes forward-looking information.

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the in accordance with the contract and the cash flows that the Entity expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

Presentation of allowance for ECL in the statement of financial position

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets.

(ii) Non-financial assets

At each reporting date, the Entity reviews the carrying amounts of its non-financial assets to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs.



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4. MATERIAL ACCOUNTING POLICIES (CONTINUED)

4.9 Impairment (Continued)

(ii) Non-financial assets (Continued)

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, 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 or CGU.

An impairment loss is recognized if the carrying amount of an asset or CGU exceeds its recoverable amount.

Impairment losses are recognized in profit or loss. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

4.9 Employee Benefits

Short-term employee benefit obligations of the Entity are measured on an undiscounted basis and are expensed as the related service is provided.

A liability is recognized for the amount expected to be paid under short-term cash bonus if the Entity 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.

4.10 Provisions

A provision is recognized if, as a result of a past event, the Entity has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognized as finance cost.

4.11 Leases

At inception of a contract, the Entity assesses 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 Entity uses the definition of a lease in IFRS 16.

(i) As a Lessee

At commencement or on modification of a contract that contains a lease component, the Entity allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. However, for the leases of property the Entity has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.



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4. MATERIAL ACCOUNTING POLICIES (CONTINUED)

4.11 Leases (continued)

(i) As a Lessee (continued)

The Entity recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Entity by the end of the lease term or the cost of the right-of-use asset reflects that the Entity will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

The Entity presents right-of-use assets that do not meet the definition of investment property separately in the statement of financial position.

4.12 Fair Value Measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Entity has access at that date. The fair value of a liability reflects its non-performance risk.

A number of the Entity's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities. When one is available, the Entity measures the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as 'active' if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis. If there is no quoted price in an active market, then the Entity uses valuation techniques that maximize the use of relevant observable inputs and minimize the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction.

If an asset or a liability measured at fair value has a bid price and an ask price, then the Entity measures assets and long positions at a bid price and liabilities and short positions at an ask price. The best evidence of the fair value of a financial instrument on initial recognition is normally the transaction price - i.e. the fair value of the consideration given or received. If the Entity determines that the fair value on initial recognition differs from the transaction price and the fair value is evidenced neither by a quoted price in an active market for an identical asset or liability nor based on a valuation technique for which any unobservable inputs are judged to be insignificant in relation to the measurement, then the financial instrument is initially measured at fair value, adjusted to defer the difference between the fair value on initial recognition and the transaction price. Subsequently, that difference is recognized in profit or loss on an appropriate basis over the life of the instrument but no later than when the valuation is wholly supported by observable market data or the transaction is closed out.



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5. STANDARDS ISSUED BUT NOT YET EFFECTIVE

A number of new standards are effective for annual periods beginning after 1st January 2024 and earlier application is permitted; however, the Entity has not early adopted the new or amended standards in preparing these financial statements.

The following new and amended standards are not expected to have a significant impact on the Entity's financial statements.

- IFRS 18 Presentation and Disclosures in Separate financial statements (Amendments to IAS 1).
- Classification and Measurement of Financials Instruments (Amendments to IFRS 9 and IFRS 7)
- Lack of Exchangeability (Amendments to IAS 21)
- Annual Improvements to IFRS Accounting Standard - Volume 11.



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6 MANAGEMENT FEE INCOME	2024 MVR	2023 MVR
Management fee	95,954,922	101,415,862
	<u>95,954,922</u>	<u>101,415,862</u>
<p>In accordance with section 6(d) of the Maldives Pension Act 8/2009, the Entity is entitled to charge a fee from the Maldives Retirement Pension Scheme (MRPS) based on the daily asset value of the members balance of the MRPS. The fees are reviewed annually. As per the board resolution on 5th February 2025 Management fees are recognized monthly on accrual basis at 0.5% and 0.3% from pre retirement and post retirement net asset value on each month end respectively with effective from 1st January 2024. (2023 : 0.6%)</p>		
7 INTEREST INCOME	2024 MVR	2023 MVR
Interest income from investment in fixed deposit	11,274,243	8,178,121
	<u>11,274,243</u>	<u>8,178,121</u>
8 OTHER INCOME	2024 MVR	2023 MVR
Fine Income	634,700	610,200
Sponsorship Income	220,000	550,000
Miscellaneous Income	105,570	14,932
	<u>960,270</u>	<u>1,175,132</u>
9 SALARIES AND ALLOWANCES	2024 MVR	2023 MVR
Directors' remuneration	1,613,955	1,510,820
MRPS contribution	1,612,854	1,280,163
Insurance Expenses	523,112	237,941
Salaries and wages	29,694,452	25,927,636
Staff training and development Cost	6,661,648	4,159,472
Other staff related expenses	472,095	482,054
	<u>40,578,116</u>	<u>33,598,086</u>
10 CUSTODIAN FEES	2024 MVR	2023 MVR
Custodian fees	4,750,000	5,075,000
	<u>4,750,000</u>	<u>5,075,000</u>

The Custodian fee is payable to Bank of Maldives PLC for the provision of Custodian Services to MRPS assets under an agreement between MPAO and Bank of Maldives.



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11 Administration Expenses	2024 MVR	2023 MVR
Professional and Subscription Fees	835,104	773,863
Office Administrative Expenses	2,216,735	2,078,571
Donation & Charity	2,153,957	523,529
Marketing & Public Relation	1,928,004	729,126
Special occasions & Events	1,867,562	1,225,142
IT Infrastructure and application support	2,900,182	2,351,373
Travelling Expenses	393,278	98,583
Depreciation of property, plant and equipment	897,654	1,055,568
Amortization of right-of-use asset	960,000	960,000
Expenses related to Maldives Retirement Pension Scheme	1,104,471	2,246,515
Bank and finance chargers	41,032	34,783
Loss on Disposal of Property Plant and Equipment (Donation)	32,863	-
Legal expenses	850	617
Consultancy fee	497,029	301,950
	<u>15,828,721</u>	<u>12,379,620</u>

12 PROPERTY AND EQUIPMENT

	Land	Computer and Accessories	Furniture and Fittings	Office Equipment	Motor Vehicle	Capital Work In Progress	Total 31/12/2024
	MVR	MVR	MVR	MVR	MVR	MVR	MVR
Cost							
Opening balance	37,538,040	5,167,192	3,835,412	1,593,327	-	-	48,133,971
Addition during the year	-	765,629	285,602	15,700	785,700	309,557	2,162,188
Disposal during the year	-	-	(174,636)	(18,972)	-	-	(193,608)
Closing balance	<u>37,538,040</u>	<u>5,932,821</u>	<u>3,946,378</u>	<u>1,590,055</u>	<u>785,700</u>	<u>309,557</u>	<u>50,102,551</u>
Accumulated depreciation							
Opening balance	-	3,547,826	3,425,384	1,163,176	-	-	8,136,386
Charge during the year	-	424,861	231,364	133,798	107,631	-	897,654
Disposal during the year	-	-	(141,772)	(18,973)	-	-	(160,745)
Closing balance	<u>-</u>	<u>3,972,687</u>	<u>3,514,976</u>	<u>1,278,001</u>	<u>107,631</u>	<u>-</u>	<u>8,873,295</u>
Net carrying value	<u>37,538,040</u>	<u>1,960,134</u>	<u>431,402</u>	<u>312,054</u>	<u>678,069</u>	<u>309,557</u>	<u>41,229,256</u>

12.1 Capital working in progress represent the cost incurred in relation to the construction of new office building at Hulhumale.

12.2 The Entity has fully depreciated Property and Equipment as at 31st December 2023 amounted to MVR 7,351,203/-.



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12 PROPERTY AND EQUIPMENT (CONTINUED)

	Land	Computer and Accessories	Furniture and Fittings	Office Equipment	Total 31/12/2023
	MVR	MVR	MVR	MVR	MVR
Cost					
Opening balance	37,538,040	4,099,545	3,678,018	1,470,441	46,786,044
Addition during the year	-	1,067,647	257,576	135,352	1,460,575
Disposal during the year	-	-	(100,182)	(12,466)	(112,648)
Closing balance	37,538,040	5,167,192	3,835,412	1,593,327	48,133,971
Accumulated depreciation					
Opening balance	-	2,818,579	3,333,028	1,041,859	7,193,466
Charge during the year	-	729,247	192,538	133,783	1,055,568
Disposal during the year	-	-	(100,182)	(12,466)	(112,648)
Closing balance	-	3,547,826	3,425,384	1,163,176	8,136,386
Net carrying value	37,538,040	1,619,366	410,028	430,151	39,997,585

12.1 The Entity has fully depreciated Property and Equipment as at 31st December 2023 amounted to MVR 7,288,005/-.

13 INTANGIBLE ASSETS

	31/12/2024 MVR	31/12/2023 MVR
Cost		
Opening balance	8,650,254	8,650,254
Additions during the year	157,489	-
Closing balance	8,807,743	8,650,254
Amortization		
Opening balance	8,650,254	8,650,254
Amortization during the Year	-	-
Closing balance	8,650,254	8,650,254
Net carrying value	157,489	-

13.1 Intangible assets includes the Data Centre Virtualization Project (Koshaaru Software) and the Microsoft Dynamic System which was purchased in 2024.

14 RIGHT OF USE ASSETS

	31/12/2024 MVR	31/12/2023 MVR
Cost		
Opening balance	22,047,786	22,047,786
Closing balance	22,047,786	22,047,786
Amortization		
Opening balance	4,800,000	3,840,000
Amortization during the Year	960,000	960,000
Closing balance	5,760,000	4,800,000
Net carrying value	16,287,786	17,247,786

The Entity entered into a lease agreement with the State Trading Organization on 18th August 2014, securing the use of two floors in the "UMAR Shopping Arcade Office Complex" building for a period of 25 years by settling the total lease liability through a one-time payment at the commencement of the lease. As per the suplliment agreement on 18th January 2018,lease commencing date has been changed to 18th December 2016.



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15	INVESTMENT IN FIXED DEPOSITS	31/12/2024	31/12/2023
		MVR	MVR
	Opening balance	226,392,660	178,715,539
	Invested during the year (Note 15.1)	271,000,000	223,000,000
	Matured during the year	(223,000,000)	(176,000,000)
	Interest income received during the year	(10,112,186)	(7,501,000)
	Interest income for the year	11,274,243	8,178,121
	Closing balance	275,554,717	226,392,660
15.1	Reinvested during the year		
	Bank	Maturity Date	Amount MVR
			Interest Rate
	Habib Bank Limited	25-May-25	50,000,000
	Habib Bank Limited	25-May-25	50,000,000
	Habib Bank Limited	7-Aug-25	55,000,000
	Habib Bank Limited	25-Nov-25	55,000,000
	Habib Bank Limited	21-Dec-25	61,000,000
			271,000,000
16	OTHER RECEIVABLES	31/12/2024	31/12/2023
		MVR	MVR
	Management fee receivables	8,851,687	9,323,725
	Deposit and prepayments	607,531	606,662
	MRPS fines receivables	7,900	4,800
	Retention allowance (Note 16.1)	692,522	874,843
	Sails project receivables	339,587	-
	Other receivables	43,697	-
		10,542,924	10,810,030
16.1	As per the Housing Assistant Policy Agreements dated 7 th September 2023 and 13 th November 2023, MPAO has granted retention allowance of MVR 911,603/- to the employees which has been amortized over 5 years.		
17	CASH AND CASH EQUIVALENTS	31/12/2024	31/12/2023
		MVR	MVR
	Favorable balance		
	Cash in hand	1,504	3,346
	Balance with banks (Note 17.1)	15,041,189	16,757,271
		15,042,693	16,760,617
	Unfavorable balance		
	Credit card balance	(395,401)	-
		14,647,292	16,760,617
17.1	The Bank balance presented as at 31 st December 2023 net off the credit card balance of MVR 11,852/-. (2024 : Nil)		
18	CAPITAL AND GENERAL RESERVE	31/12/2024	31/12/2023
		MVR	MVR
	Opening balance	20,000,000	20,000,000
	Closing balance	20,000,000	20,000,000

Pursuant to the Board meeting No. 126/2016 dated 1st November 2016, capital and general reserve is set up by MPAO to meet future capital requirements for its IT systems.



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19 OTHER PAYABLES	31/12/2024 MVR	31/12/2023 MVR
Accrued expense	904,625	746,238
Custodian fee payable	2,375,000	2,375,000
Pension contribution payable	279,744	288,753
MRPS pension payout payable	84,911	-
Payable to Ministry of Finance (Note 19.1)	950,339	1,260,343
Sails project payable	527,271	288,847
Other payable	15,478	-
	<u>5,137,368</u>	<u>4,959,180</u>

19.1 This amount represents the funds received from the Ministry of Finance (MOF) for disbursement to members of the State-funded pensions, along with overpayment recoveries that are to be returned to MOF as of the reporting date.

20 FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Financial risk management

(i) Overview

The MPAO has exposure to the following risks from its uses of financial instruments;

- Credit Risk
- Liquidity Risk
- Market Risk

This note presents information about the MPAO's exposure to each of the above risks, MPAO's objectives, policies and process for measuring and managing risk, and MPAO's financial statements.

(ii) Risk Management Framework

The Board of Directors has overall responsibility for the establishment and oversight of the MPAO's risk management framework.

The main risks arising from the MPAO's financial statements are credit risk, liquidity risk and market risk. The policies for managing each of these risks are summarised below.

(iii) Credit Risk

Credit risk is the risk of financial loss of MPAO's if a debtor fails to meet its contractual obligations. The credit risk arises principally from cash at banks, other receivables and investments in fixed deposits as at 31st December 2024.



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19 FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

Financial risk management (Continued)

(iii) Credit Risk (Continued)

The carrying amount of financial assets represent the maximum credit exposure. The maximum exposure to credit risk at the reporting date was,

	12/31/2024 MVR	12/31/2023 MVR
Investment in fixed deposits	275,554,717	226,392,660
Other receivables	10,542,924	10,810,030
Cash and cash equivalents	15,041,189	16,757,271
	<u>301,138,830</u>	<u>253,959,961</u>

The MPAO believes that the unimpaired amounts that is outstandings are still collectible, base on historical payment behavior. Based on historic default rates. The MPAO believes that, no provision for impairment is necessary in respect of financial assets.

Cash and cash equivalent and Fixed deposits

The Company held cash at the bank and fixed deposits amounting to MVR 290,595,906/- as at 31st December 2024 (2023: MVR 243,149,931/-). The Company limits its exposure to credit risk by maintaining its cash balances in selected banks. The Company has not recognized any allowance for impairment for the bank balance based on the materiality ground.

(iv) Liquidity Risk

Liquidity risk is the risk that MPAO will encounter difficulty in meeting the obligations associates with its financial liabilities that are settled by delivering cash or another financial asset. MPAO's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity when due, without incurring unacceptable losses or risking damage to MPAO's reputation.

Financial liabilities (Non- derivative)

	Carring Amount MVR	Contractual Cash flow MVR	Within 1 Year MVR
31st December 2024			
Other payables *	4,232,743	4,232,743	4,232,743
Credit card balance	395,401	395,401	395,401
	<u>4,628,144</u>	<u>4,628,144</u>	<u>4,628,144</u>
31st December 2023			
Other payables *	4,212,943	4,212,943	4,212,943
Credit card balance	11,852	11,852	11,852
	<u>4,224,795</u>	<u>4,224,795</u>	<u>4,224,795</u>

* Other payable excludes the accrued expenses



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19 FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

Financial risk management (Continued)

(iv) Liquidity Risk (Continued)

Financial Assets holds to manage liquidity

	Carring Amount MVR	Contractual Cash flow MVR	Within 1 Year MVR
31st December 2024			
Investment in fixed deposits	275,554,717	275,554,717	275,554,717
Other receivables	10,542,924	10,542,924	10,542,924
Cash and cash equivalents	15,042,693	15,042,693	15,042,693
	<u>301,140,334</u>	<u>301,140,334</u>	<u>301,140,334</u>
31st December 2023			
Investment in fixed deposits	226,392,660	226,392,660	226,392,660
Other receivables	10,810,030	10,810,030	10,810,030
Cash and cash equivalents	16,772,469	16,772,469	16,772,469
	<u>253,975,159</u>	<u>253,975,159</u>	<u>253,975,159</u>

It is not expected that the cash flows included in the maturity analysis could occur significantly earlier, or at significantly different amounts.

(v) Market Risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates will affect the MPAO's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

(a) Interest Rate Risk

At the reporting date, the interest rate profile of the MRPS's interest-bearing financial instruments was:

Fixed rate instruments

	Carrying Amount	
	31/12/2024 MVR	31/12/2023 MVR
Financial Assets	275,554,717	226,392,660
	<u>275,554,717</u>	<u>226,392,660</u>

The MPAO has account the financial assets and liabilities at fixed rate and therefore, a change in interest rate at the reporting date would not be affected to the profit or loss.

A change of 100 basis point in interest rates would have increased or decreased profit for the year ended 31st December 2024 by MVR 2,345,222/- (2023: MVR 2,946,378/-). This analysis assumes that all the other variables remain constant.

(b) Currency Risk

Currency risk is the risk that the values of a financial instrument will fluctuate due to changes in foreign exchange rates. This represent exposure the MPAO has due to changes in the values of current holding and future cash flow positions denominated in currencies other than the local currency.



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19 FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

Financial risk management (Continued)

(v) Market Risk (Continued)

(b) Currency Risk (Continued)

	31/12/2024 US\$	31/12/2023 US\$
Cash and cash equivalents	28,954	10,714
Credit card balance	25,642	769
	<u>54,596</u>	<u>11,483</u>

The following significant exchange rate applied during the year:

	Average rate		Reporting date rate	
	2024	2023	31/12/2024	31/12/2023
1 United States Dollar : Maldives Rufiya	<u>15.42</u>	<u>15.42</u>	<u>15.42</u>	<u>15.42</u>

In respect of the monetary assets and liabilities denominated in MVR, the MPAO has limited currency risk exposure on such balances since the Maldivian Rufiyaa is pledged to the US Dollar within a band to fluctuate within $\pm 20\%$ of the mid-point of exchange rate.

(iv) Capital management

The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board of Directors monitors the return on capital and level of funds to members.

There were no changes in the MPAO's approach to capital management during the year. The MPAO is not subject to externally imposed capital requirements.

	31/12/2024 MVR	31/12/2023 MVR
Total Liabilities	5,532,769	4,959,180
Less : Cash and Cash Equivalents	<u>(15,042,693)</u>	<u>(16,760,617)</u>
Net Debt	<u>(9,509,924)</u>	<u>(11,801,437)</u>
Total Equity	353,282,096	306,249,498
Net debt to equity ration	<u>N/A</u>	<u>N/A</u>

20 CAPITAL COMMITMENTS

The Entity had capital commitments of MVR 59,764,872/- at the end of 31st December 2024 relating to the constructions of proposed new office building in Hulhumale. (as at 31st December 2023: MVR 60,074,429/-). No provision has been made for these commitments. .

21 CONTINGENT LIABILITIES

There were no material contingent liabilities as at the reporting date which require disclosure in the financial statements.



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22 EVENTS AFTER REPORTING DATE

Subsequent to the reporting date, no circumstances have arisen which would require adjustments or disclosure in the Financial Statements.

23 RELATED PARTY TRANSACTION

Name of the Related Party	Relationship	Nature of Transactions	Amount		Amount due from/ (to) as at	
			2024 MVR	2023 MVR	31/12/2024 MVR	31/12/2023 MVR
Maldives Pension Retirement Scheme	Administration of Pension Fund	Management Fee	95,954,922	101,415,862	8,851,687	9,323,725
		Settlement	(96,426,960)	(100,163,702)		
Ministry of Finance	Board Member	Fund Receipt	(1,685,296,085)	(1,590,306,049)	(950,339)	(1,260,343)
		Repayment	1,685,606,089	1,590,513,805		

23.1 Transaction with Key Management Personnel

The Board of Directors of MPAO are members of the key management personnel. The MPAO has paid MVR 1,613,955/- as emoluments to the key management personnel during the year ended 31st December 2024 (2023: MVR 1,1510,820/-)

24 FAIR VALUE MEASUREMENT

Accounting classification and fair values

The following table shows the carrying amounts and fair values of financial assets financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair values.

31st December 2024

Financial assets not measured at fair value	Financial Assets at Amortised Cost MVR	Fair Value			
		Level 1 MVR	Level 2 MVR	Level 3 MVR	Total MVR
Investments in fixed deposits	275,554,717	-	-	275,554,717	275,554,717
Other receivables	10,542,924	-	-	-	-
Cash and cash equivalents	15,042,693	-	-	-	-
	301,140,334	-	-	275,554,717	275,554,717

Financial liabilities not measured at fair value	Other Financial MVR	Fair Value			
		Level 1 MVR	Level 2 MVR	Level 3 MVR	Total MVR
Other payables	5,137,368	-	-	-	-
Credit card payable	395,401	-	-	-	-
	5,532,769	-	-	-	-



MALDIVES PENSION ADMINISTRATION OFFICE
(FORMED UNDER THE MALDIVES PENSION ACT NO. 8/2009)
NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST DECEMBER 2024

24 FAIR VALUE MEASUREMENT (CONTINUED)

31st December 2023

Financial assets not measured at fair value	Financial Assets at Amortised Cost	Fair Value			
		Level 1	Level 2	Level 3	Total
	MVR	MVR	MVR	MVR	MVR
Financial assets					
Investments in Fixed Deposits	226,392,660	-	-	226,392,660	226,392,660
Other receivables	10,810,030	-	-	-	-
Cash and cash equivalents	16,760,617	-	-	-	-
	<u>253,963,307</u>	<u>-</u>	<u>-</u>	<u>226,392,660</u>	<u>226,392,660</u>
Financial liabilities not measured at fair value	Other Financial Liabilities	Fair Value			
		Level 1	Level 2	Level 3	Total
		MVR	MVR	MVR	MVR
Other payables	4,959,180	-	-	-	-
	<u>4,959,180</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

Above balances not included non financial assets and non financial liabilities.



**MALDIVES RETIREMENT PENSION SCHEME
(ADMINISTERED BY THE MALDIVES PENSION ADMINISTRATION OFFICE)**

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 DECEMBER 2024**

**MALDIVES RETIREMENT PENSION SCHEME
(ADMINISTERED BY MALDIVES PENSION ADMINISTRATION OFFICE)
FINANCIAL STATEMENTS**

FOR THE YEAR ENDED 31ST DECEMBER 2024

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Independent Auditors' Report To the members of Maldives Retirement Pension Scheme

Opinion

We have audited the financial statements of Maldives Retirement Pension Scheme ("MRPS"), which comprise the statement of financial position as at 31st December 2024, the statements of comprehensive income, changes in net assets attributable to members and cash flows for the year then ended and notes to the financial statements, comprising a summary of material accounting policies and other explanatory information set out in pages 4 to 34.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the MRPS as at 31st December 2024 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 *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the MRPS in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) ("IESBA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Maldives 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.

Emphasis of Matter - comparative information

We draw attention to Note 26 to the financial statements which indicates that the comparative information presented as at and for the year ended 31st December 2023 has been restated. Our opinion is not modified in respect of this matter.

Other matter relating to comparative information

The financial statements of Maldives Retirement Pension Scheme as at and for the years ended 31st December 2023 from which the statement of financial position as at 31st December 2023 has been derived, excluding the adjustments described in Note 26 to the financial statements were audited by another auditor who expressed an unmodified opinion on those financial statements on 2nd April 2024.

As part of our audit of the financial statements as at and for the year ended 31st December 2024, we audited the adjustments described in Note 26 that were applied to restate the comparative information presented as at and for the year ended 31st December 2023.

We were not engaged to audit review or apply any procedures to the financial statements for the year ended 31st December 2023, other than with respect to the adjustments described in Note 26 to the financial statements. Accordingly, we do not express an opinion or any other form of assurance on those respective financial statements taken as a whole. However, in our opinion, the adjustments described in Note 26 are appropriate and have been properly applied.



Other Information

The Board of Members (the "Board") is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditors' report thereon. The annual report is expected to be made available to us after the date of this auditors' report.

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 identified above when it becomes available 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.

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to the Board.

Responsibilities of the Board of Members for the Financial Statements

The Board of Members ("the Board") is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards, and for such internal control as the Board 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, the Board is responsible for assessing the MRPS'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 the Board either intends to liquidate the MRPS or to cease operations, or has no realistic alternative but to do so.

Auditors' 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 auditors' 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 judgment 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 MRPS's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board.



Auditors' Responsibilities for the Audit of the Financial Statements (Continued)

- Conclude on the appropriateness of the Board'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 MRPS's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' 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 auditors' report. However, future events or conditions may cause the MRPS 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 the Board 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.



Ali Muaaz

Audit License No: ICAM-IL-FQ1

For and on behalf of KPMG Maldives

24th April 2025

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**MALDIVES RETIREMENT PENSION SCHEME
(ADMINISTERED BY MALDIVES PENSION ADMINISTRATION OFFICE)
STATEMENT OF COMPREHENSIVE INCOME**

FOR THE YEAR ENDED 31ST DECEMBER

	Note	2024 MVR	2023 MVR *Restated
Income			
Net Contribution	6	1,679,486,954	1,520,965,208
Interest Income	7	1,094,679,019	959,081,394
Dividend Income	8	74,940,587	50,101,869
Other Income	9	1,153,411	1,441,904
Total Income		<u>2,850,259,971</u>	<u>2,531,590,375</u>
Expenses			
Administrative Expense	10	<u>95,954,922</u>	<u>101,415,862</u>
Total Expenses		<u>95,954,922</u>	<u>101,415,862</u>
Income Over Expenses		<u>2,754,305,049</u>	<u>2,430,174,513</u>
Other Comprehensive Income			
Fair Value Gain on Equity Investments	13.4	290,657,875	457,129,605
Total Increase in Net Assets Attributable to Members		<u><u>3,044,962,924</u></u>	<u><u>2,887,304,118</u></u>

* The comparative information is restated on account of presentation error, refer **Note 26**.

The Financial Statements are to be read in conjunction with the related notes, which form an integral part of the Financial Statements of the MRPS set out on pages 8 to 34. The Report of the Independent Auditors is given on pages 1 and 3.



**MALDIVES RETIREMENT PENSION SCHEME
(ADMINISTERED BY MALDIVES PENSION ADMINISTRATION OFFICE)
STATEMENT OF FINANCIAL POSITION**

AS AT 31ST DECEMBER

	Note	2024 MVR	2023 MVR
ASSETS			
Cash and Cash Equivalents	11	32,255,712	18,264,692
Contribution and Other Receivables	12	193,879,052	169,096,453
Investment in Financial Assets	13	21,288,122,621	18,421,803,460
Recognition Bond	14	4,074,646,198	3,959,399,032
Housing Collateralization Deposits	15	113,011,757	86,142,250
Total Assets		25,701,915,340	22,654,705,887

ACCUMULATED MEMBERS' BALANCE AND LIABILITIES

ACCUMULATED MEMBERS' BALANCE

Accumulated Members' Balance	24,936,708,707	22,182,403,658
Fair Value Reserve	747,787,480	457,129,605
Total Accumulated Members' Balance	25,684,496,187	22,639,533,263

LIABILITIES

Other Payables	16	8,894,518	9,429,001
Contribution Collection Account	17	8,524,635	5,743,623
Total Liabilities		17,419,153	15,172,624

Total Accumulated Members' Balance and Liabilities	25,701,915,340	22,654,705,887
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The Financial Statements are to be read in conjunction with the related notes, which form an integral part of the Financial Statements of the MRPS set out on pages 8 to 34. The Report of the Independent Auditors is given on pages 1 and 3.



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Fathimath Sujatha Haleem
(Chief Executive Officer)

The financial statements were approved by the Board Members on 24th April 2025 and signed on its behalf by:



.....
Dr. Ahmed Inaz
Board Chairperson



.....
Abdul Majeed Ali
Board Member



**MALDIVES RETIREMENT PENSION SCHEME
(ADMINISTERED BY MALDIVES PENSION ADMINISTRATION OFFICE)
STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO MEMBERS**

FOR THE YEAR ENDED 31 ST DECEMBER				
	Note	Accumulated Members Balance MVR	Fair Value Reserve MVR	Total Accumulated Member Balance MVR
Balance As at 1st January 2023		19,752,229,145	-	19,752,229,145
<i>Increase in Net Assets Attributable to Members</i>				
Income Over Expenses		2,430,174,513	-	2,430,174,513
Fair Value Gain on Equity Investments	13.4	-	457,129,605	457,129,605
Balance As at 31st December 2023		<u>22,182,403,658</u>	<u>457,129,605</u>	<u>22,639,533,263</u>
Balance As at 1st January 2024		22,182,403,658	457,129,605	22,639,533,263
<i>Increase in Net Assets Attributable to Members</i>				
Income Over Expenses		2,754,305,049	-	2,754,305,049
Fair Value Gain on Equity Investments	13.4	-	290,657,875	290,657,875
Balance As at 31st December 2024		<u>24,936,708,707</u>	<u>747,787,480</u>	<u>25,684,496,187</u>

The Financial Statements are to be read in conjunction with the related notes, which form an integral part of the Financial Statements of the MRPS set out on pages 8 to 34. The Report of the Independent Auditors is given on pages 1 and 3.



**MALDIVES RETIREMENT PENSION SCHEME
(ADMINISTERED BY MALDIVES PENSION ADMINISTRATION OFFICE)
STATEMENT OF CASH FLOWS**

FOR THE YEAR ENDED 31ST DECEMBER	2024 MVR	2023 MVR
Cash Flows From Operating Activities		
Contribution Received to Contribution Collection Account	1,828,832,682	1,661,003,301
Accrued Right Received for Matured Recognition Bond	37,533,382	44,147,857
Interest Received for Matured Recognition Bond	45,696,699	39,715,250
Fine on Late Contribution	1,153,411	1,441,904
Interest Received	854,756,482	715,331,816
Management Fee Paid	(96,426,960)	(100,163,702)
Benefits Paid to Members	(168,652,356)	(149,986,497)
Excess Cash Paid to MoF	(93,131)	-
Excess Cash Received from MoF	34,496	93,133
Net Cash From Operating Activities	<u>2,502,834,705</u>	<u>2,211,583,062</u>
Cash Flows From Investing Activities		
Dividend Received	74,940,587	50,101,869
Net Investments	(2,537,350,010)	(2,214,057,810)
Net Payments for Housing Collateralization	(26,434,262)	(52,084,796)
Net Cash Used in Investing Activities	<u>(2,488,843,685)</u>	<u>(2,216,040,737)</u>
Net Increase / (Decrease) in Cash and Cash Equivalents	13,991,020	(4,457,675)
Cash and Cash Equivalents at Beginning of the Year	18,264,692	22,722,367
Cash and Cash Equivalents at End of the Year (Note 11)	<u>32,255,712</u>	<u>18,264,692</u>

Figures in brackets indicate deductions.

The Financial Statements are to be read in conjunction with the related notes, which form an integral part of the Financial Statements of the MRPS set out on pages 8 to 34. The Report of the Independent Auditors is given on pages 1 and 3.



**MALDIVES RETIREMENT PENSION SCHEME
(ADMINISTERED BY MALDIVES PENSION ADMINISTRATION OFFICE)
NOTES TO THE FINANCIAL STATEMENTS**

1. REPORTING ENTITY

Maldives Retirement Pension Scheme ("MRPS") was established under Maldives Pension Act No 8/2009 on 13th May 2009. The registered office is located at 8th Floor, Allied Building, Chaandhane Magu, Male', Republic of Maldives.

The objective of MRPS is to provide a stable retirement income for the participants of the scheme based on the contributions made and performance of the investments. This forms an important pillar of the national social protection system. The MRPS is a Defined Contribution Scheme, where the employee and employer together contribute a minimum 14% of the pensionable wage on a monthly basis to the scheme. The pension payout starts at retirement and pensioners are currently provided with monthly pension benefits for life expected at the time of retirement. The MRPS commenced in May 2010 with contribution from public Sector employees and in ay 2011 with private sector employees.

The Investment and administration activities of MRPS are managed and administered by Maldives Pension Administration Office (MPAO) in accordance with the requirements of the Act.

2. BASIS OF PREPARATION

(a) Statement of Compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRSs").

(b) Basis of Measurement

The financial statements have been prepared on the historical cost basis except financial instruments, which are measured at fair value (Note 13.4).

(c) Functional and Presentation Currency

These financial statements are presented in Maldivian Rufiyaa, which is the MRPS's functional currency. All financial information presented in Maldivian Rufiyaa has been rounded to the nearest Rufiyaa.

(d) Use of Materiality, Offsetting and Rounding

Materiality and Aggregation

Each material class of similar items is presented separately in the financial statements. Items of dissimilar nature or functions are presented separately unless they are immaterial.

Offsetting

Assets and liabilities and income and expenses in the financial statements are not set off unless required or permitted by IFRSs.

Rounding

The amounts in the financial statements have been rounded off to the nearest Rufiyaa, except where otherwise indicated.

(e) Use of Estimates and Judgements and Assumptions

The preparation of financial statements in conformity with IFRSs requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.



MALDIVES RETIREMENT PENSION SCHEME
(ADMINISTERED BY MALDIVES PENSION ADMINISTRATION OFFICE)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

2. BASIS OF PREPARATION (CONTINUED)

(e) Use of Estimates and Judgements and Assumptions (Continued)

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

A. Judgements

Information about critical judgments in applying accounting policies that have the most significant effect on the amounts recognised in the MRPS's financial statements is included in the respective notes.

B. Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties at 31st December 2024 that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities in the next financial year is included in the respective notes.

i. Measurement of fair values

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

The MRPS has an established control framework with respect to the measurement of fair values. This includes a valuation team that has overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values, and reports directly to the chief financial officer.

The valuation team regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the valuation team assesses the evidence obtained from the third parties to support the conclusion that these valuations meet the requirements of the Standards, including the level in the fair value hierarchy in which the valuation should be classified.

When measuring the fair value of an asset or a liability, the MRPS uses observable market 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 follow

- 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 fall into 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 MRPS recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.



MALDIVES RETIREMENT PENSION SCHEME
(ADMINISTERED BY MALDIVES PENSION ADMINISTRATION OFFICE)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

2. BASIS OF PREPARATION (CONTINUED)

(f) Going concern

The Management has made an assessment of Fund's ability to continue as a going concern and is satisfied that it has the resources to continue in business for the foreseeable future. Therefore, the Financial Statements of the Fund continued to be prepared on a going concern basis.

3. CHANGES IN MATERIAL ACCOUNTING POLICIES

3.1 Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants

The MRPS has adopted Classification of Liabilities as Current or Non-current (Amendments to IAS 1) and Non-current Liabilities with Covenants (Amendments to IAS 1) from 1st January 2024. The amendments apply retrospectively. They clarify certain requirements for determining whether a liability should be classified as current or non-current and require new disclosures for non-current liabilities that are subject to covenants within 12 months after the reporting period. The MRPS's liabilities were not impacted by the amendments.

In addition, a number of new standards are effective from 1st January 2024, but they do not have a material effect on the MRPS's financial statements.

4. MATERIAL ACCOUNTING POLICIES

The MRPS has consistently applied the following accounting policies to all accounting periods presented in these financial statements, except as disclosed in the Note 3.

4.1 Financial Instruments

i. Recognition and initial measurement

Financial assets and financial liabilities are initially recognized when the MRPS becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a contribution receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at FVTPL (fair value through profit or loss), transaction costs that are directly attributable to its acquisition or issue. Contribution receivable without a significant financing component is initially measured at the transaction price.

ii. Classification and subsequent measurement

Financial assets – classification

On initial recognition, a financial asset is classified as measured at: amortized cost; FVOCI (fair value through other comprehensive income) – debt investment; FVOCI – equity investment; or FVTPL.

Financial assets are not reclassified subsequent to their initial recognition unless the MRPS changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the reporting period following the change in the business model.

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL:



**MALDIVES RETIREMENT PENSION SCHEME
(ADMINISTERED BY MALDIVES PENSION ADMINISTRATION OFFICE)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

4. MATERIAL ACCOUNTING POLICIES (CONTINUED)

4.2 Financial Instruments (Continued)

ii. Classification and subsequent measurement (Continued)

Financial assets – classification (Continued)

- It is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- Its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of certain equity investment that are not held for trading, the MRPS has made an irrevocable election to present subsequent changes in the investments' fair value in OCI. This election is made on an investment-by-investment basis. See Note 13.4.2 for further details.

Financial assets – Business model assessment

The entity makes an assessment of the objectives of the business model in which a financial asset is held as a portfolio level because this best reflects the way the business is managed, and information is provided to management. The information considered includes;

The stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realizing cash flows through the sale of the assets.

How the performance of the portfolio is evaluated and reported to the Entity's management.

The risks that affect the performance of the business model (and the financial assets held within the business model) and how those risks are managed.

The frequency, volume and timing of disposal of financial assets in prior periods, the reason for such disposal and expectation about future disposal activity.

Financial assets – Subsequent measurement and gains and losses

Financial assets at amortized cost	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on de-recognition is recognised in profit or loss.
Equity investments at FVOCI	These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to profit or loss.

MALDIVES RETIREMENT PENSION SCHEME
(ADMINISTERED BY MALDIVES PENSION ADMINISTRATION OFFICE)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

4. MATERIAL ACCOUNTING POLICIES (CONTINUED)

4.2 Financial Instruments (Continued)

ii. Classification and subsequent measurement (Continued)

Financial liabilities – Classification, subsequent measurement and gains and losses

Financial liabilities are classified and measured at amortized cost. A financial liability is classified as at FVTPL if it is classified as held for trading, it is a derivative or it is designated as such on initial recognition.

Financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in profit or loss. Any gain or loss on de-recognition is also recognized in profit or loss.

iii. De-recognition

Financial assets

The MRPS derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the MRPS neither transfer nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

Financial liabilities

The MRPS derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expire. The MRPS also derecognizes a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value. On de-recognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid is recognized in profit or loss.

4.3 Impairment

(i) Financial Assets (including receivables)

The MRPS recognize loss allowance for ECLS (Expected Credit Loss) on financial assets measured at amortized cost.

The MRPS measures loss allowances at an amount equal to lifetime ECLs, except for the following which measured at 12-month ECLs.

- Debt instruments that are determined to have low credit risk at the reporting date and
- Other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowances for trade receivables are always measured at an amount equal to lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the MRPS considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the MRPS's historical experience and informed credit assessment and including forward looking information.



MALDIVES RETIREMENT PENSION SCHEME
(ADMINISTERED BY MALDIVES PENSION ADMINISTRATION OFFICE)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

4. MATERIAL ACCOUNTING POLICIES (CONTINUED)

4.3 Impairment (Continued)

(i) Financial Assets (including receivables) (Continued)

ECLs are probability-weighted estimate of credit losses. Credit losses are measured as the present value of all the cash shortfalls. ECLs are discounted at the effective interest rate of the financial asset.

(ii) Non-financial Assets

The carrying amounts of the MRPS's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For intangible assets that have indefinite useful lives or that are not yet available for use, the recoverable amount is estimated each year at the same time.

The recoverable amount of an asset or a cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets.

4.4 Provisions

A provision is recognized if, as a result of a past event, the MRPS has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognized as finance cost.

4.5 Investment Income

Interest income is recognized as it accrues, using the original effective interest rate of the instrument calculated at the acquisition or origination date. Interest income includes the amortization of any discount or premium, transaction cost or other differences between the initial carrying amount of an interest-bearing instrument and its amount at maturity calculated on an effective interest rate basis.

Dividend income is recognized in the income statement when the right to receive dividend is declared.

4.6 Contribution Revenue

Contribution revenue from employees and members is recognized when the control and the benefits from the revenue have transferred to the MRPS. Any un-reconciled contributions are held in Contribution Collection Account and are not recognized as revenue.

Contribution revenue from accrued rights is recognized when the government issues the recognition bonds for respective employees.

Revenue from fines on late contribution payments are recognized on accrual basis to the extent that the amount is recoverable.



**MALDIVES RETIREMENT PENSION SCHEME
(ADMINISTERED BY MALDIVES PENSION ADMINISTRATION OFFICE)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

4. MATERIAL ACCOUNTING POLICIES (CONTINUED)

4.7 Administration Expenses

Administration expense is recognized as it accrues, using agreed rates with Maldives Pension Administration Office ("MPAO") calculated at the daily Net Assets Values of Investment, Sharia, Conservative, Sharia Conservative and Housing Collateralizations member balances.

4.7 Events Occurring After the Reporting Date

The materiality of the events occurring after the reporting date has been considered and appropriate adjustments and provisions have been made in the financial statements wherever necessary.

4.8. Fair Value Measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the MRPS has access at that date. The fair value of a liability reflects its non-performance risk.

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

When one is available, the MRPS measures the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as 'active' if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

If there is no quoted price in an active market, then the MRPS uses valuation techniques that maximize the use of relevant observable inputs and minimize the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction.

If an asset or a liability measured at fair value has a bid price and an ask price, then the MRPS measures assets and long positions at a bid price and liabilities and short positions at an ask price.

The best evidence of the fair value of a financial instrument on initial recognition is normally the transaction price - i.e. the fair value of the consideration given or received. If the MRPS determines that the fair value on initial recognition differs from the transaction price and the fair value is evidenced neither by a quoted price in an active market for an identical asset or liability nor based on a valuation technique for which any unobservable inputs are judged to be insignificant in relation to the measurement, then the financial instrument is initially measured at fair value, adjusted to defer the difference between the fair value on initial recognition and the transaction price.

Subsequently, that difference is recognized in profit or loss on an appropriate basis over the life of the instrument but no later than when the valuation is wholly supported by observable market data or the transaction is closed out.



**MALDIVES RETIREMENT PENSION SCHEME
(ADMINISTERED BY MALDIVES PENSION ADMINISTRATION OFFICE)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

5. STANDARDS ISSUED BUT NOT YET EFFECTIVE

A number of new standards are effective for annual periods beginning after 1st January 2024 and earlier application is permitted; however, the MRPS has not early adopted the new or amended standards in preparing these financial statements.

The following new and amended standards are not expected to have a significant impact on the MRPS's financial statements.

- IFRS 18 Presentation and Disclosures in Separate financial statements (Amendments to IAS 1).
- Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7)
- Annual Improvement to IFRS Accounting Standards – Volume 11
- Lack of Exchangeability (Amendments to IAS 21)
- IFRS 19 Subsidiaries without Public Accountability: Disclosures



MALDIVES RETIREMENT PENSION SCHEME
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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31ST DECEMBER 2024

6	NET CONTRIBUTION	2024 MVR	2023 MVR
	CONTRIBUTION RECEIVED / RECEIVABLES		
	Contribution from Employers	930,825,405	841,991,299
	Contribution from Members	916,705,733	828,470,111
	Contribution from Self-employed Members	339,526	352,801
	Contribution from Government on Accrued Rights (Note 14.1)	268,646	137,494
		<u>1,848,139,310</u>	<u>1,670,951,705</u>
	CONTRIBUTION PAID AND UTILIZED		
	Benefits Paid to Members	165,685,840	146,684,149
	Benefits Utilized Under Hajj Scheme	2,966,516	3,302,348
		<u>168,652,356</u>	<u>149,986,497</u>
		<u>1,679,486,954</u>	<u>1,520,965,208</u>

- 6.1 Contributions income consist of contribution receivable amount of MVR 21,815,184/- for the year ended 31st December 2024 (2023: MVR 11,759,191).

7	INTEREST INCOME	2024 MVR	2023 MVR
	Interest on Recognition of Bonds (Note 7.1)	201,167,076	193,742,332
	Interest on Treasury Bonds	259,622,725	200,774,428
	Interest on Treasury Bills	488,900,885	473,255,151
	Interest on Fixed Deposits	65,336,381	47,613,289
	Interest on Corporate Bonds	16,784,214	10,690,171
	Income on Sukuk	29,825,919	29,269,009
	Income on Collateralization Deposit	2,694,005	1,566,406
	Profit Income - Wakalah Deposit	10,974,511	-
	Profit Income - Wakalah Bi Al-Isthithmar	19,373,303	2,170,608
		<u>1,094,679,019</u>	<u>959,081,394</u>

7.1 Interest income from recognition bonds

Interest on recognition bond is calculated based on highest annual fixed deposit rate issued by the Maldivian Monetary Authority during the previous year. Highest annual fixed deposit rate for the year ended 31st December 2024 was 5.12% (2023: 5%).

8	DIVIDEND INCOME	2024 MVR	2023 MVR
	Dividend from Investment in Equity Securities	74,940,587	50,101,869
		<u>74,940,587</u>	<u>50,101,869</u>



MALDIVES RETIREMENT PENSION SCHEME
(ADMINISTERED BY MALDIVES PENSION ADMINISTRATION OFFICE)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31ST DECEMBER 2024

9	OTHER INCOME	2024	2023
		MVR	MVR
	Fines on Late Contribution	1,153,411	1,441,904
		<u>1,153,411</u>	<u>1,441,904</u>

10	ADMINISTRATIVE EXPENSE	2024	2023
		MVR	MVR
	Management Fee (Note 10.1)	95,954,922	101,415,862
		<u>95,954,922</u>	<u>101,415,862</u>

10.1 Management Fee

In accordance with section 6(d) of the Maldives Pension Act 8/2009, the Maldives Pension Administration Office ("MPAO") is entitled to charge a fee from the members based on the daily asset value of the members balance of the MRPS. The Board of MPAO decided to levy a fee on the Sharia and Conservative Portfolio members effective from January 2013. The fees are reviewed annually. Management fees are recognized monthly on accrual basis at 0.5% and 0.3% from pre retirement and post retirement net asset value on each month end respectively (2023 : 0.6%).

11	CASH AND CASH EQUIVALENTS	31/12/2024	31/12/2023
		MVR	MVR
	Cash at Bank (Note 11.1)	32,255,712	18,264,692
	Cash and Cash Equivalents for the purpose Cash Flow	<u>32,255,712</u>	<u>18,264,692</u>

As per the Maldives Pension Administration Act No. 8 of 2009, all the bank accounts are registered under the name of Maldives Pension Administration Office.

11.1	Balances with Banks	31/12/2024	31/12/2023
		MVR	MVR
	Balance in Contribution Holding Account - BML	7,644,419	8,511,764
	Balance in Contribution Collection Account - BML	18,822,491	9,685,540
	Balance in Maldives Islamic Bank	5,757,638	23,294
	Balance in Mauritius Commercial Bank	31,164	44,094
		<u>32,255,712</u>	<u>18,264,692</u>

12	CONTRIBUTION AND OTHER RECEIVABLES	31/12/2024	31/12/2023
		MVR	MVR
	Contribution Receivables	190,685,521	168,870,337
	Receivable for accrued rights matured during the Year	3,020,842	62,367
	Other Receivables	172,689	163,749
		<u>193,879,052</u>	<u>169,096,453</u>



MALDIVES RETIREMENT PENSION SCHEME
(ADMINISTERED BY MALDIVES PENSION ADMINISTRATION OFFICE)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31ST DECEMBER 2024

13 INVESTMENT IN FINANCIAL ASSETS	31/12/2024 MVR	31/12/2023 MVR
Treasury Bills - at Amortised Cost	11,141,504,171	10,518,971,063
Investment in Fixed Deposit - at Amortised Cost	1,777,555,760	1,369,508,267
Investment in Sukuk - at Amortised Cost	372,242,947	372,603,475
Treasury Bonds - at Amortised Cost	5,062,057,741	4,397,368,515
Investment in Corporate Bond - at Amortised Cost (Note 13.1)	231,770,005	249,276,517
Wakalah Bi Al-Ishithmar (Note 13.2)	671,356,524	196,360,258
Wakalah Deposit (Note 13.3)	423,262,233	-
Equity Securities – at FVOCI - (Note 13.4)	1,608,373,240	1,317,715,365
	<u>21,288,122,621</u>	<u>18,421,803,460</u>

13.1 Investment in Corporate Bond - at Amortised Cost	31/12/2024 MVR	31/12/2023 MVR
As at 1 st January	249,276,517	100,100,336
Addition during the Year	-	158,750,000
Interest Accrued during the Year	16,784,214	10,690,171
Interest Received during the Year	(12,880,030)	(6,756,840)
Principal Repayment during the Year	(21,410,696)	(13,507,150)
As at 31 st December	<u>231,770,005</u>	<u>249,276,517</u>

Company	Repayment Term	Purchase Price MVR	Interest rate	Carring Value 31/12/2024 MVR	Carring Value 31/12/2023 MVR
Housing Development Finance Corporation PLC	Twenty semi-annual instalments commencing six month after the date of allotment.	144,000,000	7%	72,160,762	86,562,558
Euro Marketing Private Limited	Annual repayment in four years from allotment date.	12,750,000	8%	10,505,690	13,528,099
Maldives Ports Limited	Annual repayment in seven years from allotment date.	33,500,000	7%	34,656,438	34,749,385
Maldives Finance and Leasing Company Private Limited	Ten semi-annual instalments commencing six month after the date of allotment.	112,500,000	7%	114,447,115	114,436,475
		<u>302,750,000</u>		<u>231,770,005</u>	<u>249,276,517</u>

13.2 Wakalah Bi Al-Ishithmar

As at 31st December 2024, MRPS has a principle investment amounting to MVR 658,850,000/- in Wakalah Bi Al-Ishithmar at a rate of 4.6% p.a for a term of 12 months. (2023 : MVR 154,200,000/- at 4.6%)

13.3 Wakalah Deposit

As at 31st December 2024, MRPS has a principle investment amounting to MVR 412,300,000 in Wakalah Deposit at a rate of 4.85% - 5.7% p.a for a term of 12 months.



MALDIVES RETIREMENT PENSION SCHEME
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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31ST DECEMBER 2024

13 INVESTMENT IN FINANCIAL ASSETS (CONTINUED)

13.4 Equity Securities – at FVOCI	31/12/2024 MVR	31/12/2023 MVR
As at 1 st January	1,317,715,365	860,585,760
Change in Fair Value for the Year	290,657,875	457,129,605
As at 31 st December	<u>1,608,373,240</u>	<u>1,317,715,365</u>

13.4.1 Investment in Equity Shares (Quoted)

	Number of Shares		Fair Value		Cost	
	31/12/2024	31/12/2023	31/12/2024 MVR	31/12/2023 MVR	31/12/2024 MVR	31/12/2023 MVR
Dhivehi Raajjeyge Gulhun PLC	2,813,390	2,813,390	334,343,268	326,353,240	225,957,210	225,957,210
Ooredoo Maldives PLC	8,333,330	8,333,330	439,499,824	390,833,177	249,999,900	249,999,900
Maldives Islamic Bank	2,369,370	2,369,370	116,715,166	95,722,548	82,927,950	82,927,950
Bank of Maldives PLC	394,380	394,380	717,814,982	504,806,400	301,700,700	301,700,700
			<u>1,608,373,240</u>	<u>1,317,715,365</u>	<u>860,585,760</u>	<u>860,585,760</u>

Financial assets at fair value through other comprehensive income, comprising principally marketable equity securities, are measured at fair value annually. The management has performed a valuation on a basis of discounted cash flows and residual method to determine the fair value, since the absence of an active market prices.

The MRPS designated the investments shown above as equity securities at FVOCI because these equity securities represent investments that the MRPS intends to hold for the long term for strategic purposes.

Dividend income recognized for the above equity securities during the year ended 31st December 2024 and 31st December 2023 as follows,

	2024 MVR	2023 MVR
Dhivehi Raajjeyge Gulhun PLC	21,100,425	20,622,149
Ooredoo Maldives PLC	27,249,989	25,333,323
Maldives Islamic Bank	6,871,173	4,146,397
Bank of Maldives PLC	19,719,000	-
	<u>74,940,587</u>	<u>50,101,869</u>

No strategic investment were disposed during year ended 31st December 2024, and there were no transfers of any cumulative gain or loss within equity relating to these investments.

13.4.2 Measurement of Fair Values

(i) Fair value hierarchy

The fair value of investment in equity shares was determined by the management and having appropriate recognized professional qualifications. The Management determines the fair value investment in equity shares annually.

The fair value measurement for investment in equity shares has been categorized as a Level 3 fair value based on the inputs to the valuation technique used.

MALDIVES RETIREMENT PENSION SCHEME
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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31ST DECEMBER 2024

13 INVESTMENT IN FINANCIAL ASSETS (CONTINUED)

13.4.2 Measurement of Fair Values (Continued)

(ii) Valuation technique and significant unobservable inputs

Valuation Technique	Significant Unobservable Inputs	Inter-relationship between key unobservable inputs and fair value measurement
Dhivehi Raajjeyge Gulhun Public Limited and Ooredoo Maldives Public Limited Company		
<i>Discounted cash flows:</i> The valuation model considers the present value of future free cash flows of the investee, taking into account the expected earnings growth, Terminal growth and Capital Investments. The expected free cash flows are discounted using weighted average cost of capital (WACC).	<p>-Expected revenue growth (2024: DHR 3% OMPL 6%, 2023: DHR 4% OMPL 0.7%).</p> <p>-Terminal growth: (2024: 1%, 2023 1% of the asset base)</p> <p>-Capital Investment (2024: 10.5% - 9.2%, 2023: 10% - 8.7%)</p> <p>-WACC (2024: DHR 9.67% OMPL 10.09%, 2023: DHR 9.59% OMPL</p>	<p>The estimated fair value would increase / (decrease) if:</p> <p>-Expected revenue growth were higher / (lower);</p> <p>-Terminal growth and Capital Investments were higher / (lower); or</p> <p>-Weighted average cost of capital were lower / (higher).</p>
Maldives Islamic Bank PLC and Bank of Maldives PLC		
<i>Residual Income:</i> The valuation model considers the cash flows an investee is capable of generating versus the return expected by the investor, taking into account the return on equity, terminal ROE and terminal growth. The expected residual income and terminal income are discounted using cost of equity.	<p>-ROE (2024: BML 14.79% MIB 14.71%, 2023: BML 14.51% MIB 13.99%)</p> <p>-Terminal ROE: (2024: BML 14.79% MIB 15%, 2023: BML 14% MIB 16%)</p> <p>-Terminal growth: (2024: 1%, 2023: 1%)</p> <p>-Cost of equity (2024: BML 17.26% MIB 12.56%, 2023: BML 19.86% MIB 22.03%)</p>	<p>The residual income would increase / (decrease) if:</p> <p>-Expected ROE were higher / (lower);</p> <p>-Terminal growth were higher / (lower); or</p> <p>-Cost of equity were lower / (higher).</p>



MALDIVES RETIREMENT PENSION SCHEME
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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31ST DECEMBER 2024

14 RECOGNITION BOND	31/12/2024 MVR	31/12/2023 MVR
Accrued Pension Rights Receivable (Note 14.1)	1,848,543,555	1,888,766,766
Interest Receivable on Recognition Bonds (Note 14.2)	2,226,102,643	2,070,632,266
	<u>4,074,646,198</u>	<u>3,959,399,032</u>

14.1 Accrued Pension Rights Receivable

As at 1 st January	1,888,766,766	1,927,078,586
Net Adjustment	268,646	137,494
Accrued Rights Matured during the Year	(40,491,857)	(38,449,314)
As at 31 st December	<u>1,848,543,555</u>	<u>1,888,766,766</u>

In accordance with section 25 of the Maldives Pension Administration Act No. 8 of 2009, "public service employees" who have not reached the age of 65 years at the commencement of this Act shall have their Accrued Pension Rights deposited in their Retirement Savings Account in the form of recognition bonds of Government. As per the agreement dated 19th September 2011 Ministry of Finance and Treasury has agreed to recognize the Accrued Pension Rights" of MVR 2,380,156,835/- subject to a variation of 5% of the rights. Accordingly, MRPS has recognized revenue of MVR 2,380,156,835/- during the year ended 31st December 2011 as contribution from Government on Accrued Pension Rights.

14.2 Interest Receivable on Recognition Bonds	31/12/2024 MVR	31/12/2023 MVR
As at 1 st January	2,070,632,266	1,916,605,184
Interest Accrued during the Year	201,167,076	193,742,332
Paid during the Year	(45,696,699)	(39,715,250)
As at 31 st December	<u>2,226,102,643</u>	<u>2,070,632,266</u>

The face value of the bond and accrued interest thereon will mature on retirement or on the death of a member.

15 HOUSING COLLATERALIZATION DEPOSITS	31/12/2024 MVR	31/12/2023 MVR
As at 1 st January	86,142,250	33,440,427
Additions during the Year	26,935,129	52,941,462
Principle Received during the Year	(500,867)	(856,376)
Interest Accrued during the Year	2,699,329	1,549,869
Interest Matured during the Year	(2,264,084)	(933,132)
As at 31 st December	<u>113,011,757</u>	<u>86,142,250</u>

Housing collateralization deposit consists cash collateral pledged with Housing Development Finance Corporation (HDFC), Commercial Bank of Maldives (CBM), Maldives Islamic Bank (MIB) and The Mauritius Commercial Bank (Maldives) Private Limited (MCB) to facilitate the collateralization of accumulated Retirement Savings Accounts (RSA) for the purpose of paying the down payment in obtaining home finance for the members of Maldives Retirement Pension Scheme.



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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

FOR THE YEAR ENDED 31ST DECEMBER 2024

16 OTHER PAYABLES	31/12/2024 MVR	31/12/2023 MVR
Management Fee Payable	8,851,687	9,323,725
Excess Collection from Employers	8,335	12,145
Other Payables	34,496	93,131
	<u>8,894,518</u>	<u>9,429,001</u>

17 CONTRIBUTION COLLECTION ACCOUNT

The contribution collection account includes contribution received but not allocated among the members as of 31st December 2024.

18 CAPITAL COMMITMENTS

There were no material capital commitments outstanding as at the reporting date.

19 FINANCIAL INSTRUMENTS AND RISK MANAGEMENT - FAIR VAUE AND RISK MANAGEMNT

The following table shows the carrying amounts and fair values of financial assets financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair values.

(A) Accounting classification and fair values

Fair Value Hierarchy

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level I	Quoted (unadjusted) market prices in active markets for identical assets or liabilities
Level II	Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
Level III	Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

Assessing the significance of a particular input requires judgment, considering factors specific to the asset or liability.



**MALDIVES RETIREMENT PENSION SCHEME
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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

FOR THE YEAR ENDED 31ST DECEMBER 2024

19 FINANCIAL INSTRUMENTS AND RISK MANAGEMENT - FAIR VAUE AND RISK MANAGEMNT (CONTINUED)

(A) Accounting classification and fair values (Continued)

31 December 2024	Carrying amount				Fair value			
	Financial Assets at Amortised Cost	FVOCI - Equity Instruments	Other Financial Liabilities	Total	Level I	Level II	Level III	Total
	MVR	MVR	MVR	MVR	MVR	MVR	MVR	MVR
Financial Assets								
Cash and Cash Equivalents	32,255,712	-	-	32,255,712	-	-	-	-
Contribution and Other Receivables	193,879,052	-	-	193,879,052	-	-	-	-
Financial Assets at Amortised Cost	19,679,749,381	-	-	19,679,749,381	-	-	-	-
Equity Securities at FVOCI	-	1,608,373,240	-	1,608,373,240	-	-	1,608,373,240	1,608,373,240
Recognition Bond	4,074,646,198	-	-	4,074,646,198	-	-	-	-
Housing Collateralization Deposit	113,011,757	-	-	113,011,757	-	-	-	-
	24,093,542,100	1,608,373,240	-	25,701,915,340	-	-	1,608,373,240	1,608,373,240
Financial Liabilities								
Other Payables	-	-	8,894,518	8,894,518	-	-	-	-
Contribution Collection Accounts	-	-	8,524,635	8,524,635	-	-	-	-
	-	-	17,419,153	17,419,153	-	-	-	-

Financial assets and liabilities included in above table other than equity securities at FVOCI, are not measured at fair value. Their carrying amount is a reasonable approximation of fair value.



MALDIVES RETIREMENT PENSION SCHEME
(ADMINISTERED BY MALDIVES PENSION ADMINISTRATION OFFICE)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31ST DECEMBER 2024

19 FINANCIAL INSTRUMENTS AND RISK MANAGEMENT - FAIR VAUE AND RISK MANAGEMNT (CONTINUED)

(A) Accounting classification and fair values (Continued)

31 December 2023	Carrying amount			Fair value			
	Financial Assets	FVOCI - Equity	Other	Level I	Level II	Level III	Total
	at Amortised Cost MVR	Instruments MVR	Financial Liabilities MVR	MVR	MVR	MVR	MVR
Financial Assets							
Cash and Cash Equivalents	18,264,692	-	-	18,264,692	-	-	-
Contribution and Other Receivables	169,096,453	-	-	169,096,453	-	-	-
Financial Assets at Amortised Cost	17,104,088,095	-	-	17,104,088,095	-	-	-
Equity Securities at FVOCI	-	1,317,715,365	-	1,317,715,365	-	1,317,715,365	1,317,715,365
Recognition Bond	3,959,399,032	-	-	3,959,399,032	-	-	-
Housing Collateralization Deposit	86,142,250	-	-	86,142,250	-	-	-
	<u>21,336,990,522</u>	<u>1,317,715,365</u>	<u>-</u>	<u>22,654,705,887</u>	<u>-</u>	<u>1,317,715,365</u>	<u>1,317,715,365</u>
Financial Liabilities							
Other Payables	-	-	9,429,001	9,429,001	-	-	-
Contribution Collection Accounts	-	-	5,743,623	5,743,623	-	-	-
	<u>-</u>	<u>-</u>	<u>15,172,624</u>	<u>15,172,624</u>	<u>-</u>	<u>-</u>	<u>-</u>

Financial assets and liabilities included in above table other than equity securities at FVOCI, are not measured at fair value. Their carrying amount is a reasonable approximation of fair value.



MALDIVES RETIREMENT PENSION SCHEME
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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31ST DECEMBER 2024

19 FINANCIAL INSTRUMENTS AND RISK MANAGEMENT - FAIR VAUE AND RISK
MANAGEMNT (CONTINUED)

(B) Financial risk management

Overview

The MRPS has exposure to the following risks from its use of financial instruments:

- Credit Risk
- Market Risk
- Liquidity Risk
- Operational Risk

This note presents information about the MRPS's exposure to each of the above risks, the MRPS's objectives.

Risk Management Framework

The Board of Members has overall responsibility for the establishment and oversight of the MRPS's risk management framework.

(i) Credit Risk

Credit Risk is the risk of loss due to the inability or unwillingness of a borrower/ counter-party to meet its payment obligations. The credit risk of the MRPS is deemed minimal as 67% of the total investment is made in Government Securities. Further the other investments are made in highly creditworthy corporate debt and equity instruments after thorough analysis of risks and returns. Therefore, the credit risk of the MRPS as a whole was at a very low level. Composition of the investments of the MRPS as at the yearend is as follows.

Analysis of Risk Concentration – Investment Composition

Investment	31/12/2024		31/12/2023	
	MVR	%	MVR	%
Government Securities	16,874,918,436	71.04%	15,112,699,836	71.75%
Recognition Bond (Government Receivables)	4,074,646,198	17.15%	3,959,399,032	18.80%
Investment in Fixed Deposits	2,200,817,993	9.26%	1,369,508,267	6.50%
Corporate Debt Securities	604,012,952	2.54%	621,879,992	2.95%
	<u>23,754,395,579</u>	<u>100%</u>	<u>21,063,487,127</u>	<u>100%</u>

Government securities include treasury bills, treasury bonds, and Wakalah Bi Al-Istithmar; fixed deposits comprise fixed deposits and Wakalah deposits; and corporate debt securities consist of corporate bonds and Sukuk.



MALDIVES RETIREMENT PENSION SCHEME
(ADMINISTERED BY MALDIVES PENSION ADMINISTRATION OFFICE)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31ST DECEMBER 2024

19 FINANCIAL INSTRUMENTS AND RISK MANAGEMENT - FAIR VAUE AND RISK
MANAGEMNT (CONTINUED)

(B) Financial risk management (Continued)

(i) Credit Risk (Continued)

Cash and cash equivalent

The MRPS held cash and equivalents of MVR 32,255,712/- as at 31st December 2024 (2023 - MVR 18,264,692/-). The MRPS limits its exposure to credit risk by maintaining its cash balance in selected banks.

(ii) Market Risk

Market Risk is the risk of losses from changes in the market value of portfolios and financial instruments due to movements in interest rates, foreign exchange and equity prices. The market risk faced by the MRPS primarily arises from interest rate risk and equity price risk. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return on risk.

(a) Interest Rate Risk

Exposure to interest rate risk

At the reporting date, the interest rate profile of the MRPS's interest-bearing financial instruments was:

	Carrying Amount	
	2024	2023
	MVR	MVR
Fixed Rate Instruments	20,044,875,801	18,424,599,002

The MRPS does not account for any fixed-rate financial assets at FVTPL. Therefore, a change in interest rates at the reporting date would not affect profit or loss.

A change of 10% of interest rates would have increased or decreased profit for the year ended 31st December 2024 by MVR 109,467,902/- (2023 : MVR 95,908,139/-). This analysis assumes that all the other variables remain constant.

(b) Equity Price Risk

The equity price risk is the reduction in the value of equity portfolio due to the decline in share prices. This is an inherent risk of equity investments which has been mitigated by investing in fundamentally sound stocks with robust value. However, MRPS value equity securities based on discounted free cash flows of the investee companies.

(iii) Liquidity Risk

Liquidity Risk is the risk arising from the inability of the MRPS to meet its financial commitments and obligations when they fall due. The net contribution of the Fund was between MVR 143/- Mn to MVR 157/- Mn per month during the year (2023: MVR 133/- Mn to MVR 142/- Mn). Further, interest and maturity proceeds provided additional cash flow to the MRPS.



MALDIVES RETIREMENT PENSION SCHEME
(ADMINISTERED BY MALDIVES PENSION ADMINISTRATION OFFICE)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31ST DECEMBER 2024

19 FINANCIAL INSTRUMENTS AND RISK MANAGEMENT - FAIR VAUE AND RISK
MANAGEMNT (CONTINUED)

(B) Financial risk management (Continued)

(iii) Liquidity Risk

Management of liquidity risk includes taking steps to ensure, as far as possible, that it will always have adequate financial resources to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the MRPS's reputation.

(iv) Operational Risk

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the processes, technology and infrastructure supporting the Fund's activities with financial instruments, either internally within the Fund or externally at the Fund's service providers, and from external factors other than credit, market and liquidity risks such as those arising from legal and regulatory requirements and generally accepted standards of investment management behaviour.

The Fund's objective is to manage operational risk so as to balance the limiting of financial losses and damage to its reputation with achieving its investment objective of generating returns to investors.

The primary responsibility for the development and implementation of controls over operational risk rests with the board of directors. This responsibility is supported by the development of overall standards for the management of operational risk, which encompasses the controls and processes at the service providers and the establishment of service levels with the service providers, in the following areas:

- documentation of controls and procedures
- requirements for:
 - appropriate segregation of duties between various functions, roles and responsibilities,
 - reconciliation and monitoring of transactions, and
 - periodic assessment of operational risk faced.
- the adequacy of controls and procedures to address the risks identified.
- compliance with regulatory and other legal requirements.
- development of contingency plans.
- training and professional development.
- ethical and business standards, and
- risk mitigation, including insurance if this is effective.

The directors' assessment of the adequacy of the controls and processes in place at the service providers with respect to operational risk is carried out via regular discussions with the service providers and a review of the service providers' Service Organisation Controls (SOC) 1 reports on internal controls, if any are available.

Substantially all of the assets of the Fund are held by Bank of Maldives. The bankruptcy or insolvency of the Fund's custodian may cause the Fund's rights with respect to the securities held by the custodian to be limited. The investment manager monitors the credit ratings and capital adequacy of its custodian on a quarterly basis, and reviews the findings documented in the SOC 1 report on the internal controls annually.



**MALDIVES RETIREMENT PENSION SCHEME
(ADMINISTERED BY MALDIVES PENSION ADMINISTRATION OFFICE)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

FOR THE YEAR ENDED 31ST DECEMBER 2024

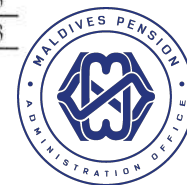
19 FINANCIAL INSTRUMENTS AND RISK MANAGEMENT - FAIR VAUE AND RISK MANAGEMNT (CONTINUED)

(B) Financial risk management (Continued)

(iii) Liquidity Risk (Continued)

Maturity analysis of financial assets and financial liabilities

Financial Assets	0-12 Months MVR	1-3 Years MVR	3-5 Years MVR	More Than 5 years MVR	Total as at 31/12/2024 MVR
Treasury Bills	11,141,504,171	-	-	-	11,141,504,171
Investment in Fixed Deposit	545,293,668	1,100,417,188	131,844,904	-	1,777,555,760
Investment in Sukuk	8,257,434	91,385,494	111,195,899	161,404,120	372,242,947
Treasury Bonds	1,241,057,741	459,000,000	600,000,000	2,762,000,000	5,062,057,741
Investment in Corporate Bond	22,565,877	41,225,315	134,478,813	33,500,000	231,770,005
Investments in Wakalah Bi AI-Ishithmar	671,356,524	-	-	-	671,356,524
Investments in Wakalah deposit	198,721,847	224,540,386	-	-	423,262,233
Equity Securities at FVOCI	-	-	-	1,608,373,240	1,608,373,240
Cash and Cash Equivalents	32,255,712	-	-	-	32,255,712
Contribution and Other Receivables	193,879,052	-	-	-	193,879,052
Recognition Bond	78,320,175	153,510,738	156,610,101	3,686,205,184	4,074,646,198
Housing Collateralization Deposit	1,541,631	433,402	831,698	110,205,026	113,011,757
Total Assets	14,134,753,832	2,070,512,523	1,134,961,415	8,361,687,570	25,701,915,340
Financial Liabilities					
Other Payables	8,894,518	-	-	-	8,894,518
Contribution Collection Accounts	8,524,635	-	-	-	8,524,635
Total Liabilities	17,419,153	-	-	-	17,419,153



MALDIVES RETIREMENT PENSION SCHEME
(ADMINISTERED BY MALDIVES PENSION ADMINISTRATION OFFICE)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31ST DECEMBER 2024

19 FINANCIAL INSTRUMENTS AND RISK MANAGEMENT - FAIR VAUE AND RISK MANAGEMNT (CONTINUED)

(B) Financial risk management (Continued)

(iii) Liquidity Risk (Continued)

Maturity analysis of financial assets and financial liabilities

Financial Assets	0-12 Months MVR	1-3 Years MVR	3-5 Years MVR	More Than 5 years MVR	Total as at 31/12/2023 MVR
Treasury Bills	10,518,971,063				10,518,971,063
Investment in Fixed Deposit	740,516,963	577,732,191	51,259,113	-	1,369,508,267
Investment in Sukuk	20,088,955	3,868,132	84,612,820	264,033,568	372,603,475
Treasury Bonds	511,368,515	1,165,000,000	509,000,000	2,212,000,000	4,397,368,515
Investment in Corporate Bond	21,508,351	38,461,866	147,251,769	42,054,531	249,276,517
Investments in Wakalah Bi AI-Ishithmar	196,360,258	-	-	-	196,360,258
Equity Securities at FVOCI	-	-	-	1,317,715,365	1,317,715,365
Cash and Cash Equivalents	18,264,692	-	-	-	18,264,692
Contribution and Other Receivables	169,096,453	-	-	-	169,096,453
Recognition Bond	78,320,175	153,510,738	156,610,101	3,570,958,018	3,959,399,032
Housing Collateralization Deposit	1,557,711	433,402	831,698	83,319,439	86,142,250
Total Assets	12,276,053,136	1,939,006,329	949,565,501	7,490,080,921	22,654,705,887
Financial Liabilities					
Other Payables	9,429,001	-	-	-	9,429,001
Contribution Collection Accounts	5,743,623	-	-	-	5,743,623
Total Liabilities	15,172,624	-	-	-	15,172,624



MALDIVES RETIREMENT PENSION SCHEME
(ADMINISTERED BY MALDIVES PENSION ADMINISTRATION OFFICE)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31ST DECEMBER 2024

20 COMPARATIVE FIGURES

The comparative figures of the financial statements have been reclassified to conform with current year's classification.

21 EVENTS AFTER THE REPORTING DATE

No circumstances have arisen since the reporting date which require adjustments to / or disclosure in the financial statements.

22 RELATED PARTY TRANSACTIONS

22.1 Transactions with the Key Management Personnel

Maldives Retirement Pension Scheme (MRPS) was established under Maldives Pension Act No 8/2009 on 13 May 2009 and investment and administration activities of MRPS are managed and administered by MPAO. The Government of Maldives directly and indirectly appoints the Board members of MPAO. Hence, the Government of Maldives is considered as related party to MRPS also as per IAS 24 Related Party Disclosures. Transactions with government and related entities during 2024 are as follows.

Related Party	Relationship	Nature of Transactions	Amount		Balance as at	
			2024 MVR	2023 MVR	31/12/2024 MVR	31/12/2023 MVR
Ministry of Finance (MoF)	Member of Ministry of Finance represents at MPAO Board	T'bills- Purchases	11,467,667,223	11,054,449,486		
		T'bills- Matured	(10,845,134,115)	(11,269,325,000)		
		Investment balance			11,141,504,171	10,518,971,063
		T'bond- Purchases	1,100,000,000	1,462,000,000		
		T'bond- Matured	(435,310,774)	(682,131,250)		
		Investment balance			5,062,057,741	4,397,368,515
		Wakala Purchases	659,150,000	235,400,000		
		Wakala Matured	(184,153,734)	41,210,351		
		Investment balance			671,356,524	196,360,258
		Recognition bond- Adjustments	268,646	137,494		
		Recognition bond- Matured	(86,188,556)	(78,164,564)		
		Interest Income	201,167,076	193,742,332		
		Investment balance			4,074,646,198	3,959,399,032



**MALDIVES RETIREMENT PENSION SCHEME
(ADMINISTERED BY MALDIVES PENSION ADMINISTRATION OFFICE)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

FOR THE YEAR ENDED 31ST DECEMBER 2024

22 RELATED PARTY TRANSACTIONS (Continued)

22.1 Transactions with the Key Management Personnel (Continued)

The Investment and administration activities of MRPS are managed and administered by Maldives Pension Administration Office (MPAO) in accordance with the requirements of the Act. Under the investment management agreement, the MPAO receives a management fee at an annual rate of 0.5% and 0.3% of the MRPS member balance pre-retirement and post retirement respectively (2023 - 0.6%)

Related Party	Relationship	Nature of Transactions	Amount		Balance as at	
			2024 MVR	2023 MVR	31/12/2024 MVR	31/12/2023 MVR
Maldives Pension Administration Office (MPAO)	Investment Manager	Management fee	(95,954,922)	(101,415,862)	(8,851,687)	(9,323,725)
		Management fee Payment	96,426,960	100,163,702		

22.2 Transactions with the Key Management Personnel (Continued)

Board members' remuneration and other expenses are paid through MPAO budget for which the main income is derived from the administration fee charged.

23 MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

The Management is responsible for the preparation and presentation of these Financial Statements.

24 CONTINGENT LIABILITIES

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



**MALDIVES RETIREMENT PENSION SCHEME
(ADMINISTERED BY MALDIVES PENSION ADMINISTRATION OFFICE)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

FOR THE YEAR ENDED 31ST DECEMBER 2024

25 INVESTMENT FUND ANALYSIS

MRPS comprise of the following sub funds.

Members can select or change their investment portfolios either at the time of initial registration or at any later stage. They can choose between the Investment Portfolio or the Shariah Portfolio. When members claim their funds either upon reaching the age of 65 or through early retirement at 55, the funds allocated to the Investment Portfolio are transferred to the Conservative Portfolio, while the funds in the Shariah Portfolio are transferred to the Shariah Retirees Portfolio.

	Investment	Shariah	Conservative	Shariah Retirees	Housing Collateralization	Recognition Bond	Unallocated	Total
	MVR	MVR	MVR	MVR	MVR	MVR	MVR	2024 MVR
Income								
Net Contribution Income	1,735,872,202	88,975,126	(78,705,142)	(234,274)	428,339	(85,919,909)	19,070,612	1,679,486,954
Interest Income	827,974,644	33,225,971	29,104,492	512,830	2,694,006	201,167,076	-	1,094,679,019
Dividend Income	68,685,287	6,255,300	-	-	-	-	-	74,940,587
	2,632,532,133	128,456,397	(49,600,650)	278,556	3,122,345	115,247,167	19,070,612	2,849,106,560
Other income	716,142	26,484	1,017	-	-	-	409,766	1,153,409
Inter-Portfolio Movements	(302,646,774)	125,863,422	147,305,215	5,441,400	24,036,737	-	-	-
Management fee	(89,205,711)	(4,525,849)	(1,670,366)	(41,034)	(511,960)	-	-	(95,954,920)
Income Over Expenses	2,241,395,790	249,820,454	96,035,216	5,678,922	26,647,122	115,247,167	19,480,378	2,754,305,049
Unrealized Gain from FVOCI Investments	213,008,582	77,649,293	-	-	-	-	-	290,657,875
Increase in net assets attributable to members	2,454,404,372	327,469,747	96,035,216	5,678,922	26,647,122	115,247,167	19,480,378	3,044,962,924
ASSETS								
Cash and cash equivalents	10,211,000	9,827,287	2,656,085	801,865	234,839	-	8,524,636	32,255,712
Contribution and Other receivables	142,337,258	7,433,386	3,153,642	350	172,698	-	40,781,718	193,879,052
Financial assets at amortised cost	18,058,814,864	935,128,816	669,382,033	16,423,668	-	-	-	19,679,749,381
Financial assets at fair value	1,502,119,420	106,253,820	-	-	-	-	-	1,608,373,240
Recognition bond	-	-	-	-	-	4,074,646,198	-	4,074,646,198
Housing collateralization deposit	-	-	-	-	113,011,757	-	-	113,011,757
Total Assets	19,713,482,542	1,058,643,309	675,191,760	17,225,883	113,419,294	4,074,646,198	49,306,354	25,701,915,340
LIABILITIES								
Other Payables	7,986,070	431,749	179,618	4,122	(29,240)	-	322,199	8,894,518
Contribution collection accounts	-	-	-	-	-	-	8,524,635	8,524,635
Total liabilities (excluding net assets attributable to members)	7,986,070	431,749	179,618	4,122	(29,240)	-	8,846,834	17,419,153
ACCUMULATED MEMBERS' BALANCE								
Accumulated members' balance	19,705,496,472	1,058,211,560	675,012,142	17,221,761	113,448,534	4,074,646,198	40,459,520	25,684,496,187
Total accumulated members' balance and Liabilities	19,713,482,542	1,058,643,309	675,191,760	17,225,883	113,419,294	4,074,646,198	49,306,354	25,701,915,340



**MALDIVES RETIREMENT PENSION SCHEME
(ADMINISTERED BY MALDIVES PENSION ADMINISTRATION OFFICE)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

FOR THE YEAR ENDED 31ST DECEMBER 2024

25 INVESTMENT FUND ANALYSIS

MRPS comprise of the following sub funds.

Members can select or change their investment portfolios either at the time of initial registration or at any later stage. They can choose between the Investment Portfolio or the Shariah Portfolio. When members claim their funds either upon reaching the age of 65 or through early retirement at 55, the funds allocated to the Investment Portfolio are transferred to the Conservative Portfolio, while the funds in the Shariah Portfolio are transferred to the Shariah Retirees Portfolio.

Income	Investment	Shariah	Conservative	Shariah Retirees	Housing Collateralization	Recognition Bond	Unallocated	Total
	MVR	MVR	MVR	MVR	MVR	MVR	MVR	2023 MVR
Net Contribution Income	1,582,315,706	69,253,848	(141,424,601)	(4,041,566)	-	137,494	14,724,327	1,520,965,208
Interest Income	716,176,589	22,724,936	24,611,562	259,569	1,566,406	193,742,332	-	959,081,394
Dividend Income	46,327,119	3,774,750	-	-	-	-	-	50,101,869
	2,344,819,414	95,753,534	(116,813,039)	(3,781,997)	1,566,406	193,879,826	14,724,327	2,530,148,471
Other income	758,416	24,559	14,058	-	-	-	644,871	1,441,904
Inter-Portfolio Movements	(276,377,933)	115,203,043	181,123,852	6,179,695	52,035,909	(78,164,566)	-	-
Management fee	(94,155,398)	(4,028,724)	(2,836,598)	(55,792)	(339,350)	-	-	(101,415,862)
Income Over Expenses	1,975,044,499	206,952,412	61,488,273	2,341,906	53,262,965	115,715,260	15,369,198	2,430,174,513
Unrealized Gain from FVOCI Investments	445,481,805	11,647,800	-	-	-	-	-	457,129,605
Increase in net assets attributable to members	2,420,526,304	218,600,212	61,488,273	2,341,906	53,262,965	115,715,260	15,369,198	2,887,304,118
ASSETS								
Cash and cash equivalents	3,841,845	1,311,771	6,342,718	957,853	66,882	-	5,743,623	18,264,692
Contribution and Other receivables	129,981,928	6,848,592	138,075	2,983	163,757	-	31,961,118	169,096,453
Financial assets at amortised cost	15,381,430,691	682,244,392	572,697,302	10,586,105	-	-	-	16,646,958,490
Financial assets at fair value	1,676,054,370	98,790,600	-	-	-	-	-	1,774,844,970
Recognition bond	-	-	-	-	-	3,959,399,032	-	3,959,399,032
Housing collateralization deposit	-	-	-	-	86,142,250	-	-	86,142,250
Total Assets	17,191,308,834	789,195,355	579,178,095	11,546,941	86,372,889	3,959,399,032	37,704,741	22,654,705,887
LIABILITIES								
Other Payables	9,900,018	580,649	253,898	5,560	(428,522)	-	(882,602)	9,429,001
Contribution collection accounts	-	-	-	-	-	-	5,743,623	5,743,623
Total liabilities (excluding net assets attributable to members)	9,900,018	580,649	253,898	5,560	(428,522)	-	4,861,021	15,172,624
ACCUMULATED MEMBERS' BALANCE								
Accumulated members' balance	17,181,408,816	788,614,706	578,924,197	11,541,381	86,801,411	3,959,399,032	32,843,720	22,639,533,263
Total accumulated members' balance and Liabilities	17,191,308,834	789,195,355	579,178,095	11,546,941	86,372,889	3,959,399,032	37,704,741	22,654,705,887



MALDIVES RETIREMENT PENSION SCHEME
(ADMINISTERED BY MALDIVES PENSION ADMINISTRATION OFFICE)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31ST DECEMBER 2024

26 CORRECTION OF ERRORS

The MRPS has not presented the fair value gain arising from Equity Instrument in comprehensive income and the gain arising from equity instruments has been directly presented on statement of changes in net assets attributable to members for the year ended 31st December 2023. As a result, total increase in net assets attributable to members presented in statement of comprehensive income understated and this error has been corrected by restating the statement of comprehensive income for the prior period. However, this error was not affected to the statement of financial position and statement of cash flows. The following table summarizes the impact on the MRPS's financial statements.

a Statement of Comprehensive Income	As Previously Reported MVR	Adjustments MVR	As Restated MVR
Income Over Expenses	2,430,174,513	-	2,430,174,513
Other Comprehensive Income			
Fair Value Gain on Equity Investments	-	457,129,605	457,129,605
	-	457,129,605	457,129,605
Total Increase in Net Assets Attributable to Members	2,430,174,513	457,129,605	2,887,304,118

