

It's Takaful,
Pure
&
Simple



It's Takaful, Pure and Simple

Simply put, Amāna aspires to be a world class takaful service provider. Serving the Maldives, the Company sets out a prime portfolio of products that offer comprehensive solutions across the insurance spectrum that derived from a strategy that is clear cut and uncomplicated. The purity of our focus is all about being steadfast to Shari'ah Principles. When we add our espoused qualities of flexibility, accessibility, innovation and speed, we are able to offer our customers, the best takaful insurance proposition available.

It's Takaful, Pure and Simple!

OUR VISION

“To be a world-class Takaful Service Provider”

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

OUR MISSION

“Providing total Takaful solutions within the guidelines of Shari’ah and serving all in an admirable manner.”

OUR VALUES

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

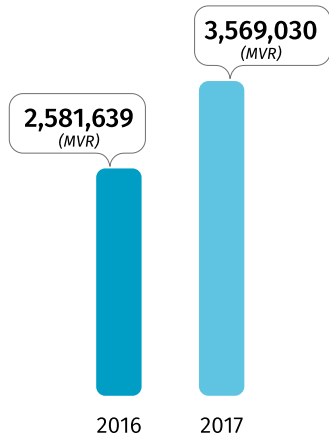
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Financial Highlights

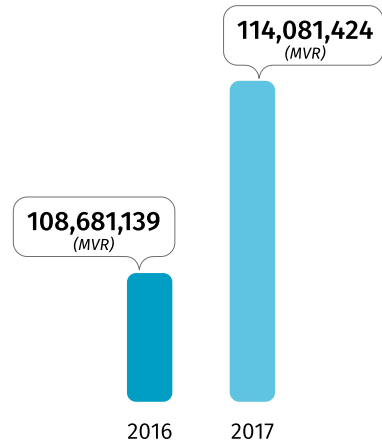
	2017 (MVR)	2016 (MVR)
Revenue	114,081,424	108,681,139
Profit after tax	5,334,302	1,535,618
Return on equity	10.45%	3.22%
Total investments	82,437,767	42,423,377
Total assets	107,463,631	99,743,194
Total revenue reserves	24,912,395	21,551,688
Issued share capital	26,314,583	26,314,583
Net assets value per share	2.52	2.36
General Takaful Fund		
Gross written premium	107,123,945	101,908,240
Underwriting results	25,483,558	22,744,504
Total comprehensive income	2,351,260	703,697
Shareholders' Fund		
Wakalah fee (management fee)	23,781,431	21,943,544
Total comprehensive income	2,974,857	2,595,408

Financial Highlights



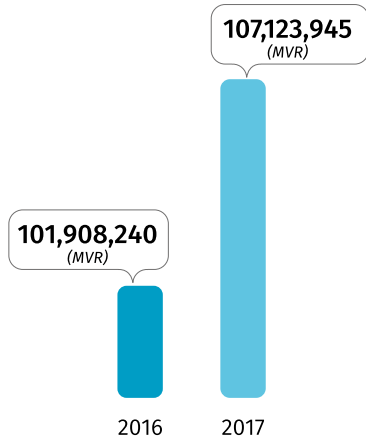
SHF FUND GROWTH

38% ↑



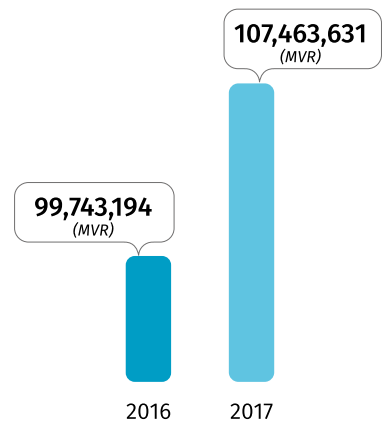
REVENUE

5% ↑



GWP

5% ↑



TOTAL ASSETS

8% ↑

Chairman's Review

In the name of the Allah, the Most Beneficent and the Most Merciful.

On behalf of the Board of Directors of Amāna Takaful (Maldives) PLC (ATM), I warmly welcome all shareholders to the seventh Annual General Meeting. In presenting the Annual Report and the Audited Financial Statements for 2017, I am pleased to inform you that the three-year business plan which concluded in 2017, was executed successfully and your Company has delivered the desired results year on year.

Business Results

The top-line of ATM registered a growth of 5% compared to the previous year, recording MVR 107 Mn as the total Takaful Contribution. Consolidated profit before tax of MVR 6.7 Mn is a 228% growth in the same comparison.



/ Tyeab Akbarally

Overall performance of the General Takaful fund is a reflection of strengthening the channels, prudent revision of rates, technology driven solutions, optimisation of investment returns, and efficient claims and cost management.

Since its listing, as an independent entity, Gross Written Premium (GWP) has grown consistently over the seven successive years. Particularly in 2017, notwithstanding the down-side in GWP from the intermediary channel, direct internal channels mitigated this shortfall in all classes. Overall performance of the General Takaful fund is a reflection of strengthening the channels, prudent revision of rates, technology driven solutions, optimisation of investment returns, and efficient claims and cost management. Collectively, the afore mentioned actions boosted fund growth by 12%.

Such performance in the strong fund position, gives us the resolve to reward our customers with surplus payouts once again, thereby upholding a cardinal tenet of the Takaful system, for the fifth consecutive year. In 2017, the Risk Pool disbursed MVR 41 Mn as claims, the highest recorded, in a single year.

Chairman's Review

I am delighted to inform you that based on the performance of the Shareholders Fund, ATM distributed the highest dividend of 12.5% on the face value of shares in 2016 and further interim dividend of 5% was paid in 2017.

Sharing the gains of the operation with all stakeholders has been a hallmark of Amāna Takaful Maldives since the inception of our operation. In Sha Allah, we intend to maintain this unblemished track record in the future.

Investment Income

New investment opportunities paved the way to optimise our excess funds effectively, through which we realised commendable gains. Investment in Sukuks and Equities, are expected to yield returns in the future. Although the key challenge of limited Shari'ah compliant investments in the country continues to prevail, with in-house professional expertise, the search for new avenues to maximise fund utilisation continues unabated.

Sharing the gains of the operation with all stakeholders has been a hallmark of Amāna Takaful Maldives since the inception of our operation.

Investment income of MVR 2.85 Mn in 2017 reflects an increase of 57% compared to the previous year.

National perspective and Insurance Industry

The business climate and the growth outlook for the Maldivian economy is expected to remain firm. In 2017, the robust expansion of the construction sector and infrastructural plans supported the growth of the insurance industry well. The new proposal on providing affordable housing scheme targeting the middle-income class is also expected to spur further activity. Besides, with the commissioning of the Friendship Bridge in 2018, connectivity between Hulhumalé and Malé is expected to provide further impetus for investments into housing development by private sector developers. We are developing innovative solutions to take advantage of the emerging needs of customers in this growing segment.

Although industry growth is reported at 14% in 2017, a sizeable chunk of insurance covers are placed outside the country. This undoubtedly under-states the full industry potential.

With increased competition in 2017, a frenzy of rate-cutting was witnessed compared to any previous year. Such short-term race for market share gains, places prudent underwriting in jeopardy and consequently, shrinks GWP growth. Attracting rated re insurance markets to cover Maldivian risks will undoubtedly pose a further challenge. Such practices are unhealthy and will eventually erode customer confidence. Regulatory intervention to bring in a semblance of sanity is vital. Equally, industry players must also add their might to work in harmony and responsible corporates.

We wish to re assure all stakeholders, as the pioneer in Islamic Finance in the Republic, that your Company will steadfastly uphold the highest levels of Corporate Governance and Ethical Conduct.

Acknowledgements

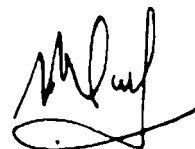
I extend my heartfelt thanks to my colleagues on the Board for their continued support and vigil in diligent governance and conduct. While thanking Ehsan Zaheed, who resigned in 2017, for his invaluable contribution to the Board, I welcome Abdullah Kassim who took his seat in the same year.

I place on record my appreciation for the timely response, encouragement and advice of the Maldives Monetary Authority in all our engagements.

Our continuous achievement wouldn't have been possible without the unwavering support of our customers and their loyalty. I thank them profoundly.

On behalf of the Board, I applaud all staff of Amāna Takaful Maldives for their determination and enthusiasm, thus being a beacon in the wider Amāna Takaful Group.

I remain confident that ATM will continue to deliver exemplary performance in all aspects of the business, despite the challenges, in 2018 and beyond.



Tyeab Akbarally
Chairman

20th March 2018

Managing Director/CEO's Review

It gives me a great pleasure to discuss the performance of Amāna Takaful (Maldives) PLC (ATM) in the Annual Review, for the financial year 2017.

2017 was a year of assertive growth for the Company in many aspects. The Company has streamlined its operations to enhance its profitability and focused on driving growth in its key business classes in both medical and non-medical.



| Hareez Sulaiman

During the period under review the product lines were re visited to bring in suitable changes to cater to customer needs and emerging market conditions.

Our growth strategy was underpinned by the philosophy of meeting the expectations of the market – the customer and community at large. During the period under review the product lines were re visited to bring in suitable changes to cater to customer needs and emerging market conditions. Every solution we offer is meticulously crafted and backed by support from world-class Retakaful companies.

Completion of three-years Strategic Plan – Highlights:

<p>14.93%</p> <p>compounded annual growth rate of Gross Written Premium</p>	<p>Fund growth:</p> <p>SHF ▶ 43%</p> <p>GTF ▶ 12%</p>	<p>MVR</p> <p>90.88 Mn</p> <p>in claims settlement</p>	<p>Compounded annual growth rate of</p> <p>19.30%</p> <p>on the Net Earned Contribution</p>
<p>Expansion of agency network and distribution channels</p>	<p>13%</p> <p>surplus award for all non-claimant participants</p>	<p>Enhanced services through technological advancements</p>	<p>Year on year Dividend Distributions</p>

Managing Director/Ceo's Review

Building capabilities to promote our products through technology driven solutions and creating customer convenience to subscribe to our offerings is now a hallmark at ATM. Strengthened channel development gave the added impetus in achieving the desired results. The commitment and will to succeed by every staff member, gives me the privilege, to report yet another year of success.

Strong Financial Performance

The Company reports a cumulative profit after tax of MVR 3.1 Mn under the Shareholders Fund and a consolidated profit of MVR 5.2 Mn – a growth of over 30% and 73% respectively compared to the previous year. Net earned contribution increased by 29% to MVR 62.2 Mn in the same comparison due to optimisation of channels in all key classes of business. Despite the highest claims paid out in a single year, underwriting results of ATM came in at MVR 25.5 Mn is noteworthy for its consistently healthy record year on year. Prudent underwriting practices and engagement with reputed Retakaful operators, expansion of key lines of business, have all delivered significant operating efficiencies.

Prudent underwriting practices and engagement with reputed Retakaful operators, expansion of key lines of business, have all delivered significant operating efficiencies.

Industry and Market Overview

As per the latest statistics published by Maldives Monetary Authority (MMA), the insurance industry continues to grow at double-digit growth rates annually, notwithstanding the trying market conditions. Backed by government spending on infrastructure, and increased private sector investments. Industry GWP is reported at MVR 767 Mn, in which ATM takes a share of 14%. That said, it is of concern that industry profitability has been sliding over the past three years: MVR 82.9 Mn in 2014, down to MVR 64 Mn in 2015, MVR 50 Mn in 2016 then slumped to MVR 47 Mn. The practice of price under-cutting for short-term competitive advantage, has created a debilitating impact to industry performance.

In advocating financial inclusion, there is tremendous scope for the industry, in a growing economy like Maldives, where a large segment of the population remains to be insured. Insurance penetration is as low as 1.2% as per published statistics for the year 2017.

Reflecting on new opportunities, one segment of the population that needs to be included, are those inhabiting the out lying islands. The livelihood of this segment is vulnerable to natural calamities or man-made disasters resulting in financial burdens.

Building on our steady financial performance in 2017, we remain committed to driving growth through ongoing commercial, operational and strategic initiatives across our business. To support this, we continue to invest in our infrastructure, human capital and distribution partnerships.

Business Development

Recognising the dedicated services of men and women who provide uninterrupted security services to the nation, a newly crafted specialised product, “KASHAVI” was launched. This created added momentum for motor related covers enabling the enlistment of new customers.

The Company's engagement in market development activities such as exhibitions and road shows continued with more emphasis on promoting specific classes of products and the merits of Takaful covers. Overall, our customer base grew by 39% in 2017.

Amāna Takaful Maldives has made consistent efforts in strengthening the distribution channels, widening its reach in the atolls. We have also been unremittingly focusing in enhancing transactional capability to the customers. These initiatives have reflected in our business results and boosted the performance of our agency network. The accolades we earned are a testimony to meeting and exceeding customer expectations in terms of service quality, innovation and reach.

Our responsibility towards working for the betterment of the larger society is a primary agenda. No matter the scale, we have been focusing on the right initiatives year on year to ensure that the benefits result in sustainability of the community.

For the second consecutive year we won Gold at the Islamic Finance Forum of South Asia (IFFSA), for the Takaful Institution of the Year in the Maldives, in recognition of outstanding performance and contribution to Islamic Finance. We dedicate this prestigious award to all our loyal customers. I would like to pay tribute to all of them for their unwavering support and confidence.

Managing Director/Ceo's Review

Talent Development

Underpinning all our success to date are our people. We continue to invest in all of our employees, as well as our ongoing training development programmes.

I am pleased to say, that our staff training programmes are one of the most comprehensive in our industry, delivering quality Takaful Ambassadors, who are playing a key role as a bulwark in the ongoing success of the Company. We continue to focus more on enhancing skills to harness the talent pipeline.

I wish to express my appreciation to each and every team member of the Amāna Takaful Maldives family for their hard work, dedication and enthusiasm.

The Future

The Maldivian economy is on a growth trajectory and its spin-off benefits would reach the general insurance sector with right advocacy and awareness programmes. The ongoing regulatory reforms are welcome move to drive sustained growth in the insurance industry. The industry is thus expected to continue the tempo in the years ahead, driven by government and private sector intervention in infrastructure and general affluence in the living standards. We shall leave no stone unturned to optimise on the opportunity to increase insurance penetration.

The new three year Strategic Plan (2018-2020) will be entrenched within our Organisation to relentlessly pursue on the delivery of the desired results. Our business is now primed for an exciting period of sustained long-term growth, and I look forward to reporting further progress in due course.

In all our endeavours, the advice and the direction from the Chairman and the Board of Directors was a guiding light in discharging my duties at all times. I would like to thank them for their counsel. The Management team join me in expressing our gratitude to all our colleagues from the wider Amāna Takaful Group for the unstinting support.

The advisory role of Shari'ah Scholars is vital, in the good governance of Takaful operations. Their contribution has been immense.

As pioneers of Islamic Finance, we will continue to hold aloft the Takaful Way! In Sha Allah.



Hareez Sulaiman
Managing Director/CEO

20th March 2018

Board of Directors



Tyeab Akbarally

Chairman

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



Osman Kassim

Director

Osman Kassim, the visionary and one of the main promoters of Amāna Group of Companies is the Chairman of Amāna Bank. Kassim is renowned for his expertise in Islamic Banking and Financial Services and has participated in numerous international fora. He counts over 35 years of Senior Management experience. Kassim plays a dynamic role in determining and envisaging the strategic path of Amāna Bank and the Group as a whole. He has also served as the Chairman of Expolanka Holdings PLC, one of the largest conglomerates in the country.

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



Dato' Mohd Fadzli Yusof

Director

Dato' Mohd Fadzli Yusof has been on the Board since its inception. He was the founder Chief Executive Officer of Syarikat Takaful Malaysia Berhad, the first Takaful Operator in Malaysia as well as in Asia, since its incorporation in 1984 until his retirement in 2005. He obtained the professional Diploma in Communication, Advertising and Marketing (CAM) from the CAM Foundation in the United Kingdom in 1976. He started his career in broadcasting, including six years with the BBC External Service in London. Currently he is an independent member of the Board of Amāna Takaful PLC, Sri Lanka and Hei Tech Padu Berhad, Malaysia. He is also a member of the Board of Motor Research Consortium Data Sdn Bhd, a subsidiary of Hei Tech Padu Berhad.

He has also been appointed as a member of the Board of State Economic Development Corporation of Kelantan, Malaysia. On the academic front he serves as the Fellow, University Islam Malaysia. He is also a member of the Board of Trustees Sultan Mizan Royal Foundation an NGO institution.

Board of Directors



Mohamed Haniffa Mohamed Rafiq

Director

M.H.M. Rafiq has been on the Board since its inception. He has been involved in the insurance industry for over four decades. His interests are extremely diverse and include Education, Healthcare and Real Estate, just to name a few. Rafiq, with his wealth of experience in the sphere of insurance, plays an active role in Amāna Takaful PLC, Sri Lanka.



Abdullah Kassim

Director

Abdullah Kassim has been appointed as an Independent Non-Executive Director to the Board effective from 05th May 2017.

Abdullah Kassim is a young business leader with an aptitude to take up challenging assignments. Kassim was instrumental in the turn-around of Neptune Papers, a recycling operation in Sri Lanka, which was in distress at the point of his take-over. His diversified interests also motivated him to successfully establish a state-of-the-art Industrial Kitchen, Saffron Foods (Pvt) Ltd., which deals in everyday cuisine. Previously he played the role as Head of Business Development of Expo Lanka Holdings PLC and was part of the core team that saw the company move from being a privately held business to a publicly listed company.

Abdullah Kassim holds a First Class (Hons) Bachelor's Degree in Business Administration from Staffordshire University – UK and Masters (MSc) in International Business and Management from Manchester Business School, University of Manchester – UK.



Hareez Sulaiman

Managing Director/CEO

When Hareez Sulaiman joined Amāna Takaful Limited, Sri Lanka as the Internal Auditor in 2002, the Islamic finance industry was still in its infancy. His extensive audit experience in international firms, backed by the sound knowledge in finance, enabled him to make his career progression in the realm of "Takaful", within a very short period of time.

In 2003, Amāna Takaful – Sri Lanka, decided to expand its national boundaries and picked Hareez to spearhead the Maldivian operation. The organisation which started off as a foreign branch-office with just two members of staff, grew from strength to strength under his charismatic leadership. Today, Amāna Takaful (Maldives) PLC is not just the pioneer in Islamic finance in Maldives but also the only public quoted insurance company in the country.

Board of Directors



Dr. Abdullah Shiham Hassan

Director

Both academically and professionally, Hareez pursued his higher studies in the field of finance. He holds an Honours Degree in Accountancy from the International Islamic University of Malaysia and is an Associate of the Chartered Institute of Management Accountants in UK. He has further enhanced his knowledge in Islamic finance by completing the study programmes offered by CIMA UK.

With 16 years of “Takaful” experience to his credit, he now heads the company as its Managing Director cum Chief Executive Officer.

Dr. Abdullah Shiham Hassan is a multi-disciplined professional, who has been serving his country from 1975 onwards, in the Civil Service, Diplomatic Service, Education and Legal Services. He is widely known in Maldives as an Islamic Dhaae, a lecturer, a lawyer and a business executive. Currently, he is the CEO of RKL Group Pte Ltd., which is one of the rare companies in Maldives that has continuously served for the last 55 years.

Dr. Shiham is an expert on Islamic finance in the Maldives and served as the Islamic Finance Advisor to Central Bank from 2008 to 2010 on introducing Islamic Banking to Maldives. In 2009 he established the Institute of Islamic Finance Maldives (I.I.F.M).

Dr. Shiham was appointed as the Chairman of the Board of Directors of Bank of Maldives PLC on 10th August 2011 and was reappointed for a second term on 8th November 2012. Currently, Dr. Shiham is the Independent Director of Amāna Takaful Maldives PLC, the only full-fledged Shari’ah complaint insurance company in the Maldives.

Dr. Shiham has been a Senior Lecturer and the Head of Department of Law at the Maldives National University’s Faculty of Shari’ah and Law. He is a founding member of the Figh Academy of Maldives at the Ministry of Islamic Affairs of Maldives.

Dr. Shiham graduated from the University of Tasmania, Australia with a Bachelor of Laws (Hons) in 1997. After graduation he served the Government of Maldives before enrolling at International Islamic University, Malaysia to read for Master of Comparative Laws (MCL). He obtained his Master of Comparative Laws Degree specialising in Islamic Insurance (Takaful) and completed his Doctor of Philosophy at International Islamic University, Malaysia, specialising in Islamic Banking Regulation and Supervision.

He has also undertaken the Executive Diploma in Business Administration (EDBA) at University of Colombo/Faculty of Arts.

General Management Committee



Ibrahim Riyaz

General Manager

Ibrahim Riyaz joined Amāna Takaful Maldives in 2017. Prior to joining, he has worked for both public and private sector for the past 25 years. A business development consultant by profession, he has pursued numerous assignments from conceptualising business plans, diagnosing organisational dilemmas to crafting strategies in his consulting career.

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



Asif Mohamed

Head of Human Resources

Asif Mohamed joined Amāna Takaful Maldives in 2006 and he has served more than a decade in the Industry. He has an extensive knowledge and experience acquired over the years of service in cross-functional areas of business and management.

He holds a Postgraduate Diploma in Islamic Banking and Insurance from Institute of Islamic Banking and Insurance (IIBI), UK and an Extended Diploma in Strategic Management and Leadership from BTEC EDEXCEL, UK.



Mohamed Imran Ramzan

Head of Sales and Marketing

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

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

General Management Committee**Mohamed Siraj Nizam**

Head of Finance

Siraj Nizam, joined Amāna Takaful Group in 2002, and was seconded to Maldives in 2013. He has over 15 years of experience in Accounting, Finance as well as Treasury and he has progressed through various positions during this period.

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

**Shakir Mohamed**

Head of Operations

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

He holds a Postgraduate Diploma in Islamic Banking and Insurance from IIBI (UK), Diploma in Malaysian Insurance Institute (DMII), and also a Life Member of Association of Accounting Technician of Sri Lanka.

Heads of Operations Team



Vajira Kasun
Manager – Underwriting



Hisham Nimal
Manager – Medical Takaful Operations



Rifaz Ahamed
Manager – General Claims



Ahmed Ajwadh
Senior Accountant



Fle

ibility...

...is that core characteristic that allows us to offer products that are often unique and tailored to customer needs and expectations whilst respecting moral and ethical parameters.

Product Portfolio



Total Drive

A motor cover that cares not only for your vehicle but also your loved ones. Supported by the online Portal – www.takaful.mv and the ATM Mobile Application, it provides you with fingertip access to processes, such as obtaining 3rd Party covers, verification of policies, notifying an accident and effecting policy endorsements. Whilst giving you the benefits of the world's most rewarding concept, TAKAFUL Total Drive makes sure that a part of your premiums are spent on initiatives making you a partner in the country's efforts in building a better Maldives.



Travel Pal

Across the seven seas and beyond nation states, this comprehensive solution for risks associated with international travel is specially designed for the globetrotter in you. TAKAFUL Travel Pal supports during unforeseen inconveniences of travel including loss of luggage, travel document and disrupted travel schedules. It further includes comprehensive covers for Medical Expenses, Personal Accident, Hijacking and Personal Liability Benefit and many more. TAKAFUL Travel Pal will help you travel with absolute peace of mind with 24/7 medical assistance. Covers can be obtained through our online Portal – www.takaful.mv and the ATM Mobile Application



My Home

A home is more than a mere building. It is the showpiece of a lifetime decorated with memories of love, care and family. Takaful My Home provides comprehensive cover for an array of potential risks, making sure that heart and home abide peacefully in each other. Takaful My Home makes sure that your home is always in good hands.



Easy Marine

Maritime enterprise is fraught with all sorts of risks. From the point of origin to its final destination. Takaful Easy Marine commits to safeguard your imports and exports, enabling you to be at ease whilst your goods are on the move. Takaful Easy Marine is offered to you with speed and efficiency ensuring a smooth sail for your business at any stage.



Dhahanaa

At a time where the cost of living is ever increasing and the less privileged in society distance themselves away from luxuries and are trying to meet their day's end, we at Amāna Takaful developed Takaful Dhahanaa to lend a helping hand. Takaful Dhahanaa is our Micro Product which offers the participant an annually reviewable death and living benefit cover for individuals. This was introduced to spread the concept of mutual assistance and financial stability to the masses as financial planning and insurance are generally not available to this segment of the society.



Sailor

Marine Hull Takaful covers loss or damage to hull and machinery. Takaful Sailor is offered to you with two options Comprehensive and Total Loss cover, for all types of hull with additional feature of passenger liability cover to travel peacefully. Takaful Sailor also provides specialised Protection and Indemnity cover for foreign going vessels for ship owners and charterers.



Business Cover

A good insurance coverage is an important part of business security. It secures your investments against specific forms of destruction or loss. Takaful Business Cover, paves the way for you and your enterprise to operate smoothly despite unexpected calamities. It offers tailor-made solutions for a range of segments including Hardware, Groceries, Supermarkets, Pharmacies and many more.



Guest House Cover

Whether you have an established guesthouse business or you are just starting one for the first time, Takaful Guesthouse Cover can look after the insurance needs of the business and let you focus on the growth of your business. Our tailor-made solution will help you to be covered from losses arising from fire, flood, storm and natural disasters. This specialised policy is equipped to safeguard you against losses arising from burglary, public liability, malicious damage and many other unforeseen events. It also provides options to include Electrical Extra inclusion cover and Business Interruption cover due to natural perils.



Dhahanaa Safe Drive

Dhahanaa Safe Drive is the innovative 24 hour cover for Motor Takaful policyholders. More often than not, “Accidents” are associated with traffic movements. Experience however tells us that injuries and possibly death can happen in surroundings regarded as more “safe areas” – like homes, offices etc. While a standard comprehensive motor Takaful will have the option of extending cover to owner as either a driver or passenger of the vehicle, the scope of cover will be limited to an accident whilst in the vehicle. Dhahanaa Safe Drive however, is complete protection whether one is at home, on the road, in office or even a public place like restaurant.



Hale & Hearty – Group Medical Plan

An extended hospital stay is a distressing time for anyone. It can also be a surprisingly expensive one with costs escalating beyond foreseen limits. In addition to the physical stress of an illness you are also forced to deal with the mental stress of hospital bills. Takaful Hale & Hearty as your comprehensive health plan, provides needed medical attention: we take care of all your Hospitalisation, Surgical and Out Patient expenses, be it ambulance charges or expenses-related to sudden illness or accident.

Sustainability Report

Setting the stage for tomorrow has been our impetus ever since Amāna Takaful (Maldives) PLC (ATM) came into existence. The year in review has been an assortment of surprises and breakthroughs, where sustainability has been a transformational driver for us. Over the past year, with the constantly changing industry landscape, we have focused on placing the consumer experience at the forefront of our strategy. This is having a profound impact on the way we do business and interact with our stakeholders, as well as on how we approach sustainability.

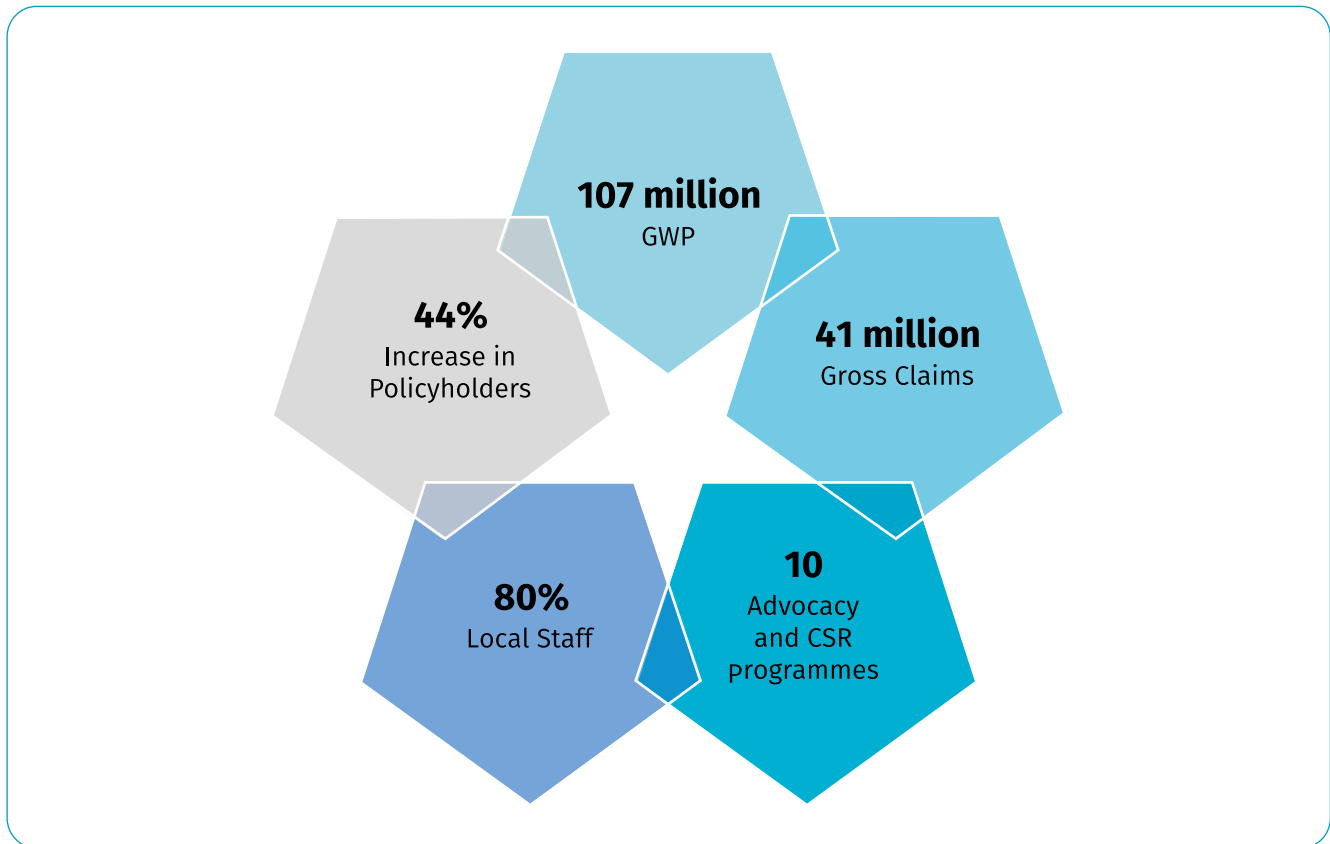
Our strength lies in understanding and catering to the community we serve. Our Takaful ambassadors groomed over the years, together with our prudential services, help this community which is scattered over 90,000 square kilometers across the Indian Ocean.

Amāna Takaful Maldives stands for trust – based on the integrity, resilience and dedication of our employees. Positioning customers at the heart of our business, we don't create business, we create people and people create business for us. We strive for profitable and sustainable growth supporting our customers to address tomorrow's challenges.

We understand that profitability, governance, social and environmental impacts are interconnected. That's why our three sustainability strategies this year have been the springboard for ATM to make a difference. A snapshot of our corporate strategy and our stakeholder engagement approach for the year are featured under the following spheres:

- I. Corporate Social Responsibility and Advocacy Initiatives
- II. Business Promotions and Achievements
- III. Defining Efforts

Amāna Takaful Maldives Journey 2017



Sustainability Highlights

Sustainable Insurer

High GWP growth despite the challenging competition levels in the market, whilst retaining world-class lead reinsurer panel

Exploring the possibility of extending the reach

Growing Visibility

Customer base has grown significantly in the past year, mainly due to the 39% increase in the Motor Segment

Responsible Investor

With the limited Shari'ah compliant investments options, Amāna Takaful has invested in locally available investment opportunities in order to retain and deliver the benefits to the community



Responsible Employer

Employee development and growth is the epicentre of our HR policies. Gender balance is maintained and further enhanced during the year

Corporate Social Responsibility

Giving back to the community is part of Amāna Takaful's legacy. Helping schools, public institutions and NGO's is an integral part of our philosophy

Sustainability Report

Corporate Social Responsibility and Advocacy initiatives

Islamic Finance Awareness Programme

Fifteen years into Islamic Finance in Maldives, we still remain passionate about our commitment to advocate the benefits and sustainability of Islamic Finance. Participating in the Maldives Islamic Banking & Finance Industry (MIIBFI) 2017, Amāna Takaful Maldives reassured its commitment in the contribution and development of Islamic Finance in Maldives, and IBF's initiative in developing Islamic Banking and Finance in South Asia. As the pioneers of Islamic Finance in Maldives, our top management has shared its experiences in the industry, highlighting the opportunities and challenges for Islamic Economy in Maldives.



4th MIIBFI Panel Discussion

A knowledge sharing session was conducted in collaboration with Maldives Islamic University. The forum attracted considerable Islamic Finance enthusiasts including students, researchers and academics. The broader aspects of Takaful were discussed with ATM Shari'ah scholars, who shared their accumulated expertise.



Knowledge sharing session held at Islamic University of Maldives

Contribution to Imaaduddeen School

As a responsible corporate citizen, ATM works closely with schools in Maldives. In 2017, catering to an initiative from the Parent-Teacher Association of Imaaduddeen School, we donated television sets to foster a more effective learning environment with audio-visual aid. On behalf of the parents and management of the school, the Principal of Imaaduddeen School, Ms. Wafa Waheed Mohamed, acknowledged and appreciated ATM's generosity.



Imaaduddeen School Ceremony to donate Televisions systems

Media Programme



Takaful Ambassadors taking part in TV shows

Sustainability Report

Boosting Takaful awareness in the community is a continuous effort by ATM. During the first quarter of 2017 under ATM's stewardship, a series of radio programmes was conducted in collaboration with a prominent radio channel. The programme was designed to showcase the Shari'ah aspect of Takaful and ATM's product line to the consumer market. The six episode series comprised of two Shari'ah and four product-related episodes. The programme was also the first of its kind as part of an Islamic Finance Awareness series.



Takaful Ambassadors taking part in TV shows

During the period in review number of TV programmes were conducted disseminating the message of Takaful to reach a wider audience.

Business Developments, Promotions and Achievements

Launching and awareness sessions of Kashavi



Kashavi launching ceremony

Kashavi, a Personal Accident Benefit cover specifically designed and dedicated to men and women in uniform was introduced for the first time in Maldives by ATM. The event launch was held shortly after the 14th Annual General Meeting of ATM in May 2017. Held at Hotel Jen, the event was attended by leading figures of uniform bodies where the Chief Guest, Honourable Minister of Home Affairs Azleen Ahmed, launched the product. The Honourable Minister commended ATM's scheme calling it an "exemplary initiative, with the community of our country at its heart."



First recipients of Kashavi with MMA Governor

"Kashavi is a FREE Personal Accident Benefit cover offered to men and women in uniform who purchase the Third Party Motor Takaful from ATM"



Kashavi awareness session at Maldives National Defence Force

Subsequent to the launch, numerous awareness sessions were conducted at all uniform bodies, attended by considerable numbers. During the third quarter of 2017, two road shows were hosted in the premises of Maldives Police Services where policies were issued to officers.

Sustainability Report



Kashavi awareness session with Maldives Customs Services



School children visiting the Expo briefed about ATM's Services

Maldives Financial Expo – 2017

Financial Expo 2017 is a series of Expo events organised annually by the Maldives Monetary Authority (MMA). This year ATM hosted a more inclusive and prospective event for the exhibitors. Displaying financial institution booths along with property developers attracted a large crowd with interests in owning and developing properties – especially homes and apartments, as well as residential/commercial enthusiasts.



Staff of ATM at the opening day of Maldives Finance Expo 2017

ATM showcased its Contractor All Risk and Fire Takaful covers during the exhibition with a public arena presentation of both products to a sizable audience. The first recipients of the unique Personal Accident Benefit cover “Kashavi” were awarded their certificates by the governor of MMA during the Expo.

Maldives Marine Expo – 2017



Maldives Marine Expo 2017 – Branded with ATM's Hull Takaful – SAILOR

ATM showcased its Hull product in Maldives Marine Expo 2017, organised by Liveboard Association of Maldives. A large number of visitors flocked to the venue at Dharubaaruge where some unique marine crafts, machinery and accessories were exhibited. Leading boat builders and machinery/equipment vendors displayed their latest developments and attracted market segments ranging from corporate fleet owners and tourism sector professionals to individuals. The event reaffirmed ATM's cooperation with the maritime industry, as well as echoing our presence in the maritime market of Maldives.

Vacation Expo – 2017



Signing ceremony with organisers of Maldives Vacation Expo 2017

ATM partnered with Vacation Expo 2017 organised by High-Rise Maldives as the Travel Insurance Partner. Some 6,000 travel enthusiasts visited the Expo where 80 exhibitors showcased their products and services. ATM offered free travel insurance packages to the winners of the entrance draw.

IFFSA Award



ATM was awarded the prestigious Gold Award in the “Takaful Entity of the Year” category at the Islamic Finance Forum of South Asia (IFFSA) Awards, held on 24 October 2017. ATM received the IFFSA Award for the second consecutive year in recognition of its outstanding performance, recording a significant growth and for spearheading the concept of Takaful in the Republic of Maldives.

Defining Efforts

GAM Collaboration



Signing ceremony with Guesthouse Association of Maldives

In 2017 ATM signed an MOU with the Guest House Association of Maldives (GAM), a Non Profit-NGO that helps develop the guest house industry in the Republic. Our support to GAM which is the only association dedicated to representing guest houses in Maldives, has a direct impact on the local tourism industry that has evolved into a massive sub-segment within the tourism industry. An exclusive Guest House Takaful package has been offered to this niche market segment of guest houses through collaboration.

Supplier Partnerships

The year in review emerged as a defining era of ATM’s Group Medical Product, with more hospital and other health-related tie-ups taking place to extend the services beyond our competitors reach. Today, we are the proud Insurance Service Provider in the nation preferred by the corporate and public entities. Some of our important tie-ups include Sri-Ramakrishna Hospital of India, a leading private healthcare provider in the sub-continent. We also tied up with a few local healthcare service providers on an ad hoc basis.

Sustainability Report



Officiating partnership with Sri Ramakrishna Hospitals of India



Supplier partnership signing with Medhope Medical Centre

Surplus Distribution



Presenting Surplus Payments to a Takaful Participant

As the only listed Insurance Company pioneering in Takaful Insurance in Maldives, ATM paid surplus to policyholders for the 5th consecutive year. With Surplus as the distinct feature of Takaful – ATM declared 13% surplus payout for the first half of previous year. This ensured non-claimant policyholders for a surplus payout. Consistency in surplus payout has been the result of systematic management of Risk pool and together with prudent underwriting practices within the framework of Shari'ah principles.



Acce sibility...

...begins with the design of products and services of excellent quality that optimally meet the diverse needs of customers of all circumstance, are easy to understand and use and are readily available to the customer.

Sustainability Report

Human Resources



In our quest towards creating a high-performance culture, we continued to pay emphasis on employee engagement activities, clearly defining the roles and responsibilities of our people, creating an environment based on mutual trust and of course encouraging the growth and development of our Human Capital. What ensued was an enabling winning culture in which our people were highly committed, empowered and geared towards achieving organisational goals. The Company has recorded sustainable growth over the years by the Mercy of the Almighty.

Takaful, unlike conventional insurance companies, adheres to the principles of Islamic Shari'ah laws. We create responsible, client-centered Takaful Ambassadors with vitality and vigor. With the patronage of the Talent Development Unit, we have launched many initiatives ranging from in-house training, talent pooling, mentoring, coaching and knowledge sharing to further train our Ambassadors.

Performance Management

We believe that a robust Performance Appraisal Review process facilitates employee engagement and development, thereby leading to sustainable growth in Company. KRA's (Key Result Areas) and KPI's (Key Performance Indicators) were implemented in the form of cascading goals with a clear line-of-sight to compel towards our drive for a high-performance culture.

Performance Appraisal Review Form (PARFORM) – The PARFORM is an all-inclusive, simplified Performance Management System focusing on the delivery of pre-agreed Key Performance Indicators (KPI's) set at the beginning of the year.

Building Capability

Leadership

Structural changes were brought to meet regulatory requirements recruiting a General Manager to the Organisation for developing the succession and leadership pipeline. It has enriched the leadership of the top team and driven the Company with the highest levels of employee engagement. Our leaders are accessible and visible, and they inspire employees with consistent and regular mentoring and coaching both company-wide and individually about the Organisation's future. They provide employees with a unified message that bolsters the Company's mission, and they show employees how to "live" that mission. They inspire trust and respect throughout the Organisation and involve all employees in developing strategy, transforming them to field experts capable of becoming future leaders.



Empowerment

Implementing an effective performance management process has allowed us to provide our team with constructive feedback on their performance, effectively delegate job tasks and address the developmental needs of our people. We have formed the Business Operation Committee (BOC) and Research and Development (R&D) team empowered to recognise and respond to the changing dynamics of marketplace. They focus on developing innovative ideas to meet market demands and stay ahead of the competition. They also connect with customers to create a unique brand experience.

The initiatives also empower teams and decentralise the decision-making process to allow employees contribute at strategic level of the Organisation. They also gain greater understanding of how to recognise and respond to changes in the marketplace.



Culture Building in the Form of Values and Beliefs

Our values are to uphold integrity, sincerity, honesty and mutual respect whilst committing ourselves to all our stakeholders to consistently deliver exceptional value and to take-on challenges that we relentlessly strive to see through. To constantly remind our value statement, we conduct weekly corporate mission meetings to ensure that our staff are deeply embedded in our values and assure these values are translated into exceptional service. To reinvigorate our cultural belief we have integrated our values into our strategic equation to up bring a generation of Takaful Ambassadors who can advocate about the way of Risk Management Shari'ah has offered.

Sustainability Report



Since the inception, we have emphasised the importance of building our culture based on Islamic values and beliefs. We ensure that our staff are provided with not only relevant Shari’ah knowledge related to our form of business, but also Islamic values and principles. Our Shari’ah Advisory Council too has devised certain inspiring programmes to our staff throughout the year. Redefining our efforts in Takaful advocacy will bring about a radical change in our staff not just understanding the subject area but also in propagating the right spirit of Takaful to all stakeholders in the society.



Nurturing Raw Talent

We have expanded our induction and orientation programmes to give more in-depth information regarding the Company, vision, mission, our values and the corporate culture.

Series of induction programmes are offered to newly recruited staff with elements of Shari’ah and Takaful emboldened in these programmes. We also ensure the staff are well-briefed on the processes and procedures related to their job role.

The specially crafted programme will further provide new staff members a well-balanced outlook in familiarising them with the Organisation.



Client Service Unit

In order to have sustainable growth and generate revenue to the Organisation, a new unit was formed under Sales and Distribution. The young energetic team will be penetrating to retail market and focus on individual business requirements. Orientation sessions are designed in a comprehensive manner for the staff to understand the importance of selling and distribution to mass market without compromising the principles of Takaful.



Training and Development

We believe high performance culture will be built through talent development and increasing the technical knowledge of our workforce. Efforts have been put to ensure our staff are provided continuous training to upgrade human capital of the Company. We have aligned customise training and development programmes with the Organisation's overarching objectives and direction, providing employees with a clear career pathway.



(i) Managerial and Leadership Development Programmes (MLDP)

In remaining competitive and ensuring our staff are equipped to face the growing challenges ahead, experienced and highly sought after professionals were sourced to conduct programmes. Tailor-made programme were crafted for the management team and head of departments on "Best Practices of Personalities" in taking companies to greater heights. It involved a gamut of self-reflection and realisation exercises in addition to those that bridge skills gaps.



(ii) Corporate Training



Sustainability Report

As a part of our campaign on continued upgrade of human talent we have organised series of training programmes which help our staff to be aligned with Organisational goals. In this exercises they have attained the qualities of taking the ownership and problem-solving skills to face the challenges, barriers and problems. Eventually, have groomed on the concept of synergy and success.

(iii) Technical Training



In order to offer the best solutions our customers, we have assured that our employees have technical knowledge of Takaful products and services. In-depth training sessions were conducted to provide to our employees on all products offered by the Company. During the year, we have crafted special programmes related to Hull Risk, Reinsurance, General Underwriting and Selling and Negotiation Skills.

(iv) Overseas Training

We have created opportunities for our employees to get training exposure globally. We believe that markets beyond our own territory will enrich our people to totally new, different and exciting experiences that would enhance knowledge and skills in their respective areas of expertise.



(v) Professional Qualifications

We encourage our employees to get qualified in their respective fields. We have been assisting staff on their professional qualifications with various schemes. We proudly remark that with our continuous efforts we have graduates who have succeeded from the Company’s talent-development scheme. Several opportunities were given to employees especially qualifications related to Underwriting and Finance.

Amāna Takaful Welfare Association (ATWA)

As part of our code of conduct ATM recognises that motivated and highly professional people are an essential factor in maintaining competitiveness, creating value for stakeholders and ensuring customer satisfaction.

The Welfare Association of Amāna Takaful (ATWA) have been an active organ of the Organisation because we believe that people are our most valuable asset. Some ATWA initiatives include recreational activities that foster unity, team building and work-life balance among our employees. ATWA’s programmes have evolved over the years, empowering elected key members to lead Team Amāna in all recreational forums..



Sustainability Report

The Association organised numerous activities this year, including fishing trips, picnics and sports tournaments for our employees and their families. The level of engagement and enthusiasm displayed by all members of our highly motivated workforce reinforced our staff's commitment to, and satisfaction with, being a part of the ATM team.





Innovation...

...is a key ingredient in the evolutionary process of our products and services, which keeps us “ahead of the curve” keeping our portfolio relevant...always.

Corporate Governance

Amāna Takaful (Maldives) PLC

Chairman:
Tyeab Akbarally

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



Board of Amāna Takaful (Maldives) PLC

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



Audit and Compliance Committee

Two Independent Non-Executive Directors and one Independent Director

Principle objective:

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

Audit and Compliance Committee report on page 54



Risk Management Committee

Two Independent Non-Executive Directors and one Independent Director

Principle objective:

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

Risk Management Committee Report on page 44



Investment Committee

Four Members including three Directors

Principle objective:

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



Remuneration Committee

Three Independent Non-Executive Directors

Principle objective:

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

Remuneration Committee report on page 39



Executive Committee

Four Members including three Directors

Principle objective:

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



Nomination Committee

Three Independent Non-Executive Directors

Principle objective:

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

Nomination Committee Report on page 40

Corporate Governance

The Board is responsible for the corporate governance of Amāna Takaful (Maldives) PLC as a whole. It is also responsible with the task of ensuring that reasonable care is exercised in managing the Company's resources and always mindful of the best interests of the shareholders. For this reason, the Company strongly believes that it is vital to adopt the highest standard of corporate governance in order to nurture a culture of transparency, accountability and integrity as well as ensuring the proper conduct of business which are essential prerequisites in emboldening the Company's survival and growth in a competitive market. As an Islamic financial institution, the very basic foundation of Amāna Takaful (Maldives) PLC is structured on all these values and attributes.

Corporate governance is described as a management process in which a corporate body, business entity or an organisation is directed, managed and controlled. As the shareholders have placed the reins of power in the hands of the Board, it naturally follows that the Board will be accountable to the shareholders so that the affairs and dealings of the Company are conducted with professionalism, responsibility, integrity and above all in compliance with rules and practices of Shari'ah, which are paramount in protecting and enhancing the shareholders' value. To ensure that the trust placed in the Board is secure, the Company must adhere to the best corporate governance practices which embody accountability, reliability and transparency. Nevertheless, the success of any good governance practice initiative depends on how the people are led and the policies as well as the processes are implemented.

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

Capital structure and shareholding

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

The Company has 820 shareholders as at 31st December 2017, while over 90% of the shares are held by corporate entities. Details of the main shareholders are given on page 91.

Board of Directors and Board committees

There are seven members on the Board of Amāna Takaful (Maldives) PLC, of whom six are Non-Executive Independent Directors. The Directors have been drawn from a cross-section of industries. Their expertise and experience in various fields as well as insights have contributed immensely to making

effective and informed Board decisions. The selection of the appropriate and suitable candidates with the right skills, attributes and experiences is crucial in order to ensure its efficiency and effectiveness. For it is believed that a healthy Board culture will help to encourage and safeguard good governance practices which in turn will ensure shareholders' interests are always protected. The names of the Board of Directors are given on page 42.

Corporate governance framework

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

Board size and composition

Overall the Board is responsible in ensuring that operations of Amāna Takaful (Maldives) PLC are as set out and intended in the declared goals of the Company. Therefore, the Board is empowered to make decisions on all matters relating to the Company's business operations in accordance with the various rules and regulations. The size and composition of the Board and its committees are regularly reviewed by the Board and, in particular, by the Nomination Committee to ensure that there is an appropriate balance and diverse mix of skills, experience, independence and knowledge of the Group. More details of our Board members can be found on pages 11 to 13.

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

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

The Board reviews strategic issues on a regular basis and exercises control over the performance of the Company by agreeing budgetary targets and monitoring performance against those targets. Certain matters are reserved for approval by the Board and the Board has overall responsibility for the Company's system of internal controls and risk management, as described on pages 41 and 44.

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



1

Strategic

- ▶ Approval and monitoring strategic annual business plans
- ▶ Review of business performance
- ▶ Approve significant acquisitions, mergers or disposals

2

Succession Planning and Rewards

- ▶ Ensure adequate succession plans are in place
- ▶ Board and Board Committee appointments and removals
- ▶ Appointment or removal of the Company Secretary
- ▶ Appointment or removal of the Auditors and determination of the audit fee

3

Finance, Governance and Controls

- ▶ Internal controls and risk management system
- ▶ Approval of policies, major projects and contracts
- ▶ Oversight of Directors' Conflicts of Interest
- ▶ Rules and procedures for dealing in the Company's shares
- ▶ Corporate governance and compliance in accordance to regulations and Code of Conduct

4

Reporting

- ▶ Approval of the Annual Reports and Accounts to be put before the Company
- ▶ Approval of Financial Statements
- ▶ Matters for business reviews

5

Regulatory

- ▶ Approval of Company's interim dividend and recommendation of final dividend
- ▶ Compliance with all the regulations and legislations

Corporate Governance

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

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

Board's Roles and Responsibilities

Chairman

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

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

Chief Executive Officer

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

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

Board's roles and responsibilities

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

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

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

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

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

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

i. The Audit and Compliance Committee

The Audit and Compliance Committee comprises three Independent Non-Executive Directors. It is chaired by Dato' Mohd Fadzli Yusof who is an Independent Non-Executive Director of the Company. The Chief Executive Officer, Manager Finance, other Senior Managers and Internal Auditors are invited to be present at the meetings, as and when invited. Exit meetings are held after each internal audit assignment with all relevant managers present where rectification actions reported in the audit findings are discussed. Particulars of the Audit Committee and its composition are provided in the Report of the Board Audit and Compliance Committee on page 54.

ii. The Risk Management Committee

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

It is chaired by Dato' Mohd Fadzli Yusof. The main function of this Committee is to manage risks relating to Takaful in line with the risk appetite of Amāna Takaful (Maldives) PLC. The Committee also looks into risks associated with the operations, investments and business risks in general under the Enterprise Risk Management Framework. The details of the Risk Management Committee are provided on page 49.

iii. The Investment Committee

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

iv. The Remuneration Committee

The Remuneration Committee is composed of three Independent Non-Executive Directors of the Board. This Committee is entrusted with the responsibility of maintaining a reasonable and competitive remuneration package in line with the financial performance of the Company. The Committee reviewed and compared the overall executive compensation programme, benchmarking against the industry, for the determination of the Board. It also recommended the package for the Executive Directors/the Chief Executive Officer and other Senior Officers of the management staff taking into cognisance the practice of the industry and corporate goals of the Company. In relation to this, the Remuneration Committee takes into consideration key result areas linked to the performance of the individual officer concerned relative to the target sets and periodical assessments.

With the exception of the Managing Director, all other Directors are entitled to an annual retainer fee as per the Remuneration Committee's decision. Directors are also entitled to an attendance fee for Board/Committee meetings.

Corporate Governance

Independent Directors may not receive, directly or indirectly, any incentives, consulting, advisory or other compensatory fees from the Company. Further, no Directors are entitled for any stock options from the Company. Details of the composition of the Committee are set out on page 42.

Directors' and the members of the Senior Management's salary and emoluments are categorised under remuneration. Details of total aggregate remuneration of Directors/Top Management for the financial year under review are as follows:

Category	Below MVR 100,000/-	MVR 100,000/- - MVR 200,000/-	MVR 200,000/- - MVR 400,000/-	MVR 400,000/- and above
Independent Non-Executive Directors				
Tyeab Akbarally	✓	-	-	-
Osman Kassim	✓	-	-	-
Dato' Mohd Fadzli Yusof	✓	-	-	-
M.H.M. Rafiq	✓	-	-	-
Abdullah Kassim	✓	-	-	-
Independent Director				
Dr. Abdullah Shiham Hassan	✓	-	-	-
Executive Director				
Hareez Sulaiman	-	-	-	✓
Top Management				
	-	-	-	✓

v. The Nomination Committee

The Nomination Committee has been vested with the responsibilities to identify, select and recommend new appointments to the Board. The Committee also reviews the effectiveness of the existing Board, committees of the Board and the contribution of each Director, albeit the Company has not set formal standard procedures or a mechanism to evaluate the performance of the Independent/Non-Executive Directors of the Board. Performance of the Managing Director is evaluated directly by the Chairman of the Board biannually/annually. Further, the Committee assists the Board in reviewing the Board's required mix of skills, capabilities, experience and other qualities, including core competencies which Independent/Non-Executive Directors should bring to the Board.

As per the Articles of Association of the Company, five Directors of the Board shall be persons appointed to the Board by the majority shareholders and such Directors shall continue to hold their office unless they resign or are removed. At least one Director shall be from persons nominated by the Nomination Committee and elected at the AGM. Such Director shall hold office for a period of one year. Since the Board's composition is met as per the Articles of Association and considering the willingness of the existing Independent Director to continue his directorship, the Nomination Committee did not call for any additional nominations. Hence, the Committee shall nominate the same individual as the Independent Director who will be formally re-elected in the upcoming Annual General Meeting.

Amāna Takaful (Maldives) PLC has not developed a gender representation at the Board level. With the amendment to the CMDA's CG Code in the year 2014, the Board has had in-depth discussions on the subject and not concluded its position as yet. However, the composition of the Board is fully in line as per the Articles of Association of the Company.

For the composition of the Board, Nomination Committee shall continue to pursue on selecting competent candidates who would contribute in achieving the Board's objectives.

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

vi. The Executive Committee

The Executive Committee or (EXCOM) is composed four members and is chaired by Fazal Ghaffoor. The Committee is entrusted with the responsibility of monitoring the implementation of the business strategies of the Company. The members of the Committee are as follows:

Fazal Ghaffoor – *Chairman*
 Dr. Abdullah Shiham Hassan
 Abdullah Kassim
 Hareez Sulaiman

Ethical standards

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

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

The Management encourages employees to adopt ethical practices during the weekly Mission Meetings.

Executive Management

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

Internal controls

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

Compliance with “shari’ah” requirements

Amāna Takaful (Maldives) PLC takes the utmost care in adhering to Shari’ah principles and practices. Shari’ah Unit, set up by Parent Company, Amāna Takaful PLC, Sri Lanka internally to carry out quarterly reviews on the policies and operations of Amāna Takaful (Maldives) PLC. Findings are tabled and deliberated at the Shari’ah Advisory Council (SAC) meetings and the Management is given guidance and counsel on the areas concerned. The Unit also conducts regular training programmes to members of staff in order to disseminate the knowledge of Takaful and Islamic finance in general. The Statement of Compliance is a part of the Annual Report and is provided on page 56.

Regulatory compliance

The Audit Committee is responsible for regulatory compliance. In addition, a Compliance Unit has been set up to monitor and investigate into all compliance-related matters across the Organisation. It keeps a close track of all new legislative requirements, regulations and directives; and notifies and guides the respective departments accordingly.

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

Corporate Governance

Relationship with stakeholders

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

The Management holds weekly Mission Meetings at which employees are briefed of the policies, goals and the shared values of Amāna Takaful (Maldives) PLC and their views and suggestions are sought and evaluated accordingly.

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

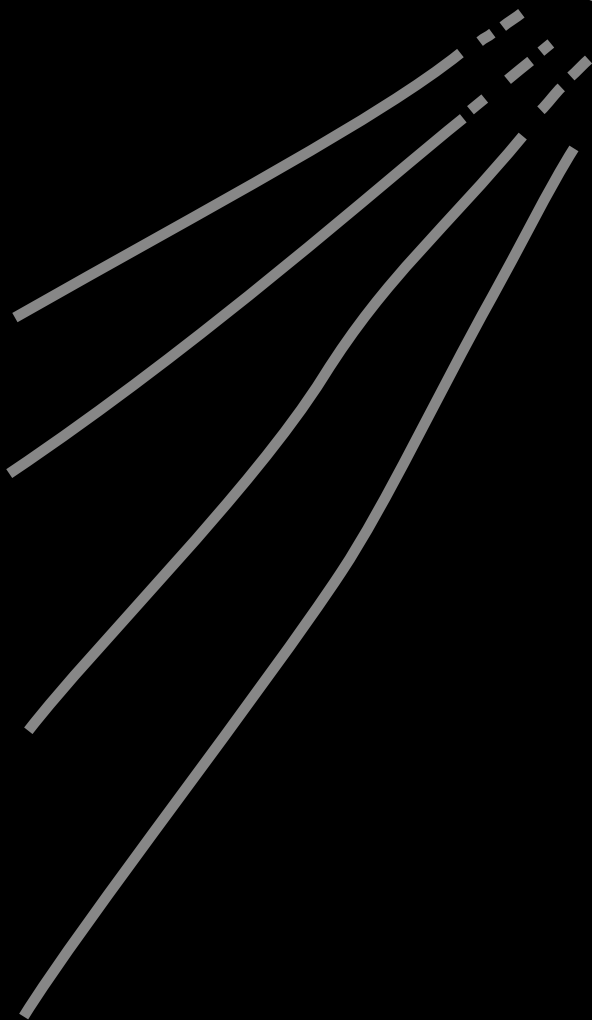
Corporate Governance Disclosures in Relation to Directors of the Company:

Areas of Compliance	Current Status	Remarks
Board of Directors	Independent Non-Executive Directors Tyeab Akbarally – Chairman Osman Kassim Dato' Mohd Fadzli Yusof M.H.M. Rafiq Abdullah Kassim	All the Independent Non-Executive Directors have submitted the annual declaration of their independence to the Board of Directors.
	Independent Director/s Dr. Abdullah Shiham Hassan	Submitted the annual declaration of independence to the Board of Directors.
	Executive Director/s Hareez Sulaiman	Does not serve as Non-Executive Director in any other company.
Remuneration Committee	Dato' Mohd Fadzli Yusof – Chairman M.H.M. Rafiq Osman Kassim (Alternate member – Fazal Ghaffoor)	
Nomination Committee	Dato' Mohd Fadzli Yusof – Chairman M.H.M. Rafiq Osman Kassim (Alternate member – Fazal Ghaffoor)	
Audit Committee	Dato' Mohd Fadzli Yusof – Chairman M.H.M. Rafiq Dr. Abdullah Shiham Hassan	

Speed...



...is the tangible outcome of our strategy, process and technology and is manifest across everything we do...from customer response to “nimble footed” decision-making and more.



Enterprise Risk Management

As the pioneer Takaful company, risk management is at the heart of what we do and is the source of value creation as well as a vital form of control. It is an integral part of maintaining financial stability for our customers, shareholders and other stakeholders. Our sustainability and financial strengths are underpinned by effective risk management, which allows us to prepare for future challenges, move speedily and facilitate better decisions for our customers, giving them peace of mind.

The Company's Risk Management Strategy is to operate within the risk appetite guidelines set by the Board Risk Committee and approved by the Board of Directors, which are then reviewed on a quarterly basis, with an eye on the changing corporate risk environment. Given the increased level of assertiveness required in a forthcoming Takaful Regulation and Insurance Act and, the connected risk involvements, the Company has widened its scope to an Enterprise Risk Management (ERM) Framework.

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

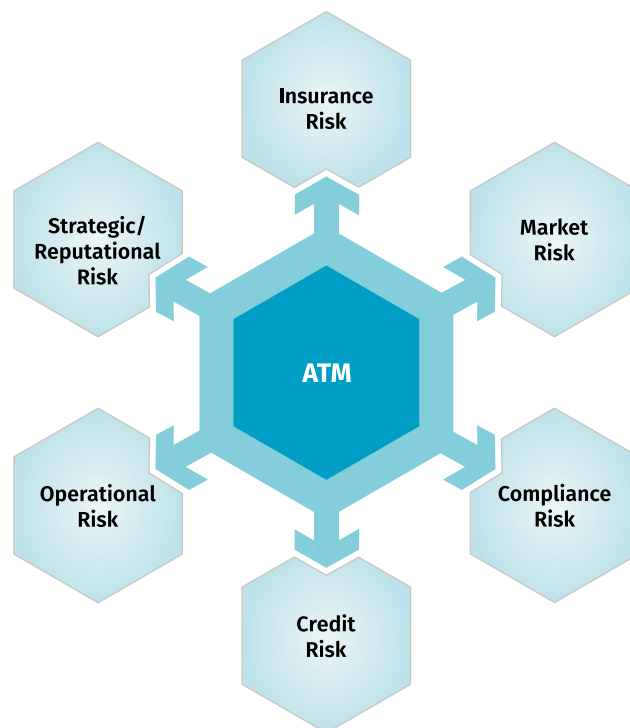
Definitions of Risk and Risk Management

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

Risk management can be defined as 'An efficient and effective process of minimising risks in meeting stakeholder requirements'. However, ERM is not strictly a serial process, where one component affects only the next. It is a multi directional, interactive process in which almost any component can and does influence another.

Risks Faced by Insurance Companies

It appears that many organisations are experiencing pressure and recognising that change in the Organisation's overall approach to risk oversight is warranted, with the *status quo* no longer acceptable. Insurance companies whose business model is based on risk management require special attention with regard to its management. As a Takaful (insurance) company, we identified the following risk categories as illustrated in the diagram below. The risk management professionals refer to this as the "Risk Wheel".



Enterprise Risk Management

1. Insurance Risk

Being a Takaful (insurance) company, risks related to the core business i.e., insurance risk, becomes primary in the list. Takaful is all about managing risks on behalf of the participants. In that context, we have identified the following three major risk areas under this category:

Insurance Risks	Control
Underwriting Risk – At the time of underwriting of a risk (business/asset) it is our duty towards the customer to analyse and evaluate the risk that we are willing to undertake. Therefore the Company is bound to charge the right premium as all such premiums are pooled up with other participants. At the time of claims, it is shared by all the participants in the pool.	A robust underwriting regime is in place with well-experienced and qualified professionals in the team. A well-scrutinised set of SOP's are formulated and implemented.
Product Design – Designing the product offers and benefits with the right pricing is very critical to the Insurance Business.	The Company has appointed a Research and Development Team and a Technical Team with a set of hand-picked members from sales, underwriting, Operations, and Claims. They meet periodically and review existing product features while researching for new product requirements.
Actuarial calculations and provisions carry claims risks of General Insurance Business.	A qualified and well-experienced professional firm has been contracted to carry out the actuarial function.

A. Claims Risk

Claims Risk	Control
Potential loss of values is the primary risk that the Insurance businesses undertake to manage in the business model.	At the time of planning for the years ahead, the Management along with the underwriting and sales teams, decide the product mix targets taking the claims experiences pertaining to the specific classes. It also assesses the future potential on agreed assumption.
The risk of overpayment or underpayment of claims arises from the claims assessment process and the level of decision-making competency of the staff involved.	Continuous training and development programmes are in place with supervision of well-experienced Senior Staff to mitigate such risks.

Enterprise Risk Management

B. Retakaful Risk

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

2. Market Risks

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

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

3. Strategic and Reputational Risk

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

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

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

4. Operational Risks

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

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

5. Compliance Risk

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

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

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

Enterprise Risk Management

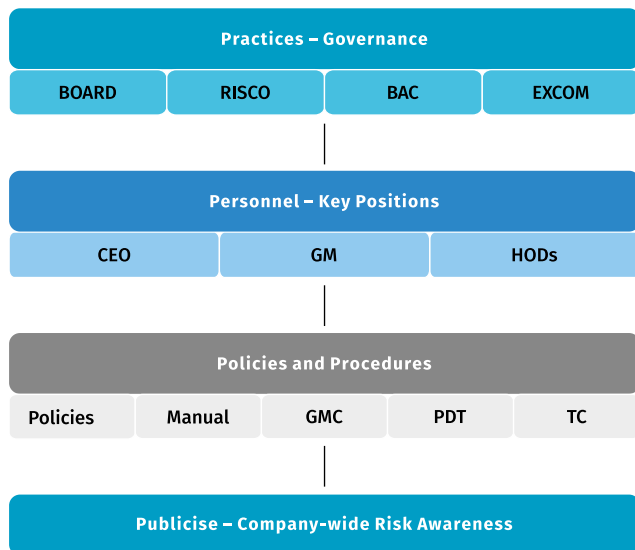
6. Credit Risk

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

Credit Risk	Controls
Unable to recover premiums given on credit	SOP on credit approval which covers authorisation and approvals controls Credit policy is linked to the Sales Commission and Incentive scheme. Weekly credit review.
Risk in recovering Retakaful	Rated Retakaful companies.
Unable to recover capital value of investments	Close monitoring by the Board Investment Committee.

ATM Enterprise Risk Management Framework

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



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

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

1. First Line of Defence

Publicise – Educating the staff at shop floor level with the appropriate level of authority will help them take the right decision at the right time. We recognise that staff in the front line are exposed to the market and most often encounter various challenges. Cognisant of the challenge in communicating the entire ERM Framework and strategies to manage risks, the Risk Management Unit has adopted a simplified cascade process to the wider audience to mobilise support and upscale knowledge at all levels in the Company.

2. Second Line of Defence

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

3. Third Line of Defence

Key personnel being appointed at key positions in any organisation will mitigate a major part of the risk. We believe in our people, especially people who are occupying key positions, that they will take prudent business decisions in pursuit of corporate objectives.

Enterprise Risk Management

4. Final Line of Defence

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

Risk Management Process

In the process of managing the risks of the Organisation the Company has identified the following Key Risk Indicators. These indices are monitored through a dashboard which is reviewed at GMC. Corrective actions will be taken as and when significant deviations are observed in the relevant areas:

Risk Area	Key Risk Indicator
Insurance Risk	Average Rates by Sub-Classes Claims Ratios by Sales Teams and Sub-Classes Product Profitability RI Covers Vs Risk Accumulation
Strategic and Reputational Risk	Variance Analysis
Market Risk	Equity Market Movement Economic Indicators Changes in Tax Regulations Changes in Government Policies
Operational Risk	Staff Turnover Ratio Internal/External Audit Findings Current and Liquidity Ratios
Credit Risk	Debtors Turnover Ratio (Days)

Key Risk Management Activities During 2017

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

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

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

Meeting

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

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

Members	No. of Meetings Attended
Dato' Mohd Fadzli Yusof (<i>Chairman</i>)	4 out of 4
Mohamed Haniffa Mohamed Rafiq	4 out of 4
Dr. Abdullah Shiham Hassan	4 out of 4

Chairman's Remark

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



Dato' Mohd Fadzli Yusof

Chairman

Risk Management Committee

20th March 2018

Annual Report of the Board of Directors on the Affairs of the Company

The Directors are pleased to submit their report, together with the audited accounts for the Company, for the year ended 31st December 2017, to be presented at the Annual General Meeting of the Company.

Review of the Year

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

Principal Activities

The principal activity of the Company is General Takaful Business.

Financial Statements

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

Independent Auditors' Report

The Auditors' Report on the Financial Statements is given on page 60 of this Report.

Accounting Policies

The accounting policies adopted in preparation of the Financial Statements are given on page 68.

Financial Results and Appropriations

The profit after taxation of the Company for the year was MVR 5.33 Mn and Total Comprehensive Income of the General Takaful Fund for the year was MVR 2.35 Mn.

Total Comprehensive Income of the shareholders' funds for the year was MVR 2.97 Mn.

Property, Plant & Equipment

During the year under review, the capital expenditure on Property, Plant & Equipment for the Company amounted to MVR 0.14 Mn.

Information relating to movement in Property, Plant & Equipment during the year is disclosed under Note 9 to the Financial Statements on page 79.

Investments

Details of Investments held by the Company are given in Note 10 to the Financial Statements on page 80.

Reserves

Total revenue reserves as at 31st December 2017 for the Company amounted to MVR 24.91 Mn. The break up and the movement are shown in the Statement of Changes in Equity in the Financial Statements.

Share Capital

The share capital of the Company as at 31st December 2017, was MVR 26,314,583/- represented by 20,241,987 ordinary shares. The details of the share capital are given in Note 16 to the Financial Statements on page 83.

Contingent Liabilities

There were no material contingent liabilities outstanding as at 31st December 2017.

Postbalance Sheet Events

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

Directors' Responsibilities

The Statement of the Directors' Responsibilities is given on page 58 of the Annual Report.

Corporate Governance

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

Statutory Payments

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

Annual Report of the Board of Directors on the Affairs of the Company

Material Contracts

1. A Memorandum of Understanding has been entered into between Amāna Takaful (Maldives) PLC and Amāna Global Ltd., Sri Lanka for the provision of technical assistance and support services.

The following Directors of Amāna Takaful (Maldives) PLC are Directors of Amāna Global Ltd.

M.H.M. Rafiq

Interests Register

Directors, interest in contracts of the Company, both direct and indirect during the year under review, are included in Note 21 in the Related Party Disclosures to the Financial Statements.

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

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

Directors of the Company, who were also Directors of related entities as at 31st December 2017:

Company	Name of Director	Position	Relationship
Amāna Takaful PLC, Sri Lanka	Tyeab Akbarally	Chairman	Parent Company
	Osman Kassim	Director	
	Dato' Mohd Fadzli Yusof	Director	
	M.H.M. Rafiq	Director	
Amāna Global Ltd., Sri Lanka	M.H.M. Rafiq	Director	Related Company
AG Capital (Private) Ltd., Maldives	Abdullah Kassim	Director	Related Company

Board committees

Audit committee

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

1. Dato' Mohd Fadzli Yusof – Chairman
2. M.H.M. Rafiq
3. Dr. Abdullah Shiham Hassan

The Report of the Audit Committee on page 54 set out the manner of compliance by the Company.

Remuneration committee

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

1. Dato' Mohd Fadzli Yusof – Chairman
2. Osman Kassim (Alternate member – Fazal Ghaffoor)
3. M.H.M. Rafiq

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

Annual Report of the Board of Directors on the Affairs of the Company

Nomination Committee

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

1. Dato' Mohd Fadzli Yusof – Chairman
2. Osman Kassim (Alternate member – Fazal Ghaffoor)
3. M.H.M. Rafiq

The particulars of the Nomination Committee are mentioned in the Corporate Governance Report on page 40.

Share Information and Substantial Shareholdings

The substantial shareholdings and market value of shares are given on page 91.

The earnings per share, dividends per share and net assets per share are given on page 91.

Directors

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

	Date of Appointment/ Reappointment	Date of Resignation
Tyeab Akbarally	18.05.2005	–
Osman Kassim	18.05.2005	–
Dato' Mohd Fadzli Yusof	18.05.2005	–
M.H.M. Rafiq	18.05.2005	–
M. Ehsan Zaheed	18.05.2005	17.04.2017
Abdullah Kassim	05.05.2017	
Dr. Abdullah Shiham Hassan	15.05.2016	–
Hareez Sulaiman	20.05.2012	–

A brief profile of the Directors are given on pages 11 to 13 of this Annual Report.

Directors' Shareholding

The interest of the Directors in the shares of the Company as at 31st December 2017, were as follows:

	Numbers of Ordinary Shares as at 31.12.2017
Tyeab Akbarally	NIL
Osman Kassim	NIL
Dato' Mohd Fadzli Yusof	NIL
M.H.M. Rafiq	NIL
Abdullah Kassim	NIL
Dr. Abdullah Shiham Hassan	100
Hareez Sulaiman	1,380

Independence of Directors

Particulars of Independent Directors are mentioned under Corporate Governance Report on page 42.

Board Meetings

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

Name of the Director	Board Meetings		Remuneration Committee/ Nomination Committee Meetings	
	Held	Attended	Held	Attended
Tyeab Akbarally – <i>Chairman</i>	4	3		
Osman Kassim	4	2	2	2
Dato' Mohd Fadzli Yusof	4	4	2	2
M.H.M. Rafiq	4	3	2	2
Abdullah Kassim	4	3		
Dr. Abdullah Shiham Hassan	4	4		
Hareez Sulaiman	4	4		

Annual Report of the Board of Directors on the Affairs of the Company

Going Concern

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

Auditors

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

The audit fee paid to the Auditors is disclosed in the Note 4.2 on page 76. The proposed external audit fee for the year 2018 is to be a maximum of USD 7,500.

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

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

Notice of Annual General Meeting

The Annual General Meeting will be held on 6th May 2018 at 2.00 p.m. at Mookai Suites, Malé, Maldives.

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

For and on behalf of the Board.



Hareez Sulaiman
Managing Director/CEO



M.H.M. Rafiq
Director



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

Amāna Takaful (Maldives) PLC

22nd April 2018
Malé

Report of the Board Audit and Compliance Committee

Composition

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

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

Members	Numbers of Meetings Attended
Dato' Mohd Fadzli Yusof (Chairman)	4 out of 4
M.H.M. Rafiq	4 out of 4
Dr. Abdullah Shiham Hassan	4 out of 4

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

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

Objectives, Duties and Responsibilities

The key objectives of the Audit Committee are:

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

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

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

Report of the Board Audit and Compliance Committee

Internal Audit

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

The Committee deliberated and reviewed a number of internal audit reports on a multitude of operational areas such as reinsurance (Retakaful), various types of reserve including technical reserve, claims and underwriting as well as Treasury matters. To ensure key decisions and recommendations of the Committee are efficiently implemented a process of follow-up programmes have been put in place. Where necessary, Auditors were directed to conduct follow-up audits and inspections.

External Audit

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

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

Provision of Non-Audit Service

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

Conclusion

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



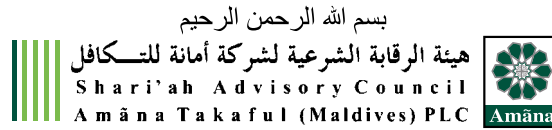
Dato' Mohd Fadzli Yusof

Chairman

Audit and Compliance Committee of the Board

20th March 2018

Report of the Shari'ah Advisory Council



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

السلام عليكم ورحمة الله وبركاته

We have examined the operations of Amāna Takaful (Maldives) PLC (the "Company") for the year ending 31st December 2017. We have also conducted our review to form an opinion as to whether the Company has complied with Shari'ah Rules and Principles and also with the specific fatwas, regulations and guidelines issued by the Shari'ah Advisory Council.

Responsibilities

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

Scope of Audit

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

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

Findings:

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

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

Opinion

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

- i. The Takaful Operations, Financial Transactions and General Operations undertaken by the Company during the year under review were generally in accordance with the guidelines prescribed by the Shari'ah Advisory Council.
- ii. Muslim Shareholders are advised to disburse Zakaah on their shares as per the Islamic Laws of Zakaah. Management has been asked to calculate, in consultation with the Shari'ah Advisory Council, the Zakaat per share that is due by shareholders.

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

والسلام عليكم ورحمة الله وبركاته

Mufti M I M Rizwe

Chairman – Shari'ah Advisory Council

Mufti Shafique A Jakhura

Member – Shari'ah Advisory Council

Sheikh Ali zahir Bin Saeed Gasim

Member – Shari'ah Advisory Council

4th April 2018

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Statement of Directors Responsibilities

This statement sets out the responsibilities of the Directors in relation to Financial Statements of the Company. The Directors confirm that the Financial Statements for the year 2017 prepared and presented in this Annual Report are consistent with the requirements of the Companies Act No. 10 of 1996.

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

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

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

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

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

For and on behalf of the Board,



Tyeab Akbarally

Chairman

Malé, Republic of Maldives

Certification by the Actuary



28th February 2018

Amāna Takaful (Maldives) PLC 31st December 2017 Net IBNR and LAT Certification

I hereby certify that the undiscounted Central Estimate of IBNR provision (inclusive of Claims Handling Expenses) of MVR 1,077,484, is adequate in relation to the Claim Liability of Amāna Takaful (Maldives) PLC as at 31st December 2017, net of retakaful. This IBNR provision, together with the Case Reserves held by the Operator, is expected to be adequate to meet the future liabilities in respect of the Operator's incurred claims obligations as at 31st December 2017, in many but not all scenarios of future experience.

At the end of each reporting period, companies are required to carry out a Liability Adequacy Test (LAT). The LAT is performed to assess the adequacy of the carrying amount of the Unearned Contribution Reserve (UCR). I hereby certify that the UCR amount of MVR 16,812,613, set by the Operator, net of retakaful, is adequate in relation to the unexpired risks of Amāna Takaful (Maldives) PLC as at 31st December 2017, in many but not all scenarios of future experience. As such, there is no premium deficiency to be recognised by the Operator.

The results have been determined in accordance with internationally accepted actuarial principles.

I relied upon information and data provided by the management of the above Operator and I have not independently verified the data supplied, beyond applying checks to satisfy myself as to the reasonability of the data.

Matthew Maguire

*Fellow of the Institute of Actuaries of Australia (FIAA)
For and on behalf of NMG Consulting*

28th February 2018

Independent Auditors' Report



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

Tel : +960 332 0742
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ey.com

Reg. No: C-192/95

Independent Auditors' Report To the Shareholders of Amāna Takaful (Maldives) PLC

Report on the Audit of the Financial Statements

Opinion

We have audited the Financial Statements of Amāna Takaful (Maldives) PLC ("the Company"), which comprise the Statement of Financial Position as at 31st December 2017, and the Statement of Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and Notes to the Financial Statements, including a summary of significant accounting policies.

In our opinion, the accompanying Financial Statements give a true and fair view of the financial position of the Company as at 31st December 2017 and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

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 Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), and we have fulfilled our other ethical responsibilities in the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the Financial Statements of the current period. These matters were addressed in the context of our audit of the Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

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

Fair Value of Financial Assets

As stated in Note 10 to the Financial Statements, financial assets include investment in equity shares and unit trusts which have been classified as fair value through profit or loss and available for sale. As per IAS 39 – Recognition and measurement, the subsequent measurement of the said assets should be at fair value. We checked the quoted price of the Maldives Stock Exchange and Colombo Stock Exchange for the quoted equity shares. For the fair value of unquoted shares, we assessed the reasonableness of the valuation method used to arrive the fair value.

Estimates used in Calculation of Insurance Contract Liabilities and Liability Adequacy Test

As stated in Note 17 to the Financial Statements, the Company has insurance contract liabilities of MVR 31.8 Mn representing 56% of its total liabilities. This is an area that involves management judgement over uncertain future outcomes, including the future claim experience of the Company, and therefore we considered it a key audit matter for our audit. In this regard our work involved in verifying the data used for the computation and continuity of the basis of the computation. Further, we checked the professional competence of the management expert hired by the Company to perform the computation.

Other Information included in the Company's 2017 Annual Report

Other information consists of the information included in the Annual Report, other than the Financial Statements and our Auditors' Report thereon. Management is responsible for the other information.

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

Independent Auditors' Report

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

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

Management is responsible for the preparation and fair presentation of the Financial Statements in accordance with IFRSs, and for such internal control as management determines is necessary to enable the preparation of Financial Statements that are free from material misstatement, whether due to fraud or error.

In preparing the Financial Statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

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 judgement and maintain professional skepticism throughout the audit. We also:

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our 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 Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

The partner in charge of the audit resulting in this independent Auditors' Report is Krishna Rengaraj.



15th March 2018
Male'

Statement of Comprehensive Income

Year ended 31st December	Notes	2017 MVR	2016 MVR
Gross written contribution (premium)	3	107,123,945	101,908,240
Less: Contribution (premium) ceded to retakaful (net of retakaful commission income)	3	(39,326,248)	(51,651,287)
Net written contribution (premium)		67,797,697	50,256,953
Net change in reserve for unearned contribution (premium)	3	(5,589,126)	(2,094,129)
Net earned contribution (premium)		62,208,571	48,162,824
Benefits, losses and expenses			
Takaful (insurance) claims and benefits (net of retakaful recoveries)	3	(36,725,013)	(25,418,319)
Acquisition cost	3	(3,614,372)	(5,057,309)
Underwriting results		21,869,186	17,687,196
Other revenue			
Investment income	3.1	2,740,338	3,314,484
Fair value gains		34,299	43,189
Other income	3.2	4,099,068	3,415,226
Expenses			
Fair value loss		-	(3,841,135)
Other operating, investment related and administrative expenses	4	(20,894,000)	(17,656,505)
Amortisation	5	(379,750)	(375,972)
Marketing expenses		(733,099)	(533,010)
Profit before taxation		6,736,042	2,053,473
Business profit tax	6	(1,401,740)	(517,855)
Profit for the year		5,334,301	1,535,618
Basic, diluted earnings per share	7	0.26	0.08
Other comprehensive income			
Profit for the year		5,334,301	1,535,618
Net change in fair value of available-for-sale financial assets		(22,059)	(39,581)
Net change in fair value of available-for-sale financial assets reclassified to profit or loss		13,874	1,803,070
		5,326,117	3,299,106
Total comprehensive income for the year		5,326,117	3,299,106

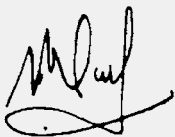
The accounting policies and Notes on pages 68 through 90 form an integral part of the Financial Statements.

Statement of Financial Position

As at 31st December	Notes	2017 MVR	2016 MVR
Assets			
Intangible assets	8	749,660	1,129,410
Property, plant & equipment	9	234,814	237,803
Deferred tax assets	6.2	789,495	693,430
Financial assets	10	82,437,767	42,423,377
Deposit with Maldives Monetary Authority		2,000,000	2,000,000
Retakaful (reinsurance) receivables	11	10,433,737	17,198,957
Contribution (premium) receivables	12	4,505,923	7,016,178
Amounts due from related parties	13	-	15,577
Other assets	14	3,457,083	2,730,175
Cash and cash equivalents	15	2,855,152	26,298,287
Total assets		107,463,631	99,743,194
Equity and liabilities			
Shareholders' equity			
Issued share capital	16	26,314,583	26,314,583
Available-for-sale reserve		(194,402)	(186,218)
Revenue reserves		24,912,395	21,551,688
Total equity		51,032,576	47,680,053
Liabilities			
Takaful (insurance) contract liabilities	17	31,840,502	27,504,184
Retakaful (reinsurance) payables		6,858,738	9,198,764
Employee benefits	18	1,517,838	1,073,768
Amounts due to related parties	19	931,530	75,391
Other liabilities	20	15,282,447	14,211,034
Total liabilities		56,431,055	52,063,141
Total equity and liabilities		107,463,631	99,743,194

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

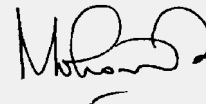
Signed for and on behalf of the Board by,



Tyeab Akbarally
Chairman



Hareez Sulaiman
Managing Director



Siraj Nizam
Head of Finance

The accounting policies and Notes on pages 68 through 90 form an integral part of the Financial Statements.

15th March 2018
Male'

Statement of Changes in Equity

Year ended 31st December 2017	Share Capital MVR	Available-for- Sale Reserve MVR	WAQF Fund MVR	Retained Earnings MVR	Total Equity MVR
Balance as at 1st January 2016	26,314,583	(1,949,706)	1,542	23,961,714	48,328,133
Final dividend – 2015	–	–	–	(1,315,729)	(1,315,729)
1st Interim dividend – 2016	–	–	–	(1,315,729)	(1,315,729)
2nd Interim dividend – 2016	–	–	–	(1,315,729)	(1,315,729)
Profit for the year	–	–	–	1,535,618	1,535,618
Net change in fair value of available-for-sale financial assets transferred to profit or loss	–	1,803,070	–	–	1,803,070
Net change in fair value of available-for-sale financial assets net of deferred tax	–	(39,581)	–	–	(39,581)
Balance as at 31st December 2016	26,314,583	(186,218)	1,542	21,550,146	47,680,053
Final dividend – 2016	–	–	–	(657,865)	(657,865)
1st Interim dividend – 2017	–	–	–	(1,315,729)	(1,315,729)
Profit for the year	–	–	–	5,334,301	5,334,302
Net change in fair value of available-for-sale financial assets transferred to profit or loss	–	13,874	–	–	13,875
Net change in fair value of available-for-sale financial assets net of deferred tax	–	(22,059)	–	–	(22,059)
Balance as at 31st December 2017	26,314,583	(194,402)	1,542	24,910,853	51,032,577

The accounting policies and Notes on pages 68 through 90 form an integral part of the Financial Statements.

Statement of Cash Flow

Year ended 31st December	Notes	2017 MVR	2016 MVR
Operating activities			
Profit before taxation		6,736,042	2,053,473
Non-cash adjustment to reconcile profit to net cash flows			
Amortisation of intangible assets – software	8	379,750	375,972
Depreciation	9	146,616	171,648
Loss on disposal of property, plant & equipment		3,913	–
Income tax paid	6.4	(1,086,531)	(1,080,471)
Investment income	3.1	(2,740,338)	(3,314,484)
Fair value gains		(34,299)	(43,189)
Fair value loss	10.4.2.1	350,488	3,841,135
Working capital adjustments:			
Decrease/(increase) in retakaful (reinsurance) assets		6,765,220	(3,542,558)
Increase in contribution (premium) receivables		2,510,255	9,070,788
(Increase)/decrease in other assets		(724,460)	(1,758,235)
Decrease/(increase) in amounts due from related parties		15,577	(15,577)
Increase/(decrease) in takaful contract liabilities		4,336,319	(1,240,746)
Increase in retakaful (reinsurance) payable		(2,340,027)	(4,205,553)
Increase/(decrease) in other liabilities		657,690	(777,651)
Increase in employee benefits		444,070	396,040
Increase/(decrease) in amounts due to related parties		856,140	1,257
		16,276,425	(68,150)
Investing activities			
Investment in financial asset		(40,338,763)	23,945,134
Acquisition of property, plant & equipment	9	(147,538)	(28,069)
Acquisition of intangible assets	8	–	(395,090)
Investment income received	3.1	2,740,338	3,314,484
Net Cash used in investing activities		(37,745,964)	26,836,458
Financing activities			
Dividend paid		(1,973,596)	(3,947,187)
Net cash flows from financing activities		(1,973,596)	(3,947,187)
Net increase/(decrease) in cash and cash equivalents		(23,443,135)	22,821,120
Cash and cash equivalents at 1st January		26,298,287	3,477,167
Cash and cash equivalents at 31st December	15	2,855,152	26,298,287

The accounting policies and Notes on pages 68 through 90 form an integral part of the Financial Statements.

Segmental Analysis – Statement of Comprehensive Income

Year ended 31st December	2017			
	General Takaful Fund MVR	Shareholders' Fund MVR	Adjustments MVR	Consolidated MVR
Gross written contribution (premium)	107,123,945	-	-	107,123,945
Less: Contribution (premiums) ceded to retakaful – [net of retakaful (reinsurance) commission income]	(39,326,248)	-	-	(39,326,248)
Net written contribution (premium)	67,797,697			67,797,697
Net changes in reserve for unearned contribution	(5,589,126)	-	-	(5,589,126)
Net earned contribution (premium)	62,208,571			62,208,571
Benefits, losses and expenses				
Takaful (insurance) claims and benefits – (net of retakaful recoveries)	(36,725,013)	-	-	(36,725,013)
Acquisition cost	-	(3,614,372)	-	(3,614,372)
Under writing results	25,483,558	(3,614,372)		21,869,186
Wakalah fee	-	23,781,431	(23,781,431)	0
Other revenue				
Investment income	1,689,557	1,050,780	-	2,740,338
Fair value gains and (losses)	6,477	27,822	-	34,299
Other income	852,099	3,246,969	-	4,099,068
	28,031,691	24,492,631	(23,781,431)	28,742,891
Direct expenses				
Wakalah fee	(23,781,431)	-	23,781,431	0
Expenses				
Fair value loss	-	-	-	-
Other operating, investment related and administrative expenses	(1,031,370)	(19,862,629)	-	(20,894,000)
Amortisation	(379,750)	-	-	(379,750)
Marketing expenses	-	(733,099)	-	(733,099)
	(1,411,121)	(20,595,729)	-	(22,006,849)
Profit from operations	2,839,139	3,896,902		6,736,042
Business profit tax	(465,821)	(935,919)	-	(1,401,740)
Profit for the year	2,373,318	2,960,984		5,334,301
Other comprehensive income				
Profit for the year	2,373,318	2,960,984	-	5,334,301
Net change in fair value of available-for-sale financial assets	(22,059)	-	-	(22,059)
Net change in fair value of available-for-sale financial assets reclassified to profit or loss	-	13,874	-	13,874
Total comprehensive income for the year	2,351,260	2,974,857		5,326,117

Segmental Analysis – Statement of Financial Position

Year ended 31st December	2017			
	General Takaful Fund MVR	Shareholders' Fund MVR	Adjustments MVR	Consolidated MVR
Assets				
Intangible assets	749,660	–	–	749,660
Property, plant & equipment	–	234,814	–	234,814
Deferred tax assets	–	789,495	–	789,495
Financial assets	50,623,431	31,814,336	–	82,437,767
Deposit with Maldives Monetary Authority	2,000,000	–	–	2,000,000
Retakaful (reinsurance) receivables	10,433,737	–	–	10,433,737
Contribution (premium) receivables	4,505,923	–	–	4,505,923
Wakalah fee (management fee) receivable	–	2,499,767	(2,499,767)	–
Amounts due from other related parties	–	–	–	–
Other assets	2,720,019	737,064	–	3,457,083
Inter-fund receivable	–	1,607,243	(1,607,243)	–
Cash and cash equivalents	2,565,613	289,539	–	2,855,152
Total Assets	73,598,383	37,972,258	(4,107,010)	107,463,631
Equity and liabilities				
Shareholders' equity				
Issued share capital	–	26,314,583	–	26,314,583
Available-for-sale reserve	56,595	(250,998)	–	(194,402)
Revenue reserves	21,343,365	3,569,030	–	24,912,395
Total Equity	21,399,960	29,632,616	–	51,032,576
Liabilities				
Takaful (insurance) contract liabilities	31,840,502	–	–	31,840,502
Retakaful (reinsurance) payables	6,858,738	–	–	6,858,738
Wakalah fee (management fee) payable	2,499,767	–	(2,499,767)	–
Inter-fund payable	1,607,243	–	(1,607,243)	–
Employee benefits	(0)	1,517,838	–	1,517,838
Amounts due to related parties	6,341	925,189	–	931,530
Other liabilities	9,385,831	5,896,617	–	15,282,447
Total liabilities	52,198,423	8,339,643	(4,107,010)	56,431,055
Total equity and liabilities	73,598,383	37,972,529	(4,107,010)	107,463,632

Notes to the Financial Statements

1. Corporate Information

1.1 General

Amāna Takaful (Maldives) PLC (“Company”) is a public limited liability Company incorporated and domiciled in Maldives. The registered office of the Company is located at H. Mialani, 3rd Floor, Sosun Magu, Male’, Republic of Maldives.

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

On 23rd March 2011, ongoing public, Amāna Takaful (Maldives) Private Limited was re-registered with Ministry of Economic Development as Amāna Takaful (Maldives) PLC as a public limited Company.

The shares of the Company are listed on the Maldives Stock Exchange.

1.2 Principal Activities and Nature of Operations

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

1.3 Parent Enterprise

The company’s parent undertaking is Amāna Takaful PLC, a public limited company, incorporated in Sri Lanka and listed on the Colombo Stock Exchange and ultimate parent undertaking is Aberdeen Holdings Private Limited – Sri Lanka.

2. Basis of Preparation

2.1 Statement of Compliance

The Financial Statement of the Company, which comprise the Statement of Financial Position, Income Statement, Statement of Other Comprehensive Income, Statement of Changes in Equity, Statement of Cash Flow, Notes to the Financial Statements have been prepared and presented in accordance with International Financial Reporting Standards (IFRS).

2.2 Basis of Measurement

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

- Available-for-sale investments are measured at fair value
- Other financial assets and liabilities held for trading are measured at fair value
- Financial instruments designated at fair value through profit or loss are measured at fair value

2.3 Comparative Information

The comparative information is reclassified wherever necessary to conform to the current year’s presentation.

2.4 Significant Accounting Judgements, Estimates and Assumptions

The preparation of Financial Statements of the Company in conformity with International Accounting Standards requires the 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.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

The most significant areas of estimation, uncertainty and critical judgements in applying accounting policies that have most significant effect on the amounts recognised in the Financial Statements of the Company are as follows:

2.4.1 Going Concern

The Directors have made an assessment of the Company ability to continue as a going concern and are satisfied that it has the resources to continue in business for the foreseeable future. Furthermore, Board is not aware of any material uncertainties that may cast significant doubt upon the Company’s ability to continue as a going concern and they do not intend either to liquidate or to cease operations of the Company. Therefore, the Financial Statements continue to be prepared on the going concern basis.

2.4.2 Fair Value of Financial Instruments

Fair value is defined as the value at which positions can be closed or sold in a transaction with a willing and knowledgeable counterparty. Management exercises judgement in determining the risk characteristics of various financial instruments, interest rates, estimates of future cash flows, future expected loss experience etc. There is no material difference between the carrying amounts and fair values of the financial assets and liabilities presented on the Company’s Statement of Financial Position.

2.4.3 Deferred Tax Assets

Deferred tax assets are recognised in respect of tax losses to the extent that it is probable that future taxable profits will be available against which such tax losses can be utilised. Judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits, together with the future tax-planning strategies.

Notes to the Financial Statements

2.4.4 Useful Life-time of the Property, Plant & Equipment

The Company reviews the residual values, useful lives and methods of depreciation of property, plant & equipment at each reporting date. Judgement of the management is exercised in the estimation of these values, rates, methods and hence they are subject to uncertainty.

2.5 Summary of Significant Accounting Policies

2.5.1 Conversion of Foreign Currencies

All foreign currency transactions are converted to Maldivian Rufiyaa, which is the reporting currency at the rates of exchange prevailing at the time the transactions were effected. Monetary assets and liabilities denominated in foreign currencies are translated to reporting currency at the rate of exchange ruling at the reporting date. Non-monetary assets and liabilities are translated using exchange rate that existed when the values were determined. The resulting gains and losses are accounted for in the Income Statement.

2.5.2 Prepaid Expenditure

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

2.5.3 Receivables

Contribution (premium) receivables are stated at the amounts they are estimated to realise net of provision for impairment of bad and doubtful receivables.

Other receivables and dues from related parties are recognised and carried at cost less impairment losses on any uncollectible amounts.

2.5.4 Taxation

(a) Business Tax

The Company establishes provisions, based on reasonable estimates, for possible consequences of audits by the tax authorities. The amount of such provisions is based on various factors, such as differing interpretations of tax regulations by the taxable entity and the responsible tax authority. Such differences of interpretation may arise on a wide variety of issues depending on the conditions prevailing in the Maldives.

Provision for business tax is based on the elements of income and expenditure as reported in the Financial Statements and is computed in accordance with the provisions of the relevant tax statutes.

(b) Deferred Tax

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

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

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

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

2.5.5 Cash and Cash Equivalents

Cash and cash equivalents are comprise of cash at banks and cash in hand.

For the purpose of Cash Flow Statement, cash and cash equivalents consist of cash and cash equivalents as defined above.

2.5.6 Property, Plant & Equipment

Property, plant & equipment is stated at cost, excluding the costs of day-to-day servicing, less accumulated depreciation and accumulated impairment in value. Such cost includes the cost of replacing part of such plant and equipment when that cost is incurred if the recognition criteria are met.

The cost of the self-constructed assets includes the cost of materials, direct labour cost and appropriate proportion of production overheads. The cost of property, plant & equipment acquired by the Company includes cost of acquisition together with any incidental expenses incurred in bringing the assets to its working condition for the intended use.

When a major inspection of plant and machinery is performed, its cost is recognised in the carrying amount of the plant & equipment as a replacement if the recognition criteria are met.

Notes to the Financial Statements

Depreciation on property, plant & equipment of the Company is charged on a straight-line basis to write-off the cost over the estimated useful life of the assets as follows:

Furniture and Fittings	20%
Computer Equipments	33.33%
Other Equipments	25%
Motor Vehicles	25%

2.5.7 Intangible Assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value as at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses.

The useful lives of intangible assets are assessed to be either finite or infinite.

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

Item	Useful Life (No. of Years)
Computer Software	8

Intangible assets with infinite useful lives are tested for impairment annually either individually or at the cash generating unit level. Such intangibles are not amortised. The useful life of an intangible asset with an indefinite life is reviewed annually to determine whether indefinite life assessment continues to be supportable. If not, the change in the useful life assessment from indefinite to finite is

made on a prospective basis. Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Income Statement when the asset is derecognised.

2.5.8 Impairment of Assets

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

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

2.5.9 Financial Assets

(a) Initial Recognition and Measurement

Financial assets within the scope of IAS 39: "Financial Instruments: Recognition and Measurement" are classified as financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, available-for-sale financial assets, as appropriate.

Financial assets are recognised initially at fair value plus, in the case of investments not at fair value through profit or loss, directly attributable transaction costs.

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

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the marketplace (regular way trades) are recognised on the settlement date.

Notes to the Financial Statements

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

Financial Assets	Category
Equity Shares	Fair Value through Profit or Loss and Available for Sale
Unit Trust	Available for Sale
Mudaraba deposits, Murabaha, Wakalah, Ijarah and Sukuk Investments	Loans and Advances
Loans and Advances	Loans and Advances

(b) Subsequent Measurement***Financial Assets at Fair Value through Profit or Loss***

The subsequent measurement of financial assets depends on their classification as follows:

- Financial assets at fair value through profit or loss include financial assets held for trading and those designated upon initial recognition at fair value through profit or loss. Investments typically bought with the intention to sell in the near future are classified as held for trading.
- Subsequent to initial recognition, these investments are remeasured at fair value. Fair value adjustments and realised gains and losses are recognised in the Income Statement.
- The Company evaluated its financial assets at fair value through profit and loss (held for trading) whether the intent to sell them in the near term is still appropriate. When the Company is unable to trade these financial assets due to inactive markets and management's intent to sell them in the foreseeable future significantly changes, the Company may elect to reclassify these financial assets in rare circumstances. The reclassification to loans and receivables, available for sale or held to maturity depends on the nature of the asset. This evaluation does not affect any financial assets designated at fair value through profit or loss using the fair value option at designation.

Available-for-Sale Financial Assets

Available-for-sale financial assets include equity and debt securities. Equity investments classified as available for sale are those, which are neither classified as held for trading nor designated at fair value through profit or loss.

Debt securities in this category are those that are intended to be held for an indefinite period of time and which may be sold in response to needs for liquidity or in response to changes in the market conditions.

After initial measurement, available-for-sale financial assets are subsequently measured at fair value with unrealised gains or losses recognised as other comprehensive income in the available-for-sale reserve until the asset is derecognised, at which time, the cumulative gain or loss is recognised in other operating income, or determined to be impaired, or the cumulative loss is recognised in the Income Statement in finance costs and removed from the available-for-sale reserve.

The Company evaluated its available-for-sale financial assets to determine whether the ability and intention to sell them in the near term would still be appropriate. In the case where the Company is unable to trade these financial assets due to inactive markets and management's intention significantly changes to do so in the foreseeable future, the Company may elect to reclassify these financial assets in rare circumstances. Reclassification to loans and receivables is permitted when the financial asset meets the definition of loans and receivables and management has the intention and ability to hold these assets for the foreseeable future or until maturity. The reclassification to held to maturity is permitted only when the entity has the ability and intention to hold the financial asset until maturity. For a financial asset reclassified out of the available-for-sale category, any previous gain or loss on that asset that has been recognised in equity is amortised to profit or loss over the remaining life of the investment using the EIR (Effective Interest Rate). Any difference between the new amortised cost and the expected cash flows is also amortised over the remaining life of the asset using the EIR. If the asset is subsequently determined to be impaired then the amount recording equity is reclassified to the Income Statement.

Loans and Other Receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. These investments are initially recognised at cost, being the fair value of the consideration paid for the acquisition of the investment.

After initial measurement, loans and receivables are measured at amortised cost, using the Effective Interest Rate method (EIR) less impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and fee or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the Income Statement. Gains and losses are recognised in the Income Statement when the investments are derecognised or impaired, as well as through the amortisation process.

Notes to the Financial Statements

Held-to-Maturity Financial Assets

Non-derivative financial assets with fixed or determinable payments and fixed maturities are classified as held to maturity when the Company has the positive intention and ability to hold until maturity.

These investments are initially recognised at cost, being the fair value of the consideration paid for the acquisition of the investment. All transaction costs directly attributable to the acquisition are also included in the cost of the investment. After initial measurement, held-to-maturity financial assets are measured at amortised cost, using the EIR method, less impairment. Gains and losses are recognised in the Income Statement when the investments are derecognised or impaired, as well as through the amortisation process.

(c) Derecognition of Financial Assets

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

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

When the Company has transferred its right to receive cash flows from an asset or has entered into a pass through arrangement, and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognised to the extent of the Company's continuing involvement in the asset.

2.5.10 Impairment of Financial Assets

The Company assesses at each reporting date whether a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset (an incurred “loss event”) and that loss event has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the

probability that they will enter bankruptcy or other financial reorganisation and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

Financial Assets Carried at Amortised Cost

For financial assets carried at amortised cost, the Company first assesses individually whether objective evidence of impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Company determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be, recognised are not included in a collective assessment of impairment.

If there is objective evidence that an impairment loss on assets carried at amortised cost has been incurred, the amount of the impairment loss is measured as the difference between the carrying amount of the asset and the present value of estimated future cash flows (excluding future expected credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate.

The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognised in the Income Statement. Interest income continues to be accrued on the reduced carrying amount and is accrued using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. The profit is recorded as part of investment income in the Income Statement. Loans together with the associated allowance are written off when there is no realistic prospect of future recovery and all collateral has been realised or has been transferred to the Company. If, in a subsequent year, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognised, the previously recognised impairment loss is increased or reduced by adjusting the allowance account. If a future write-off is later recovered, the recovery is credited to the “finance cost” in the Income Statement.

Notes to the Financial Statements

For the purpose of a collective evaluation of impairment, financial assets are grouped on the basis of the Company's internal credit grading system, which considers credit risk characteristics such as asset type, industry, geographical location, collateral type, past due status and other relevant factors.

Future cash flows on a group of financial assets that are collectively evaluated for impairment are estimated on the basis of historical loss experience for assets with credit risk characteristics similar to those in the group. Historical loss experience is adjusted on the basis of current observable data to reflect the effects of current conditions on which the historical loss experience is based and to remove the effects of conditions in the historical period that do not exist currently. Estimates of changes in future cash flows reflect, and are directionally consistent with, changes in related observable data from year to year (such as changes in unemployment rates, property prices, commodity prices, payment status, or other factors that are indicative of incurred losses in the group and their magnitude). The methodology and assumptions used for estimating future cash flows are reviewed regularly to reduce any differences between loss estimates and actual loss experience.

Available-for-Sale Financial Assets

For available-for-sale financial assets, the Company assesses at each reporting date whether there is objective evidence that an investment or a group of investments is impaired.

In the case of equity investments classified as available-for-sale, objective evidence would include a "significant or prolonged" decline in the fair value of the investment below its cost. "Significant" is to be evaluated against the original cost of the investment and "prolonged" against the period in which the fair value has been below its original cost. Where there is evidence of impairment, the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that investment previously recognised in the Income Statement – is removed from Other Comprehensive Income and recognised in the Income Statement. Impairment losses on equity investments are not reversed through the Income Statement; increases in their fair value after impairment are recognised directly in other comprehensive income.

In the case of debt instruments classified as available-for-sale impairment is assessed based on the same criteria as financial assets carried at amortised cost. However, the amount recorded for impairment is the cumulative loss measured as the difference between the amortised cost and the current fair value, less any impairment loss on that investment previously recognised in the Income Statement. Future interest income continues to be accrued based on the reduced carrying

amount of the asset and is accrued using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. The interest income is recorded as part of finance income. If, in a subsequent year, the fair value of a debt instrument increases and the increase can be objectively related to an event occurring after the impairment loss was recognised in the Income Statement, the impairment loss is reversed through the Income Statement.

2.5.11 Takaful (insurance) contract liabilities and other liabilities

Liabilities for, Takaful (insurance) contract liabilities and other liabilities, which fall due for payment on demand or within one year from the closing date.

Takaful contract liabilities and other liabilities are also carried at cost.

2.5.12 Events After the Reporting Date

All material events after the reporting date have been considered and where appropriate adjustments or disclosures have been made in the respective Notes to the Financial Statements.

2.5.13 Capital Commitment and Contingencies

Capital commitment and contingent liabilities of the Company are disclosed in the Financial Statement.

2.5.14 Retakaful (Reinsurance) and Contribution (Premium) Receivable

All contribution (premium) and other receivable assets are recognised at the amounts receivable, as they are due for settlements within 90 days from the date of recognition. Collectability of the contributions and other debtors is reviewed on an ongoing basis. Debts, which are known to be uncollectible, are written off. A provision for doubtful debts is raised when some doubts as to collection exists and in any event when the debt is more than 180 days overdue, to the extent that any relevant contribution (premium) has been earned.

2.5.15 Revenue Recognition

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

Notes to the Financial Statements

(a) Wakalah Fee (Management Fee)

- **Wakalah fee (agency/management fee) on takaful contribution (insurance premium)**

The Shareholders' Fund is entitled for management fee on every Takaful Contribution (insurance premium) received in respect of the business received during the year on pre-agreed rates.

- **Share of profit on investment income**

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

(b) Investment Income

- **Share of profit on investments with Islamic Bank.**

Income is recognised on cash basis since the Company cannot reliably estimate the same.

- **Other investment income**

All other investment income is recognised on an accrual basis

(c) Interest Income on Deposit with Maldives Monetary Authority

Interest income is recognised on accrual basis. The basis of recognition of interest income is discussed under Note 3.2 in the Financial Statements.

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

2.5.16 Expenditure Recognition

Expenses are recognised in the Income Statement on the basis of a direct association between the cost incurred and the earning of specific items of income. All expenditure incurred in the running of the business and in maintaining the property, plant & equipment in a state of efficiency has been charged to income in arriving at the profit for the year.

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

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

2.6 Standard Issued But Not Yet Effective

The following IASs have been issued by the International Accounting Standards Board (IASB) which are not yet effective as at 31st December 2017.

2.6.1 IFRS 9 – Financial Instruments

This standard will replace IAS 39 Financial Instruments, Recognition and Measurement. The improvements introduced by IFRS 9 includes a logical model for classification and measurement, a single, forward-looking “Expected Loss” impairment model and a substantially-reformed approach to hedge accounting which are detailed below:

Phase 1: Classification and Measurement	Classification determines how financial assets and financial liabilities are accounted for in the Financial Statements and, in particular, how they are measured on an ongoing basis. IFRS 9 introduces a logical approach for the classification of financial assets driven by cash flow characteristics and the business model in which an asset is held. This single, principle-based approach replaces existing rule-based requirements that are complex and difficult to apply.
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Phase 2: Impairment	IFRS 9 introduces a new, expected loss impairment model that will require more timely recognition of expected credit losses. Specifically, the new Standard requires entities to account for expected credit losses from when financial instruments are first recognised and it lowers the threshold for recognition of full lifetime expected losses.
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Phase 3: Hedge Accounting	IFRS 9 introduces a substantially-reformed model for hedge accounting with enhanced disclosures about risk management activity. The new model represents a substantial overhaul of hedge accounting that aligns the accounting treatment with risk management activities, enabling entities to better reflect these activities in their Financial Statements. In addition, as a result of these changes, users of the Financial Statements will be provided with better information about risk management and the effect of hedge accounting on the Financial Statements.
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IFRS 09 will become effective on 1st January 2018. The impact on the implementation of the above Standard has not been quantified yet.

Notes to the Financial Statements

	2017 MVR	2016 MVR
3. Gross Written Contribution (Premium) and Net Underwriting Income		
Gross written contribution (premium)	107,123,945	101,908,240
Less: Contributions (premiums) ceded to retakaful (reinsurers)		
Treaty	(8,945,013)	(11,496,588)
Facultative	(28,409,434)	(38,040,171)
Excess of loss	(1,971,802)	(2,114,528)
Net written contribution (premium)	67,797,697	50,256,953
Gross provision for unearned contribution (premium)		
Opening balance	11,223,487	9,129,358
Closing balance	16,812,613	11,223,487
Provision for unearned contribution (premium)	(5,589,126)	(2,094,129)
Total underwriting income	62,208,571	48,162,824
Gross benefits and claims paid	(41,183,312)	(33,229,408)
Surplus refund	(600,000)	–
Retakaful (reinsurance) claims recoveries	5,288,410	7,380,580
Increase in provision for gross claims payable	50,008	134,523
(Increase)/decrease in provision for claims IBNR	(280,120)	295,986
Takaful (insurance) claims and benefits (net)	(36,725,013)	(25,418,319)
Acquisition cost	(3,614,372)	(5,057,309)
Net underwriting income	21,869,186	17,687,196
3.1 Investment Income		
Dividends income	57,116	40,722
Murabaha, Wakalah and Ijarah income	2,053,546	2,432,227
Mudharabah income	268,044	523,160
Sukuk income	220,607	240,251
Income from unit trust	141,024	78,124
	2,740,338	3,314,484
3.2 Other Income		
Income from deposit with Maldives Monetary Authority	19,998	19,968
Management fee income	3,246,969	2,759,640
Sundry income	832,101	635,619
	4,099,068	3,415,226

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

Notes to the Financial Statements

	2017 MVR	2016 MVR
4. Other Operating, Investment Related and Administration Expenses		
Staff expenses (Note 4.1)	12,486,744	10,110,517
Administration and establishment expenses	6,875,889	5,975,743
Depreciation	146,616	171,648
Consultancy fees	1,384,751	1,398,598
	20,894,000	17,656,505
4.1 Staff Expenses		
Wages, salaries and bonuses	7,191,313	5,803,527
Defined benefit plan	444,062	396,048
Staff welfare	169,814	108,381
Staff training	199,314	143,820
Medical claims	126,728	102,850
Staff incentives	1,550,750	1,088,965
Other staff cost	2,804,762	2,466,925
	12,486,744	10,110,517
4.2 Included in Administrative Expenses		
Audit fee	75,363	103,779
	75,363	103,779

	2017 MVR	2016 MVR
5. Amortisation of Intangible Assets		
Software	379,750	375,972

Notes to the Financial Statements

	2017 MVR	2016 MVR
6. Business Profit Tax		
Business Profit Tax on Profit (Note 6.1)	1,459,719	1,076,909
Under provision for previous years	40,535	221,680
	1,500,254	1,298,589
Deferred tax provided/(reversed) during the year (Note 6.3)	(96,065)	(469,530)
	1,404,189	829,059
To other comprehensive income	(2,448)	(311,204)
	1,401,740	517,855

6.1 Business Profit Tax on Profit

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

	2017 MVR	2016 MVR
Profit before tax	6,736,042	2,053,473
Add: Depreciation and amortisation charge for the period	526,366	545,705
Disallowable expenses	4,495,413	6,284,315
Less: Capital allowances	(292,761)	(309,019)
Other allowable expenses	(1,233,602)	(895,076)
Taxable profit before adjustments	10,231,458	7,679,398
Tax free allowance	(500,000)	(500,000)
Taxable profit	9,731,458	7,179,398
Business profit tax on taxable profit @ 15%	1,459,719	1,076,909

6.2 Deferred Tax

Temporary difference on assets and liabilities	308,056	511,115
Available-for-sale financial assets	(228,708)	(219,080)
Unrealised fair value loss	(3,841,135)	(3,841,135)
Defined employee benefits	(1,517,838)	(1,073,768)
Net change in fair value of available-for-sale financial assets reclassified to profit or loss	16,323	-
Total temporary difference	(5,263,302)	(4,622,868)
Tax rate (%)	15	15
Deferred tax (asset)/liability as at 31st December	(789,495)	(693,430)

Notes to the Financial Statements

The provision on deferred tax is made on temporary differences between the carrying value and tax base of property, plant & equipment. The Company's management expects to earn future taxable profits and therefore deferred tax asset is recognised.

	2017 MVR	2016 MVR
6.3 Movement in Deferred Tax		
As at 1st January	(693,430)	(223,900)
Provision made during the year	(96,065)	(469,530)
As at 31st December	(789,495)	(693,430)
6.4 Business Profit Tax Payable		
Tax payable as at 1st January	543,475	325,356
Income tax expense for the year	1,500,254	1,298,589
Tax paid during the year	(1,086,531)	(1,080,470)
Tax payable as at 31st December	957,197	543,475

7. Earnings Per Share

Earnings per share is calculated by dividing the profit for the year attributable to equity shareholders of the parent by the weighted average number of ordinary shares outstanding during the year.

The following reflects the income and share data used in the earnings per share computation:

	2017 MVR	2016 MVR
Amount Used as the Numerator:		
Profit for the year	5,334,301	1,535,618
Number of ordinary shares used as denominator:		
Weighted average number of ordinary shares in issue applicable to earnings per share	20,241,987	20,241,987
Earnings per share	0.26	0.08

Notes to the Financial Statements

	2017 MVR	2016 MVR
8. Intangible Assets		
At Cost		
Balance as at 1st January	3,039,484	2,644,394
Additions	-	395,090
Balance as at 31st December	3,039,484	3,039,484
Amortisation		
Balance as at 1st January	1,910,074	1,534,106
Amortisation for the year	379,750	375,972
Balance as at 31st December	2,289,825	1,910,074
Carrying amount as at 31st December	749,660	1,129,410

	Balance as at 01.01.2017 MVR	Additions/ Transfers MVR	Disposals/ Transfers MVR	Balance as at 31.12.2017 MVR
9. Property, Plant & Equipment				
At cost				
Furniture and fittings	632,981	93,394	(52,416)	673,959
Motor vehicles	132,880	-	-	132,880
Computers and peripherals	504,143	40,017	(64,456)	479,704
Other equipment	332,389	14,128	(37,791)	308,726
Total value of depreciable assets	1,602,393	147,538	(154,663)	1,595,269

	Balance as at 01.01.2017 MVR	Charge for the Year MVR	Disposals/ Transfers MVR	Balance as at 31.12.2017 MVR
Depreciation				
At Cost				
Furniture and fittings	496,722	71,105	(50,649)	517,177
Motor vehicles	132,880	-	-	132,880
Computers and peripherals	465,967	36,942	(64,295)	438,614
Other equipment	269,021	38,569	(35,806)	271,784
Total depreciation	1,364,590	146,616	(150,751)	1,360,455
Carrying amount	237,803	-	-	234,814

Notes to the Financial Statements

	2017 MVR	2016 MVR
10. Financial Assets		
Financial instruments at fair value through profit or loss (Note 10.1)	4,194,160	804,171
Available-for-sale financial assets (Note 10.2)	27,629,283	6,414,965
Loans and receivable (Note 10.3)	50,614,325	35,204,241
	82,437,767	42,423,377
10.1 Financial Instruments at Fair Value through Profit or Loss		
Investment in equity securities (Note 10.4.1)	4,194,160	804,171
Fair value through profit or loss investments have been valued at fair value.		
10.2 Available-for-Sale Financial Assets		
Investment in equity securities		
– Quoted (Note 10.4.2)	3,495,569	3,869,741
– Unquoted (Note 10.4.3)	22,204,800	735,337
Unit trust	1,928,914	1,809,886
	27,629,283	6,414,965
10.3 Loans and Receivable		
Murabaha investments	52,736	39,260
Mudharaba investments	18,182,100	7,750,000
Wakalah investment	25,326,800	23,575,046
Advances to company officers	234,731	100,481
Ijarah investment	157,941	83,038
Sukuk investment	5,500,000	2,583,819
Special Foreign Investment Deposit Accounts (SFIDA)	1,160,016	1,072,598
	50,614,325	35,204,241

Notes to the Financial Statements

	2017		2016	
	Number of Shares	Market Value MVR	Number of Shares	Market Value MVR
10.4 Investment in Equity Securities				
10.4.1 Quoted				
Dhivehi Raajjey Gulhun PLC	2,000	160,000	2,000	162,000
Dialog Telekom Ltd.	225,000	295,840	225,000	243,188
Access Engineering PLC	70,000	166,378	70,000	178,698
Textured Jersey Lanka PLC	50,000	171,941	50,000	220,285
Ooredoo	100,000	3,400,000	-	-
	447,000	4,194,160	347,000	804,171
10.4.2 Quoted				
Amāna Bank PLC (Note 10.4.2.1)	9,340,821	3,495,569	9,398,344	3,869,741
	9,340,821	3,495,569	9,398,344	3,869,741
10.4.2.1 Cost as at 31st December				
	-	7,710,877	-	7,710,877
Less: provision for impairment	-	(4,191,623)	-	(3,841,135)
Less: sold during the year	-	(23,685)	-	-
Fair value as at 31st December	-	3,495,569	-	3,869,741
10.4.3 Unquoted				
Pak-Kuwait Takaful Co. Ltd.	-	-	500,000	735,337
MIB	9,000	22,204,800	-	-
	9,000	22,204,800	500,000	735,337

	2017 MVR	2016 MVR
11. Retakaful (Reinsurance) Receivables		
Retakaful (reinsurance) receivables	10,433,737	17,198,957
	10,433,737	17,198,957

Notes to the Financial Statements

	2017 MVR	2016 MVR
12. Contribution (Premium) Receivable		
Contribution (premium) receivable	4,505,923	7,016,178
	4,505,923	7,016,178

	2017 MVR	2016 MVR
13. Amounts due from Related Parties		
Amāna Global Ltd.	-	15,577
	-	15,577

	2017 MVR	2016 MVR
14. Other Assets		
Other receivables	711,710	45,821
Deposits, advances and prepayments	2,745,373	2,684,354
OPD recovery receivable	-	-
	3,457,083	2,730,175

	2017 MVR	2016 MVR
15. Cash and Cash Equivalents		
Cash in hand	4,000	4,000
Balances with banks	2,851,152	26,294,287
	2,855,152	26,298,287

Notes to the Financial Statements

	2017 MVR	2016 MVR
16. Issued Share Capital		
16.1 Authorised Share Capital		
50,000,000 ordinary shares of MVR 1.30	65,000,000	65,000,000
16.2 Issued and Fully-Paid Share Capital		
20,241,987 ordinary shares of MVR 1.30	26,314,583	26,314,583

16.2.1 Voting Power and Dividends

The holders of ordinary shares confer their rights to receive dividends as declared from time to time and are entitled to one vote per share at a meeting of the Company. Further, the Company has declared a final dividend for 2016 amounting MVR 657,865/- and an interim dividend amounting to MVR 1,315,729/- during the year ended 31st December 2017.

	2017 MVR	2016 MVR
17. Takaful (Insurance) Contract Liabilities		
Provision for unearned contribution (premium) (Note 17.1)	16,812,613	11,223,487
Provision for claims IBNR (Note 17.2)	877,120	596,999
Claims outstanding	14,150,770	15,683,697
	31,840,503	27,504,183
17.1 Provision for Unearned Contribution		
As at 1st January	11,223,487	9,129,358
Increased during the year	5,589,126	2,094,129
As at 31st December	16,812,613	11,223,487

17.2 Provision for Claims IBNR

The incurred but not reported (IBNR) claim reserve has been actuarially computed by Matthew Maguire on behalf of NMG Consulting Singapore. The valuation is based on internationally accepted valuation methods, which analyses the past experience and pattern of the claims.

Notes to the Financial Statements

	2017 MVR	2016 MVR
18. Employee Benefits		
As at 1st January	1,073,768	677,728
Provision during the period	444,070	396,040
As at 31st December	1,517,838	1,073,768

	2017 MVR	2016 MVR
19. Amounts due to Related Parties		
Amāna Global Ltd.	925,189	–
Amāna Wealth Management	–	55,201
Amāna Takaful PLC – Medical Takaful (Colombo)	6,341	20,190
	931,530	75,391

	2017 MVR	2016 MVR
20. Other Liabilities		
Commission payable	1,246,321	1,675,161
Other payables	4,347,035	3,298,227
Business profit tax payable	957,197	543,475
Pending policy deposits	8,731,895	8,694,172
	15,282,447	14,211,034

21. Related Party Disclosures

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

21.1 Parent and Ultimate Controlling Party

The Company’s Parent undertaking is Amāna Takaful PLC, a public limited company, incorporated in Sri Lanka and listed on the Colombo Stock Exchange and Ultimate Parent undertaking is Amāna Holdings Private Ltd. – Sri Lanka.

Notes to the Financial Statements

21.2 Transactions with Key Managerial Personnel (KMPs)

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

	2017 MVR	2016 MVR
Directors’ fees, benefits and expenses	2,332,700	2,081,785

21.3 Transactions with Other Group Companies

Information regarding the outstanding related party balances at the year ended, refer Notes 13 and 19.

Name of the Company	Relationship	Nature of the Transaction	2017 MVR	2016 MVR
Amāna Global Ltd.	Affiliate Company	Balance at 1st January	15,577	(48,271)
		Settlements (fund transfers to)	320,498	2,656,082
		Consultancy fee	(620,713)	(883,882)
		Other expenses on behalf of Amāna Takaful (Maldives) PLC	(640,550)	(1,708,352)
		Balance at 31st December	(925,189)	15,577
Amāna Takaful PLC – Medical	Parent Company	Balance at 1st January	(20,190)	-
		Charges for the Year	(2,795,225)	(1,520,967)
		Settlement during the period	2,809,074	1,500,777
		Balance at 31st December	(6,341)	(20,190)
Amāna Wealth Management Private Ltd.	Affiliate Company	Balance at 1st January	(55,201)	(25,862)
		Transferred from Amāna Capital Private Ltd.	-	-
		Charges for the Year	(114,500)	(136,541)
		Settlement during the period	169,701	107,203
		Balance at 31st December	-	(55,201)

Notes to the Financial Statements

22. Risk Management

22.1 Overview

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

22.2 Risk Management Framework

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

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

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

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

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

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

22.3 Financial Risk

22.3.1 Capital Management

a. Objectives and Policies

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

- Optimise capital utilisation within the regulatory and Shari'ah guidelines.
- To maintain the required level of solvency of the Company, thereby providing a degree of security to policyholders.
- To allocate capital efficiently and support the development of business by ensuring that returns on capital employed meets the requirements of its shareholders, policyholders and other stakeholders.
- To retain financial flexibility by maintaining strong liquidity.
- To align the profile of assets and liabilities taking account of risks inherent in the business.

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

Notes to the Financial Statements

Approach to Capital/Investment Management

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

22.4 Credit Risk

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

How credit risk could arise:

1. Premium receivable
2. Reinsurance receivable
3. Investments in debt securities

Credit Exposure

ATM's maximum exposure to credit risk for the components of the Statement of Financial Position as at 31st December 2017 and 2016, is the carrying amounts of respective financial instruments.

	Neither Past due nor Impaired	Past due but not Impaired	Individually Impaired	As at 31st December 2017
Financial assets				
Financial assets at fair value through profit or loss				
Investment in equity securities	4,194,160	–	–	4,194,160
Available-for-sale financial assets				
Investment in equity securities	–	–	3,495,569	3,495,569
Unit trust	1,928,914	–	–	1,928,914
Unquoted investments	22,204,800	–	–	22,204,800
Loans and receivables				
Mudaraba investments	19,342,116	–	–	19,342,116
Murabaha investments	52,736	–	–	52,736
Wakalah investments	25,326,800	–	–	25,326,800
Sukuk investments	5,500,000	–	–	5,500,000
Ijarah investments	157,941	–	–	157,941
Advances to Company officers	234,731	–	–	234,731
Other assets exposed to credit risk				
Retakaful (reinsurance) receivables	10,433,737	–	–	10,433,737
Contribution (premium) receivables	4,505,923	–	–	4,505,923
Cash and cash equivalents	2,855,152	–	–	2,855,152
Total credit exposure	96,737,011	–	3,495,569	100,232,580

Notes to the Financial Statements

	Neither Past due nor Impaired	Past due but not Impaired	Individually Impaired	As at 31st December 2016
Financial assets				
Financial assets at fair value through profit or loss				
Investment in equity securities	804,171	–	–	804,171
Available-for-sale financial assets				
Investment in equity securities	–	–	3,869,741	3,869,741
Unit trust	1,809,886	–	–	1,809,886
Unquoted investments	735,337	–	–	735,337
Loans and receivables				
Mudaraba investments	8,822,598	–	–	8,822,598
Murabaha investments	39,260	–	–	39,260
Wakalah investments	23,575,046	–	–	23,575,046
Sukuk investments	2,583,819	–	–	2,583,819
Ijarah investments	83,038	–	–	83,038
Advances to Company officers	100,481	–	–	100,481
Other assets exposed to credit risk				
Retakaful (reinsurance) receivables	6,097,339	–	–	6,097,339
Contribution (premium) receivables	7,016,178	–	–	7,016,178
Cash and cash equivalents	26,298,287	–	–	26,298,287
Total credit exposure	77,965,441	–	3,869,741	81,835,182

22.5 Market Risk

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

22.5.1 Equity Risk

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

22.5.2 Currency Risk

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

Notes to the Financial Statements

22.6 Insurance Risk

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

- Underwriting Risks
- Claims Risks
- Reinsurance Risk

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

22.6.1 Underwriting Risks

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

22.6.2 Claims Risk

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

22.6.3 Reinsurance Risk

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

Name of the Reinsurer	Financial Strength	Name of the Rating Agency
Swiss Retakaful	A+(Superior)	A.M. Best
	Aa3 (Excellent)	Moody's
	AA-(Very Strong)	S&P
Labuan Reinsurance (L) Ltd.	A-(Excellent)	A.M. Best
General Insurance Corporation of India	A-(Excellent)	A.M. Best
Trust International Insurance and Reinsurance B.S.C.(c) Trust Re	A-(Excellent)	A.M. Best
Emirates Retakaful Ltd.	B++	A.M. Best
Ironshore	A (Excellent)	A.M. Best

22.7 Liquidity Risk

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

Notes to the Financial Statements

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

	Less than One Year	1-3 Years	3-5 Years	More than Five Years	No. Stated Maturity	Total
Maturity Analysis 2017						
Investments in equity securities	4,194,160	–	–	–	25,700,369	29,894,529
Unit trust	–	–	–	–	1,928,914	1,928,914
Mudaraba investments	19,342,116	–	–	–	–	19,342,116
Murabaha investments	52,736	–	–	–	–	52,736
Wakalah investments	23,977,550	–	1,349,250	–	–	25,326,800
Sukuk investments	–	–	–	5,500,000	–	5,500,000
Ijarah investments	157,941	–	–	–	–	157,941
Advances to Company officers	234,731	–	–	–	–	234,731
	47,959,234	–	1,349,250	5,500,000	27,629,283	82,437,767

	Less than One Year	1-3 Years	3-5 Years	More than Five Years	No. Stated Maturity	Total
Maturity Analysis 2016						
Investments in equity securities	804,171	–	–	–	4,605,079	5,409,250
Unit Trust	–	–	–	–	1,809,886	1,809,886
Mudaraba investments	8,822,597	–	–	–	–	8,822,597
Murabaha investments	39,260	–	–	–	–	39,260
Wakalah investments	23,575,046	–	–	–	–	23,575,046
Sukuk investments	–	–	–	2,583,819	–	2,583,819
Ijarah investments	83,038	–	–	–	–	83,038
Advances to Company officers	100,481	–	–	–	–	100,481
	33,424,593	–	–	2,583,819	6,414,965	42,423,377

23. Fair Value of Financial Assets and Financial Liabilities

Short-Term Financial Assets and Liabilities

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

24. Events Occurring after the Reporting Date

There have been no material events occurring after the balance sheet date that require adjustment to or disclosure in the Financial Statements.

25. Capital Commitments and Contingent Liabilities

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

Share Information

Category of Shareholders

Amāna Takaful PLC	10,402,558
ExpoLanka Holdings Ltd.	4,600,000
A.G. Capital (Pvt) Ltd.	2,568,993
Other shareholders	2,212,459
Public	457,977
Total	20,241,987

Market Highlights

Highest traded price	MVR 5.00
Lowest traded price	MVR 2.00
No. of trades	4
No. of shares traded	168
Weighted average traded price	MVR 3.96
Market capitalisation	MVR 40,483,974
Market value per share	MVR 2.00
Price-earnings ratio (P/E Ratio)	7.69
Dividend per share	MVR 0.10
Net assets value per share	MVR 2.52

Glossary

Acquisition expenses-general takaful (insurance)

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

Actuary

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

Claims

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

Claims incurred

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

Claims incurred but not reported (IBNR)

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

Claim outstanding – general takaful (insurance) business

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

Commissions

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

Earned premium

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

General insurance business (general takaful)

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

Insurance provision – general takaful (insurance)

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

Mudaraba

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

Net earned premium

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

Premium (contribution)

The consideration payable by the insured for an insurance contract

Retakaful (reinsurance)

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

Shari'ah

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

Shari'ah advisory council (SAC)

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

Solvency margin – general takaful (insurance)

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

Takaful

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

Underwriting

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

Unearned premium/unearned premium reserve

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

Written premium

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

Notice of Meeting

NOTICE IS HEREBY GIVEN that the Seventh Annual General Meeting of Amāna Takaful (Maldives) PLC will be held on Sunday, 6th May 2018 at 2.00 p.m. at Mookai Suites Hotel, Malé, Republic of Maldives. The agenda items of the meeting are as follows:

1. To read and consider the minutes of the last year Annual General Meeting (the minutes of the meeting are available at the Company website).
2. To receive and consider the Annual Report of the Board of Directors on the Affairs of the Company for the year ended 31st December 2017 and the Report of the Auditors thereon.
3. To elect the Independent Director, Dr. Abdullah Shiham Hassan, who retires as per Clause 61 of the Articles of Association of the Company.

Brief Profile of Dr. Abdullah Shiham Hassan

Current Positions:

1. Independent Director at Amāna Takaful (Maldives) PLC.
2. CEO of RKL Group Private Limited.
3. Lecturer at Institute of Islamic Finance Maldives (IIFM).

Educational Qualifications:

1. Doctor of Philosophy in Law (PhD), International Islamic University Malaysia – 2008.
2. Master of Comparative Laws (MCL), International Islamic University Malaysia – 2002.
3. Bachelor of Laws (LLB) (Hons.), University of Tasmania/ Australia – 1986.
(Please refer page 13 of the Annual Report for the details of the Director).
4. To reappoint the retiring Auditors, Messrs Ernst & Young, Chartered Accountants for the ensuing year and to authorise Directors to determine their Fee.
(Please refer page 53 of the Annual Report for the proposed Audit Fee for year 2018).
5. To consider any other business of which due notice has been given.

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



Mohamed Hilmy
Signed for and on behalf of
Vakeelu Chambers LLP
Secretaries Malé

22nd April 2018

Voting Procedure

- Unless otherwise decided contrary, voting shall be by a show of hands where every Member shall be entitled to 1 (one) vote.
- Voting by poll may be made at the request of Members representing not less than 10% (ten percent) of the share capital.
- On a poll each shareholder shall have one vote for each share held.
- In the event of a dispute over the validity of a vote taken in a General Meeting of the Company the decision of the person who chairs the meeting shall be final.
- Where a vote is divided equally, the Chairman may, in addition to giving his vote as a Member, give casting vote.
- Where any amounts are payable in respect of any shares a Member holds, such Member shall have no right to vote.

Appointment of a Proxy

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

Proxy Voting Guidelines

Each Proxy will have the right to vote either on a show of hands or on a poll as specified in the Articles of Association. In a poll each Proxy will have one vote for each share held.

Revocation of a Proxy

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

Form of Proxy

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

Full Name:

Nationality:

ID Card/Passport No:

Address:
.....

as my/our proxy to represent me/us and to vote for me/us on my/our behalf in the Seventh Annual General Meeting of Amāna Takaful (Maldives) PLC to be held in Malé on 6th of May 2018 and at any adjournment thereof.

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

For and on behalf of the Member,

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

Contact No:

.....
Signature (Proxy) as token of acceptance.

Contact No:

Form of Proxy

Instructions as to Completion

1. In order to appoint a proxy, this form must be signed and dated by the shareholder or his/her Attorney duly authorised.
If the Shareholder is a company or legal entity it should execute this proxy form under its common seal or by the signature(s) of a person(s) authorised to sign on its behalf.
2. In case of joint shareholding, any one Shareholder may sign this proxy form.
3. A copy of the National Identity Card or Passport of the Shareholder and the Proxy should be submitted with the proxy form.
4. The duly completed Form of Proxy must be submitted to the Company 24 hours before the meeting.
5. In the case of a Form of Proxy signed by an Attorney, the relevant Power-of-Attorney or a certified copy thereof should also accompany the completed Form of Proxy and must be submitted with this form.

Corporate Information

Name of the Company

Amāna Takaful (Maldives) PLC

Legal Status

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

Company Registration Number

C-0315/2005

Registered Office

3rd Floor, H. Mialani, Sosun Magu, Malé, Republic of Maldives

Stock Exchange Listing

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

Directors

Tyeab Akbarally (*Chairman*)
Osman Kassim
Dato' Mohd Fadzli Yusof
M.H.M. Rafiq
Abdullah Kassim
Dr. Abdullah Shiham Hassan
Hareez Sulaiman

Shari'ah Advisory Council

Mufti M.I.M. Rizwe – Chairman
Mufti Shafique Ahmed Jakhura
Sheikh Ali Zahir Bin Saeed Gasim

Auditors

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

Consultant Actuaries

NMG Consulting
30 Hill Street #03-02A,
Singapore

Lawyers

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

Reinsurance Panel

Swiss Re Retakaful
Labuan Reinsurance (L) Ltd
Trust International Bahrain
GIC Retakaful
Emirates Retakaful

Secretaries

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

Principal Bankers

Maldives Islamic Bank
Bank of Maldives
State Bank of India
Bank of Ceylon



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