

PERMEATING GROWTH

Amāna Takaful (Maldives) PLC | Annual Report 2019

PERMEATING GROWTH

As the sun shines upon the archipelago year round, so does the energy and vibrancy of Takaful, which radiates through every aspect of life & business. Ideating, innovating & creating solutions that permeate the very fabric of Maldivian society, we deliver a myriad products & services to match the needs of our diverse stakeholders.

Our Business

About Us (Our Vision, Our Mission & Our Values)	3
Financial Highlights	4
Chairman’s Review	6
Managing Director/CEO’s Review	10
Board of Directors	14
General Management Committee	17
Heads of Operations Team	19
Product Portfolio	20
Sustainability Report	22
Corporate Governance	38
Enterprise Risk Management	45
Annual Report of the Board of Directors on the Affairs of the Company	50
Report of the Board Audit and Compliance Committee	54
Report of the Shari’ah Advisory Council	56

Financial Reports

Statement of Directors Responsibilities	58
Certification by the Actuary	59
Independent Auditors’ Report	60
Statement of Comprehensive Income	62
Statement of Financial Position	63
Statement of Changes in Equity	64
Statement of Cash Flows	65
Segmental Analysis - Statement of Comprehensive Income	66
Segmental Analysis - Statement of Financial Position	67
Notes to the Financial Statements	68
Share Information	88
Glossary	89
Notice of Meeting	93
Form of Proxy	95
Corporate Information	Inner Back Cover

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

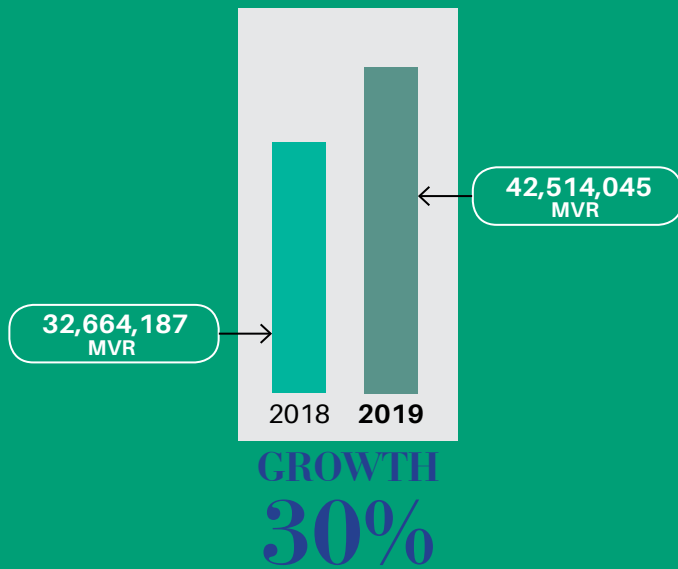
"Providing total Takaful solutions within the guidelines of Shari'ah and serving all in an admirable manner."

OUR VALUES

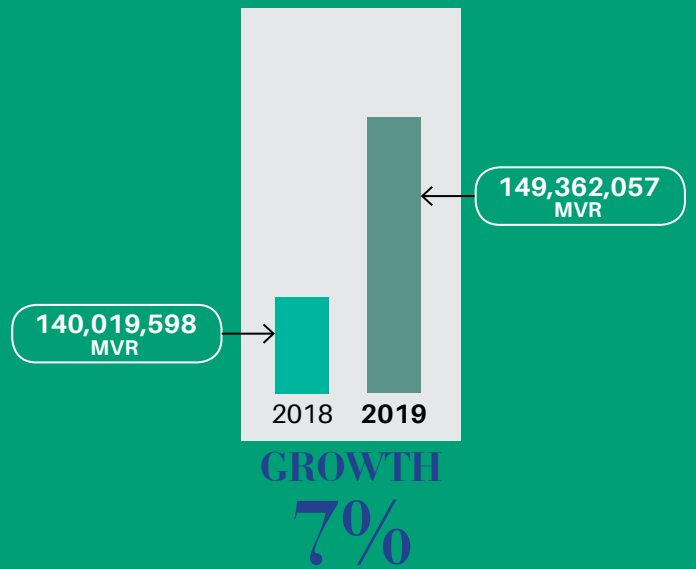
"As a company and as individuals we believe, in doing what's right - for what's right is good. To uphold integrity, sincerity, honesty and mutual respect whilst committing ourselves to all our stakeholders to consistently deliver exceptional value and to take on challenges that we relentlessly strive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

	2019	2018
	MVR	MVR
Revenue	149,362,057	140,019,598
Profit after Tax	12,481,318	11,698,979
Return on Equity	15.53%	19.83%
Total Investments	110,971,722	101,938,899
Total Assets	172,378,901	140,778,543
Total Revenue Reserves	42,514,045	32,664,187
Issued Share Capital	26,314,583	26,314,583
Net Assets Value per Share	3.97	2.91
General Takaful Fund		
Gross Written Takaful Premium	138,134,349	130,584,541
Underwriting Results	34,549,839	34,542,256
Total Comprehensive Income	14,341,508	3,223,893
Shareholders Fund		
Wakalah Fee (Management Fee)	28,294,421	31,583,928
Total Comprehensive Income	9,685,010	8,475,087

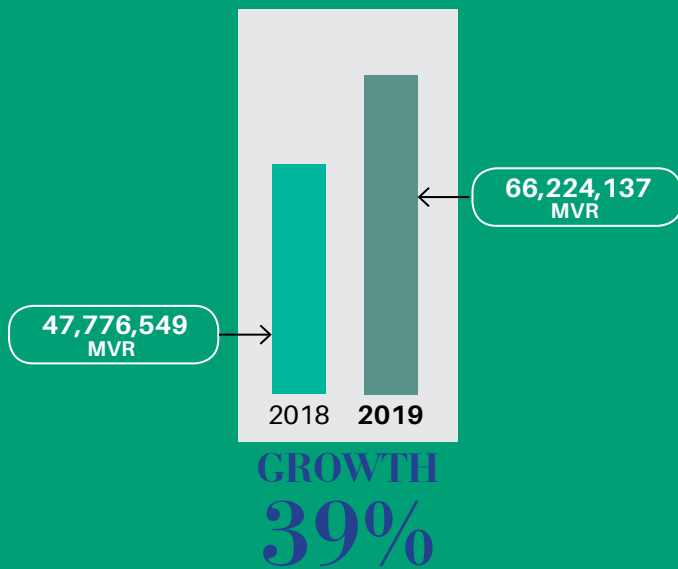
Revenue Reserves



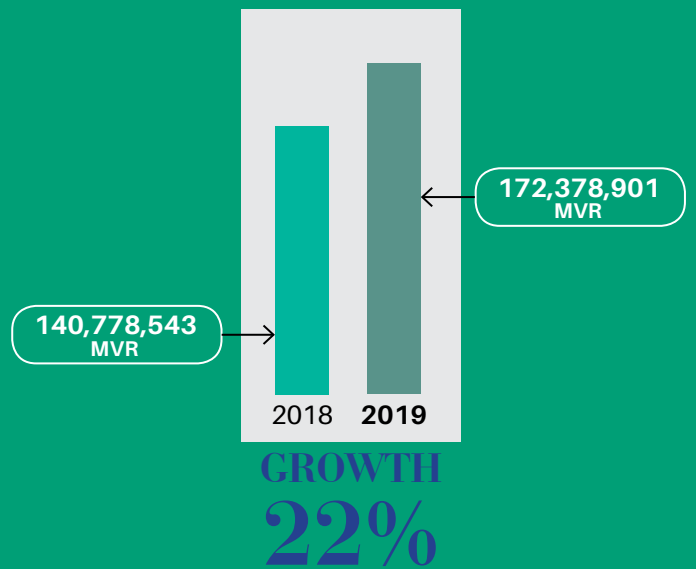
Revenue



Claims Paid



Total Assets





“THESE RESULTS TOGETHER WITH PRUDENT MANAGEMENT OF THE RISK FUND, ENABLES YOUR COMPANY TO SHARE A SURPLUS PAYOUT OF 14% WITH OUR PARTICIPANTS FOR THE 7TH CONSECUTIVE YEAR.”

“ATM’s philosophy continues to embody an entrepreneurial vision focused on building long-term sustainable value for all its stakeholders. This vision guides our business to remain relevant, to be trustworthy, progressive, competitive and viable in pursuit of growth and the creation of business value.”

PERFORMANCE REVIEW

I take pleasure in presenting the Annual Report and Audited Financial Statements of your company - Amāna Takaful Maldives PLC (ATM) for the year ending 31st December 2019.

The business environment remains challenging amidst continuing global economic uncertainties and a subdued domestic economy. Lower than expected activity in the construction industry and slowdown of infrastructure development projects in general, resulted in GDP growth at 5.7% in 2019, compared to 6.9% in the previous year.

Amidst these headwinds in the macro environment, your company remained resilient, in this 9th year of operations, continuing its track record of delivering

exemplary performance, yet again. Gross Written Premium over-performed Industry growth, Investment Income exceeded expectations, Portfolio Innovations supported by technology helped to widen our touch-points, all resulting in a healthy Profit before Tax (PBT) of MVR 14.9 Million. Alhamdulillah.

These results together with prudent management of the risk fund, enables your company to share a surplus payout of 14% with our participants for the 7th consecutive year. Living true to the ideals of the Takaful concept, and espousing the values of ethical conduct, strengthens our resolve to provide a measure of certainty and stability to all our customers, be they individuals, entrepreneurs and corporates.

Uncompromising & transparent governance is an overarching priority that receives the attention of the Board. Monitored through

established procedures and compliance frameworks, conforming to regulations and standards of business conduct, we remain steadfast to values of integrity across the enterprise. It is our firm belief, that in the delivery of strategy for the long haul, good governance is a sine-quo-non. ATM continues to raise the flag for regulatory interventions to protect the Industry for long-term sustainability. We are happy to share tried and tested Best Practice initiatives from other jurisdictions in this regard. The Board confirms that the governance requirements outlined by the Shari’ah Advisory Council have been adopted in letter and spirit.

STRATEGIC OVERVIEW

ATM’s philosophy continues to embody an entrepreneurial vision focused on building long-term sustainable value for all its stakeholders. This vision guides our business to remain relevant, to be trustworthy, progressive, competitive and viable in pursuit of growth and the creation of business value. We believe that the key to ensuring sustainability is the continued co-existence of entrepreneurialism together with professional business management and discipline.

The management team ensures that ATM maintains its enterprise risk management mechanism in order to remain prudent. Going forward, we will continue to execute our business plans by advancing on multiple fronts to achieve long-term growth. Having successfully accomplished the goals in the three-year business plan, we continue to build on the robustness of the actions in the new phase.

The management team ensures that ATM maintains its enterprise risk management mechanism in order to remain prudent.

As competitive pressure and other externalities intensify in the coming years, it is imperative that we work with an even clearer purpose to drive improved performance in 2020 and beyond. We will continue to focus towards future success in line with our philosophy of prudent underwriting and profit growth. In addition, investments in our people, products, infrastructure and technology will continue unabated, to ensure a best in class service ethos.

I might also mention, that the new withholding tax regime for reinsurance contracts has significant implication on the insurance industry in the Maldives. Product pricing, disposition of the re-insurance fraternity will determine the uptake for our products. ATM remains committed to work in collaboration with all industry stakeholders to agree on an agenda of measured responsibility and adherence to ethical standards in the interests of the insuring public.

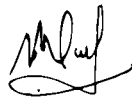
APPRECIATIONS

I extend my sincere thanks and deep appreciation to my colleagues on the Board for their valuable insights in guiding the destiny of the Company to greater heights. The Board joins me in saluting the entire team of Amāna Takaful (Maldives) PLC, for their profound commitment to the Company's sustained success.

My gratitude to all our customers for the continued faith they have placed in our entity and helping us to nurture this hallowed concept of Takaful, with continued rewards.

I thank the regulators for their advice, the Shari'ah Advisory Council for their forbearance, other stake holders and business partners for their support and encouragement, while we forge ahead as a beacon of trust.

Welcome to the Annual General Meeting of Amāna Takaful Maldives.



Tyeab Akbarally
Chairman

10th March 2020



Our new office building is designed to serve our customers, the loyal strong base of patrons who have been there with us all the way. We believe in growth, and we believe in the growth of our customers too.



**“2019 WAS YET ANOTHER
EVENTFUL YEAR FOR AMANA
TAKAFUL (MALDIVES) PLC (ATM).
IN THIS CRYSTALLINE YEAR OF
OPERATIONS, WE ALSO MARK THE
COMPLETION OF 9 YEARS AS THE
ONLY LISTED INSURANCE ENTITY IN
THE MALDIVES STOCK EXCHANGE.”**

“Trust & confidence in our products & services from both individuals and corporates, enabled the company to grow at a pace the industry. Consequently, Gross Written Premium (GWP), the key revenue indicator for the company soared to MVR 138 Mn in 2019, denoting 6% growth vs industry average of 5% YoY.”

2019 was yet another eventful year for Amāna Takaful (Maldives) PLC (ATM). In this Crystalline year of operations, we also mark the completion of 9 years as the only listed insurance entity in the Maldives Stock Exchange. We continue to make significant headway in transforming our operational and product/service offers to extend our reach in order to widen our customer base throughout the archipelago. Consistent with our vision, we remain focused to sustaining and building our market share, to be ahead of the game as a trusted General Insurer in the pristine Takaful concept. A 15% market share is no mean feat, in a fiercely competitive arena, where rates are compromised by conventional industry players in the pursuit of market share. All our stakeholders will be pleased to note that notwithstanding these challenges, ATM has lived by its promise to deliver on expectations consistently, this year being no exception. Alhamdulillah.

FINANCIAL HIGHLIGHTS

Trust & confidence in our products & services from both individuals and corporates, enabled the company to grow at a pace the industry. Consequently, Gross Written Premium (GWP), the key revenue indicator for the company soared to MVR 138 Mn in 2019, denoting 6% growth vs industry average of 5% YoY. Higher revenues coupled with prudent underwriting and efficient claims as well as cost management, translated into improved bottom line results which saw consolidated Profit Before Tax (PBT) grow by 4% to reach MVR. 14.94 Mn. Testifying to the robustness of our investment management, such income increased phenomenally by 53% from the MVR 3.03 Mn in the previous financial year to hit an all-time high of MVR 4.6 Mn in 2019. Other Comprehensive Income from equity investments, boosted the bottom-line to a record MVR 24.02Mn. Total Assets grew by 22% YoY to MVR 172 Mn as at 31st December 2019.

STRATEGIC IMPERATIVES FOR 2019

Augmenting our strength to fortify our foothold, we worked diligently in 2019 to reinforce our position as a progressive corporate entity. This meant adopting a multi-pronged approach to secure a clear competitive advantage in an intensely competitive market.

Having understood the tech-savvy profile of the typical insurance customers in the Maldives, it was deemed that digital technology would be the key catalyst in projecting ATM as the most a versatile and innovative player in the market. Premised on this, we leveraged on the latest disruptive technology to scale up our front-end systems, specifically through the launch of platforms which enable to obtain solutions at a fraction of the time taken before. To further enhance our responsiveness to the market needs, the ATM mobile App was also re-launched with the inclusion of new transactional capabilities and additional features to facilitate quick access and speedier service to the user.

At the same time we felt it was important to systematically increase our outreach around the country, which led us to develop the channels that we felt would help ATM make inroads into potentially underserved market segments. This gave the added impetus in achieving the desired results. Strengthening our brand visibility was also another key priority of 2019, especially given the stiff competition in the market. The move to relocate the Company's head office to a spacious location with state of the art facilities was accomplished in good time.

Augmenting our strength to fortify our foothold, we worked diligently in 2019 to reinforce our position as a progressive corporate entity.

A key priority to raise awareness regarding the principles of Islamic Finance and the Takaful concept itself, continues unabated. Throughout 2019 we progressed our schedule of Takaful advocacy programs focusing on key target groups such as youth and young adults.

AWARDS AND ACCOLADES

I am delighted to announce that Amāna Takaful Maldives bagged several awards and recognitions during the period under review. The Islamic Financial Forum of South Asia bestowed the Gold award for the Best Takaful Institution and Silver award for the Best Entity of the Year in South Asia. In addition, an honorary award was presented for the contribution by ATM for pioneering and development of Islamic Finance in the Republic of Maldives. Furthermore, we secured the Gold award for CSR - Project of the year, among the Islamic Finance fraternity in the region. In the same year ATM received the prestigious accolade of Gold100 for the second consecutive year. We dedicate these accolades to our customers, for their unwavering support.

FUTURE OUTLOOK

The general sentiments in the market appear to indicate an improvement in our operating environment in the coming year. Our unrelenting focus in meeting stakeholder expectations and adding Shareholder value is entrenched in our business. For our part, we will relentlessly respond to the changing environment, competitive landscape and customer needs through ongoing investments, technology and innovation initiatives in order to remain relevant. In the increasing complexity of business transformation, ATM will remain focused on executing its strategy to navigate through these conditions in pursuit of sustainable competitive advantage, while focusing on the delivery of desired results.

APPRECIATIONS

In conclusion, I wish to thank our customers for their continued patronage. I pay tribute to all Amanites for their unrelenting dedication, diligence and steadfastness towards the delivery of exemplary performance. Unstinting support from colleagues of the wider Amāna Group has always been a strength.

The advice and direction from the Chairman and the Board of Directors has and continues to be a guiding light in discharging my duties at all times. I would like to thank them for their unflinching support and counsel at all times. I would also like to place on record my appreciation to Mr. Fazal Ghaffoor, who has since retired as Chairman of the Executive Committee, for his wisdom and encouragement that spurred us to achieve greater heights.

My sincere appreciation to our partners, reinsurers and the intermediaries for their consistent engagement in a mutually rewarding experience. I also would like to extend my sincere thanks to the Shari'ah Advisory Council (SAC) and the Regulatory Authorities for their guidance and support throughout the year. Finally my heartfelt gratitude to our shareholders. I am immensely grateful for your continued support and confidence in the Company. I shall continue to rely on your strength to explore the promising possibilities in the year ahead as well.



Hareez Sulaiman
Managing Director/CEO

10th March 2020



**IFFSA GOLD AWARD
TAKAFUL INSTITUTION OF THE YEAR**



**IFFSA GOLD AWARD
CSR PROJECT OF THE YEAR**



**CORPORATE MALDIVES
GOLD 100 AWARD**

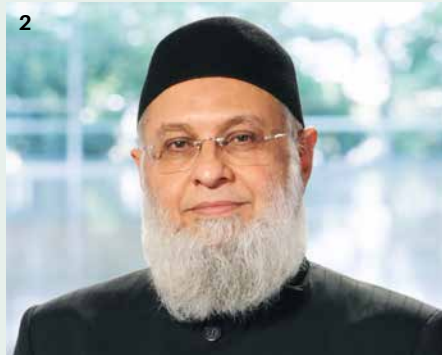


**IFFSA SILVER AWARD
ISLAMIC FINANCE ENTITY OF THE YEAR**



IFFSA HONORARY AWARD

Awards and recognitions are testament to our commitment and sustainability; we dedicate these to our customers for their unwavering support.



1. 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.

2. 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 & 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.

3. 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.



**4. 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.



**5. Abdullah Kassim
Director**

Abdullah Kassim has been appointed as 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 & Management from Manchester Business School, University of Manchester - UK.

6. 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.

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 over 17 years of 'Takaful' experience to his credit, he now heads the company as its Managing Director cum Chief Executive Officer.

7. Dr. Abdullah Shiham Hassan **Director**

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 Dhaaee, a lecture, 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 Shariah 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.

1



1. 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 conceptualizing business plans, diagnosing organizational dilemmas to crafting strategies in his consulting career.

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

2



2. 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 Master of Business Administration from Cardiff Metropolitan University, UK, 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.

3



3. 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 7 years of experience in Client Relationship Management and Hospitality prior to joining Takaful Industry which awarded him the highest sales performance in multiple years.

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

4



4. Mohamed Siraj Nizam
Head of Finance

Siraj Nizam, joined Amāna Takaful Group in 2002, and was seconded to Maldives in 2013. He has over 16 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.

5



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



Vajira Kasun
Manager-Underwriting



Hisham Nimal
Manager - Medical Takaful Operations



Rifaz Ahamed
Manager - General Claims



Ahmed Ajwadh
Senior Accountant



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 & 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.



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 group of 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.



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 safe guard 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.



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 guest house business or you are just starting one for the first time, TAKAFUL Guest House 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 specialized 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 policy holders. 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 Hospitalization, Surgical and Out Patient expenses, be it ambulance charges or expenses related to sudden illness or accident.



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 specialized Protection and Indemnity cover for foreign going vessels for ship owners and charterers.

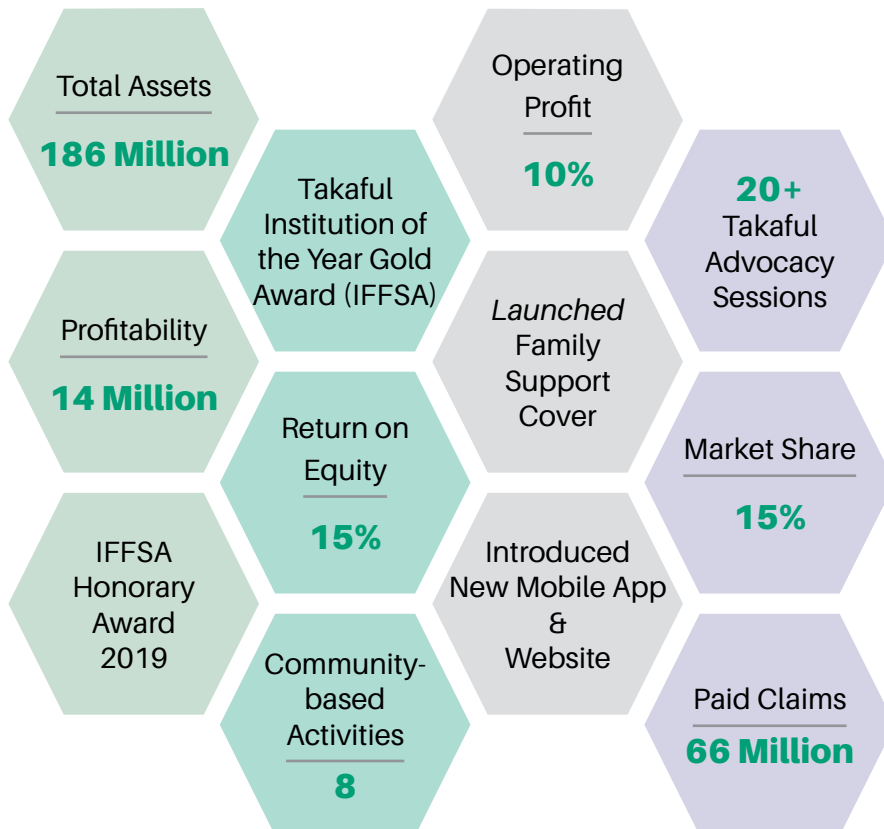
SUSTAINABILITY REPORT

Sustainability is a core part of our business culture and value system. This makes Amāna Takaful (Maldives) PLC (ATM) one of the most profitable and socially responsible businesses in the nation.

With over 50,000 customers and counting, ATM has grown to be one of South Asia’s most prominent Islamic insurer. This allows us to offer our customers products and services that meet their needs and add value to their lives. We stand for trust and strive for profitable and sustainable growth that guarantees everyone who belongs to our community benefits.

In this report we will outline the sustainable development of ATM, focusing on our journey through sustainability in operations, achievements, initiatives, strategies and measures throughout the year 2019.

1. SUSTAINABILITY ACHIEVEMENTS



2. SUSTAINABILITY STRATEGY

As the pioneers of Islamic Finance and Takaful in the country since 2003, Amāna Takaful Maldives has transformed into a leading industry player in providing Takaful solutions and risk management expertise. As we aim to position ourselves as the pioneer and most trusted Takaful service provider and a sustainability leader, we believe in cultivating a sustainability strategy into our business operations. That means we realise the importance of operating in an economically, environmentally and socially sustainable manner. At ATM we are committed to explore innovative approaches to amplify our sustainability efforts and believe in a culture of strong corporate governance, social responsibility and environmental stewardship.

As we focus on managing risks and taking advantage of business opportunities, we continue promoting a culture of sustainability to operate our business in a way that minimizes environmental and social impact, whilst upholding the tenets of Shari’ah.

3. SUSTAINABILITY GOVERNANCE

Strong corporate governance is pivotal to our sustainability approach, and our commitment to this emanates from the top of our organization. We have been consistently adopting the structure of our sustainability based on a broad-based consultative process, beginning with the board and echoed throughout the organization. Our Board of Directors is made up of independent, non-executive and executive directors who believe that the interests of all stakeholders are a priority. They meet on regular intervals and are responsible for ensuring the development and stability of business momentum and achievement of timely milestones as per the strategic imperatives.

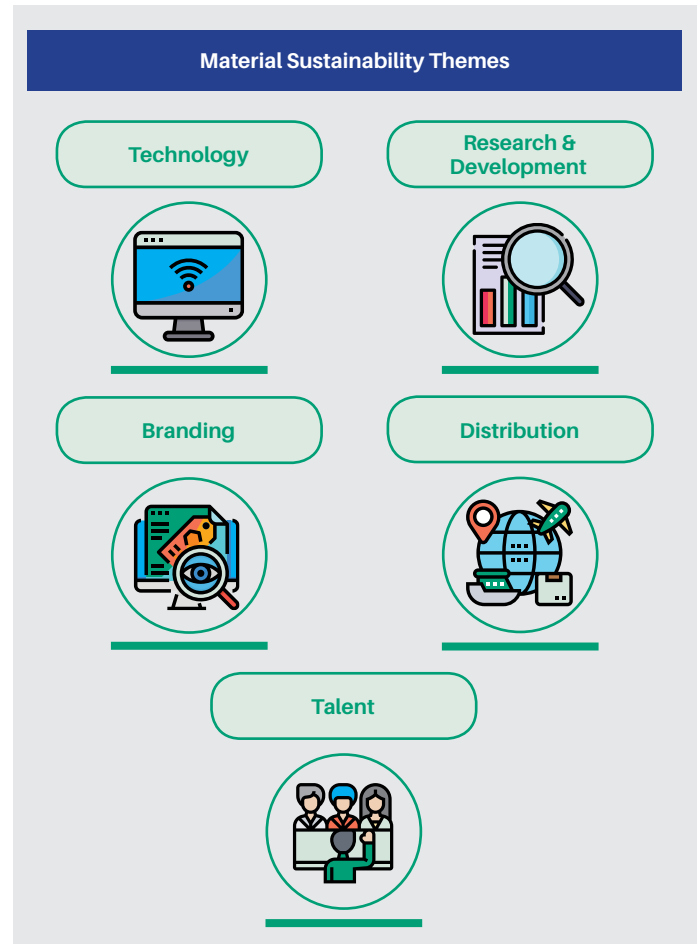
As a company that embraces sustainable business as the way forward, our practices are headed by our Chief Executive Officer, Hareez Sulaiman. The Board has delegated further responsibilities to Board Committees to facilitate the management and operation of some key activities.

As an Islamic insurance company, our Shari’ah Advisory Committee consists of experts in various fields. This committee plays a pivotal role in providing counsel to the Board and the Management, ensuring we conduct our business in line with Shari’ah guidelines and principles.

Our operations, affairs and activities are carried out conforming to our Shari’ah Governance Framework, which is part of our ongoing sustainability initiative in compliance with the Shari’ah requirements. For detailed information of our Corporate Governance, refer to the Corporate Governance Overview Statement section of this report.

4. MATERIAL SUSTAINABILITY

In today’s fast-paced, ever changing business world, identifying materiality helps us prioritize the sustainability issues that matter most to our business and our stakeholders. We consider an issue material, when it impacts our business and becomes vital to our wide-ranging stakeholders. Our determination of material sustainability ranges across five key areas of Technological Advancement, Increasing Accessibility, Brand Awareness, Innovation and Breeding Talent. In the past year we have drawn up action plans on how most effectively we could address each area.



5. GROWING WITH OUR CUSTOMERS

At Amāna Takaful we are known for our resilience, competence and adaptability with changing times. To build on this reputation and make certain that we are fit for the future, we are constantly adapting to the needs of our customers. We understand that evolving technology keeps changing the way people live their lives, and we make use of these opportunities to empower, engage and reach out.

6. REACH & ACCESSIBILITY

6.1 Distribution Channels

With service and true customer-centricity as our objective, ATM's introduction of online distribution points including portal and mobile app has fulfilled the needs of a large segment of our customers. With the facelift and enhanced features, traffic to ATM's web portal and mobile app increased during the year. Designed for convenience, now our customers can get online quotes, buy products, lodge claims and even submit the online survey for inspection and risk assessment.



Although distribution channels traditionally have been dominated by agencies and remain the preferred choice for motor Takaful, there has been a significant rise in portal and mobile app users in the past year.

Our customer service center located in the ground floor of the new office premises has also been designed for the convenience of walk-in customers. Our handpicked staff at the center makes up of trained and qualified professionals, guiding our customers through mandatory third-party motor Takaful, to complex products including fire, hull and engineering.

6.2 Empanelment



We are in the business of supporting people, so during the year we have partnered with several new medical facilities locally as well as globally to provide medical services for Amāna Takaful medical card holders. We keep striving to empanel extensively for our medical end users so that they may choose the medical outlet of their preference. We have also facilitated more service providers to allow our customers to gain the services from wherever they are - at their point of residence or any travel destination - covering every possible corner of the world.

Our consistent efforts in partnering with service providers has resulted in the alliance of several new medical facilities - from community-based clinics and regional hospitals - to central hospitals and specialty and super specialty chains.



6.3 Office Relocation



In our hunt for new office space this year, our top priority was convenience to our customers - and our new office premises located in the prominent Sosun Magu, affords just that. Situated on the ground floor with wheel chair access and disabled-friendly environment, the new location is also spacious, easily accessible and conveniently located.

Amāna Takaful Maldives' new address at H. Palmayrah, Sosun Magu, Male', will serve as our front office as well as corporate headquarters for more than fifty-thousand customers. The office will be open six days a week, round the year, with service hotlines.

7. AWARDS AND ACHIEVEMENTS



ATM takes a holistic and responsible approach to business - an assurance that has been recognised by several awarding bodies. In 2019 we were awarded the Gold 100, the most prestigious business award in the Maldives.

Our commitment to Islamic Finance and corporate responsibility has been recognized by the Islamic Finance Forum for South Asia (IFFSA)

this year as well. As we prove ourselves as the best Islamic insurance company in South Asia year after year, we have been awarded several accolades including the IFFSA Honorary Award, recognizing ATM's efforts in promoting Islamic Finance in Maldives; the IFFSA Gold Award for Takaful Institutions of the Year and the Silver Award for Islamic Finance Entity of the Year - selected among all Islamic finance entities in South Asia. For our commitment towards corporate social responsibility, we were awarded the IFFSA Gold Award for CSR for creating awareness through the Takaful Advocacy Program.



AWARDS & ACCOLADES - 2019

- ★ Gold 100 Award - Awarded to top 100 companies in Maldives based on multiple criteria's assessed rigorously by a reputed panel of judges.
- ★ IFFSA Honorary Award - Recognizing ATM's efforts in promoting Islamic Finance in Maldives
- ★ IFFSA Gold Award for Takaful Institutions of the Year - ATM topped the list of Takaful Companies of South Asia to bag this award
- ★ IFFSA Gold Award for CSR - For ATM's efforts in creating awareness through the Takaful Advocacy Program
- ★ IFFSA Silver Award for Islamic Finance Entity of the Year - Selected among all Islamic finance entities in South Asia



8. COMMITTED CORPORATE CITIZEN - CRYSTAL CELEBRATION



Following 15 years as the pioneers of Islamic Finance, we celebrated our crystal anniversary on July 11, 2019. The Governor of the Maldives Monetary Authority, Mr. Ahmed Naseer, who preceded the occasion, commended Amāna Takaful Maldives for our role as a committed corporate citizen in the past decade and a half.

Prominent Islamic Finance Industry representatives, customers of Amāna Takaful and representatives of government institutions also graced the occasion. The governor of the Maldives Monetary Authority conferred tokens of appreciation to institutions, organizations and individuals who have contributed towards Islamic Finance in Maldives.



The event was further augmented by launching the first ever Country Report on Islamic Finance – an initiative by the Maldives Center for Islamic Finance, authored by Thompson Reuters, UK.



9. CORPORATE SOCIAL RESPONSIBILITY

At Amāna Takaful our commitment to society goes hand in hand with our business operations. Today, we believe in not only delivering to our employees and stakeholders, but contributing positively towards the society we live in so that everyone who belongs to our community benefits.

9.1 Advocacy

Since the inception of Amāna Takaful, we have been conducted advocacy programs, educating various segments of the society to increase financial literacy and create awareness of risk management through the concept of Takaful.





This year, in recognition of our commitment to educating the nation, the Islamic Finance Forum for South Asia conferred the Gold Award for CSR for ATM's efforts in creating awareness through the Takaful Advocacy Program.



Despite Maldives' positive growth trajectory, the country is a tiny island nation with a population of just half a million, spread across 26 atolls. Although active participation of this population in the economic activities of the nation is significant for this accelerated growth, a significant part of the population remains to be educated to draw on financial opportunities, including Takaful schemes.

Identifying this urgent need of the economy and the people of this country, ATM has launched a series of Takaful Advocacy programs to upscale the financial literacy among students, entrepreneurs, corporate entities, individuals and government institutions.

The signature Takaful Advocacy program continued during the year with a target to conduct twenty sessions for schools, colleges, universities and selected corporate customers.

Our advocacy content was redeveloped and segregated based on the audience. We introduced middle-school students to the concept of risk management and Takaful as a tool for risk management, and educated high school students on the advantages of different packages. The mature audiences from public and university were introduced to concepts, solutions and the differences between a Takaful and Conventional model of insurance.





9.2 Environmental Impact - Less is More

In the past year we have continued to reduce our environmental footprint by shifting to economizing the use of energy and other resources as we continually strive to improve the environmental performance of our own operations.

In our workplace we consciously seek to minimize the waste we produce and make better use of resources by using more recycled materials wherever possible. We also actively discourage single-use-plastic waste and advocate saving water.

Active engagements with community-based projects in their efforts to clean-up the environment is always a priority in our annual calendar. We also mark the World Environment Day with a special staff assembly to address environmental issues and create awareness to protect our world.

9.3 Reaching communities and giving away free covers

Understanding that the communities in outreach islands in Maldives don't enjoy the same convenience as people living in the capital Male, we decided to reach out. Building a strategic partnership with the Maldives Islamic Bank (MIB), we have jointly launched "Family Support Takaful Cover" specifically designed for MIB customers, which has been made conveniently available at all MIB branches.

We also gave away free motor add-on covers for walk-in customers during the month of Ramadan. The promotion that was marketed from our social platforms resulted in number of free covers given away.





Governance matters. We also strive to integrate sustainability into business operations and conduct our business in an economically, environmentally and socially responsible manner.



9.4 Corporate Giving



As we continue to reach out to communities around us, one of our priorities is the under-served segment of the society. Cultivating goodwill, fostering learning and building relationships with these communities is a central part of our corporate giving policy. We constantly re-create and implement solutions to social challenges by organizing community-based activities, voluntary employee participation and providing monetary and in-kind contributions.

At Amāna Takaful Maldives, we have a profound and undeterred commitment towards the community. Our core aim is to foster a sustainability strategy encompassing the Environmental, Social &

Takaful is a risk management model. This means our duty to the community and helping each other in times of need is an integral part of what we do. And as a risk fund operator, Amāna Takaful Maldives strives to promote the concept of participative support for the community focusing on education, women empowerment and preventive and precautionary programs including traffic awareness, jointly conducted with law enforcement authorities.



Team Amāna is a youthful and energetic team, the members are eager to partake in community activities voluntarily. A few events to name are world down syndrome day, World TB day - to join hands with adults and children living with this phenomenon. Supporting the efforts of institutes, schools, colleges have always been a priority and we have been giving back to community for the development and progress of lives.

Besides, our commitment to promote and advocate for Islamic Finance furthered during the year in review. We support these events to increase awareness and develop Islamic finance in the Maldives.



HUMAN RESOURCE REPORT 2019

1. Our People



Our people are our most important asset, and the foundation of our success over the past 15 years has been our workforce. As an employer - we depend on having the best people in place, and together we successfully deliver our service promise every day, drive improvements across our operations, and respond to new business challenges as they arise.

It is our priority to recruit the right talent and provide the relevant training to develop and empower them to succeed, ultimately recognizing them for their exceptional contributions.

At Amāna Takaful Maldives, we adopt a policy where both people and performance go hand in hand, thriving on the values of quality and diversity - where we care for the health and safety of our employees.

2. HR Strategy

We foster a working environment where both people and performance matter. That's why our strategic focus on building a high-performance culture became our turning point to achieve the key objectives of restructuring, recruitment, work place wellbeing, succession planning and training & development.

With the many opportunities provided for learning and development, we make sure our staff members are geared with the right technical knowledge and expertise. We have developed the right platforms for our staff to excel in their work, contributing to the overall operational efficiency of our organization.

As a progressive organization, we have provided our staff members with modern facilities at workplace, to unveil their maximum potential. We believe these initiatives will attract and retain the right talent to deliver on our promise to all stakeholders.

3. Capacity Building



Apart from keeping abreast with the global evolution of businesses, capacity building is vital to thrive in today's competitive environment. Our strategic initiative to build in-house capabilities and become less reliant on external support has been a continuous success. We achieved this by developing staff capabilities, multitasking and infusion of new talents. In 2019 we have restructured the departmental functions to keep in line with service improvements, and our commitment to continuous development in the market.

Induction Program



During the year, we successfully inaugurated an internship program for new inductions. Potential candidates are identified and moulded through an intense, on the job training phase before joining the sales force. The program aims to provide the necessary skills required to be a successful sales team member and Takaful ambassador. Through the program, the values of Takaful and the general working ethics practiced at ATM are also instilled in our team. Over the years we have successfully forged a team of sales ambassadors aligned to our organizational goals, whilst paving way for these staff members for a successful career in Takaful and risk management.

We also embarked on providing growth opportunities for new graduates who are keen to learn and experience Takaful, by enrolling them as interns, helping them learn and work in a professional environment. The focus of the program has been to help interns develop their corporate skills and gain knowledge on Takaful operations.

Learning and Development



In the face of a rapidly changing world, ensuring our employees continuously develop the skills and knowledge they need for the future give us the edge in providing the service excellence we strive for. At Amāna Takaful we believe in lifelong learning which is why learning and development is at the heart of culture.



We know that by laying the foundation to prepare our people for the constantly evolving challenges, we are preparing them for the future. In line with this, we conducted various training programs for our staff throughout the year to sharpen their performance, harness leadership skills, impart technical knowledge and improve personal development skills.

Personal and Professional Development



We have encouraged our staff members to undertake Islamic Finance Qualification programs conducted by various institutions. These programs are facilitated by renowned experts in Islamic Finance. They covered subject areas including general principles of Islamic finance, Islamic contracts, Islamic principles of exchange, Islamic asset management and social responsibility, Sukuk, Takaful and governance in Islamic institutions.

Members of our team also followed a workshop on “Islamic Economic System and the Role of Islamic Social Finance” to help better understand the trending Islamic finance practices around the world.

We hired reputed personal development mentors to conduct training sessions to gear our team with the latest trends in professional practices at workplace. Our staff members took away key skills to implement in their daily professional lives.



The benefits of these structured sessions for our team has been tremendous. It has resulted in creating the right vibe among the staff members, exposing them to new methods of delivery, boosting their self confidence, sharpening their independent and analytical thinking, while aligning their personal goals with the organizational goals.

Technical Knowledge



Insurance and Takaful is technically intensive, given the changes in risk management. Under the strategic initiatives of staff development, we have partnered with international education service providers to offer structured courses in insurance for our employees. Key modules in this course include the operations of Insurance Business, Insurance Law & Regulations and Claims Management & Underwriting Practice. A significant number of our staff members from all departments are currently pursuing for this qualification.

Global Exposure



We continued to provide international exposure to our workforce this year to broaden their horizons and discover global perspectives in their professions. This year, our team members have participated in international conferences, training programs and seminars to understand multi-cultural organizations, diverse business models and global best practices. They also had the opportunity to learn from industry giants and other seasoned professionals in the world of insurance.

4. Rewards and Recognition

A committed workforce is our greatest asset that drives the organization towards its goals. To recognize their efforts and felicitate their contribution, we annually reward and recognize our staff members' services to ATM.

In designing our remuneration and incentive structures to reward people in a fair and appropriate way, we use both monetary and non-monetary rewards for sustainable value creation.

Annual Awards Day 2018



The Annual Awards Day is a much awaited company-wide event to celebrate the achievements and teamwork of our talented employees. The Annual Staff Night has also become one of ATM's much awaited social engagements, where our employees are recognized in the presence of senior management and staff.

The key awards presented include:

- i. CEO's Award - recognizing and appreciating the contribution of operations staff who go beyond their normal call of duty.
- ii. Ten Years' Service Award - staff completing 10 years of service in the company are recognized for their dedicated service to Takaful.
- iii. Best Performance Awards - for outstanding dedication and commitment sustained throughout the year.

Bonus

At ATM a performance-based bonus scheme is in place to recognize the contribution of all staff members towards achieving corporate objectives. This scheme takes into account the overall company performance and individual contribution to the business.

5. EMPLOYEE ENGAGEMENT

We can directly link the achievements and success of 2019 to the engagement of our workforce. In our experience, a workforce thrives, and stays motivated in a culture that promotes staff engagement. In turn this is reflected in the organization's achievements, leading to higher retention, enhanced productivity, employee loyalty and increased profitability.



6. 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.

As an organization steeped in our value system, we constantly remind our workforce of our value statement at our weekly mission meetings. We have also integrated our values into our strategic equation to create a generation of Takaful ambassadors advocating risk management.



With emphasis on the importance of building our culture based on Islamic values and beliefs, we ensure our workforce is provided with not only relevant Shari'ah knowledge related to our business model, but also sound Islamic values and principles. Our Shariah Advisory Committee too has devised programs on various Takaful based topics for our staff to keep up with the constant developments in Takaful.

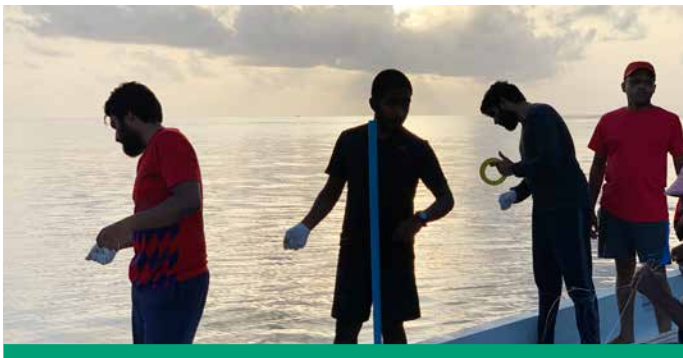
7. Work Life Intergration



A healthy and secure workforce performs better, is more committed and delivers a stronger customer focus. That is why we make our employees' health and safety a top priority. At ATM we actively promote ways to improve the physical and mental health of our team. Our staff members are encouraged to participate in sports and recreational activities regularly and we have inculcated a strong work-life balance in our business culture.

Experience has taught us that a stress free environment for our workforce results in better service for our end users. With this in mind, we have paid particular attention to further improving our working environment during the course of this year.

ATWA





At ATM, we work as a team. The Amāna Takaful Welfare Association (ATWA) is the spirit of our organization where the entire workforce comes together in informal settings to build this team spirit.

Team building games, sports activities and social gatherings with employees' families makes up a large part of the ATWA initiative.

During the year, ATWA kicked off our first ever staff football league where teams from different departments pitted against each other in friendly matches. We also organized a two-day excursion for the entire workforce that resulted in fostering a sense of belonging amongst our team. Our employees enjoyed picnics, fishing trips and sports activities through the year, contributing to better mental, physical and spiritual well-being of our people, while helping them enjoy our corporate culture - which is one of togetherness.





A group of islands in the seas, fanned by the breath of every breeze, where palms droop over the sandy shore unharmed by gale or oceans roar. A people of islands, a people of sea and a people who have embraced Islam some 800 years ago inhabit the 1200 pearls stretched across the sea.

One fine day in 2003, a group of Amanites adventured by swimming the tide with a dolphin school, thus came ashore the fragrance of Takaful. Winning the hearts and minds of the people of the islands, who hoisted the unwavering flag of Amana Takaful in the Republic of Maldives.

Working tirelessly, it soon became a beacon of ethics in the archipelago seeding the breed of Islamic Finance - a monumental change to the financial landscape of the Maldives Islands.

AMANA TAKAFUL (MALDIVES) PLC

Chairman:
Tyeab Akbarally

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

BOARD OF AMANA TAKAFUL (MALDIVES) PLC

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

**AUDIT AND COMPLIANCE
COMMITTEE**



Two Independent Non-Executive Directors
and one Independent Director

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

Audit and Compliance Committee report
on page 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 45.

INVESTMENT COMMITTEE



Three Members including One
Independent Director

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

REMUNERATION COMMITTEE



Three Independent Non-Executive
Directors

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

Remuneration Committee report on
page 42.

EXECUTIVE COMMITTEE



Three Members including One
Independent Director

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

NOMINATION COMMITTEE



Three Independent Non-Executive
Directors

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

Nomination Committee report on page 42.

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 832 shareholders as at 31st December 2019, while over 90% of the shares are held by corporate entities. Details of the main shareholders are given on page 88.

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 44.

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

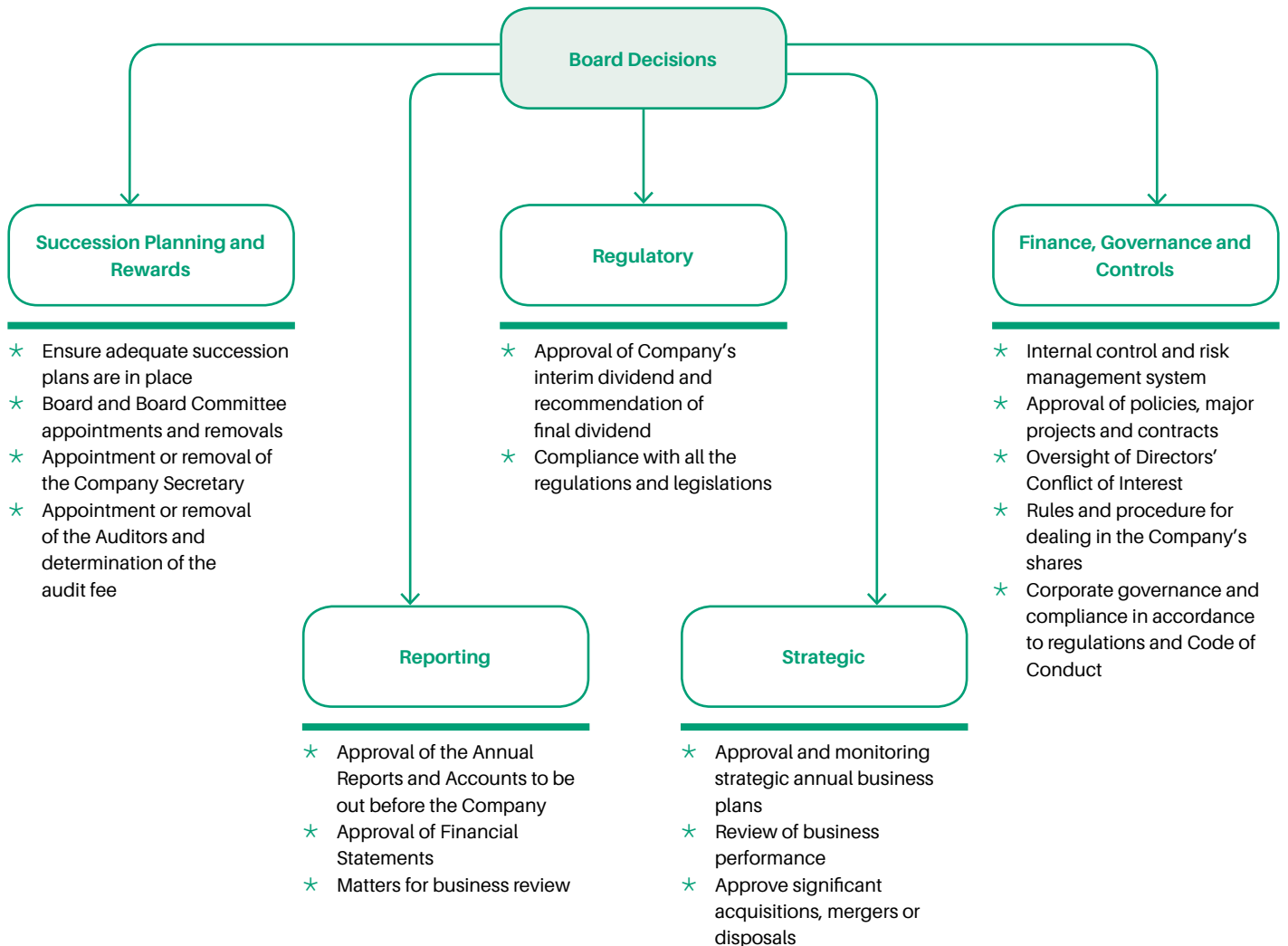
are regularly reviewed by the Board and, in particular, by the Nomination Committee to ensure that there is an appropriate balance and diverse mix of skills, experience, independence and knowledge of the Group. More details of our Board members can be found on pages 14 to 16.

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 43 and 45.

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:



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

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

BOARD'S ROLES AND RESPONSIBILITIES

Chairman

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

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

Chief Executive Officer

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

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

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

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

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

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

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

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

i. The Audit and Compliance Committee

The Audit and Compliance Committee comprises three Independent Non-Executive Directors. It is chaired by Dato' Mohd Fadzli Yusof who is an Independent Non-Executive Director of the Company. The Chief Executive Officer, Head of 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 45.

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 for an attendance fee for Board/Committee meetings.

Independent Directors may not receive, directly or indirectly, any incentives, consulting, advisory or other compensatory fees from the Company. Further, no Directors are entitled for any stock options from the Company. Details of the composition of the Committee are set out on page 44.

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 follow:

Category	Below MVR 100,000/-	MVR 100,000/- - MVR 200,000/-	MVR 200,000/- - MVR 400,000/-	MVR 400,000/- and above
Independent Non-Executive Directors				
Tyeab Akbarally	✓	-	-	-
Osman Kassim	✓	-	-	-
Dato’ Mohd Fadzli Yusof	✓	-	-	-
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 three members and is chaired by Abdullah Kassim. The Committee is entrusted with the responsibility of monitoring the implementation of the business strategies of the Company.

The members of the Committee are as follows:
Abdullah Kassim - *Chairman*
Dr. Abdullah Shiham Hassan
Hareez Sulaiman

ETHICAL STANDARDS

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

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

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 Shari'ah, in particular that relates to the operations of Takaful and Islamic finance in

general. The Statement of Compliance is a part of the Annual Report and is provided on page 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.

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 - <i>Chairman</i> 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 - <i>Chairman</i> M.H.M. Rafiq Osman Kassim	
Nomination Committee	Dato' Mohd Fadzli Yusof - <i>Chairman</i> M.H.M. Rafiq Osman Kassim	
Audit Committee	Dato' Mohd Fadzli Yusof - <i>Chairman</i> M.H.M. Rafiq Dr. Abdullah Shiham Hassan	

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

The Company's Risk Management Strategy is to operate within the risk appetite guidelines set by the Board Risk Committee (RISCO) and approved by the Board of Directors, which are then reviewed on a quarterly basis, with an eye on the changing corporate risk environment.

Given the increased level of awareness and assertiveness from the perspective of regulatory requirement and, the connected risk involvements, the Company has widened its scope to an Enterprise Risk Management (ERM) Framework.

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

DEFINITIONS OF RISK AND RISK MANAGEMENT

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

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

RISKS FACED BY INSURANCE COMPANIES

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



1. INSURANCE RISK

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

Insurance Risks	Control
Underwriting Risk - At the time of underwriting of a risk (business/asset) it is the Company's duty towards the participant to analyse and evaluate the risk proposed for participation. Therefore the Company is bound to charge the appropriate rate of takaful contribution (premium) that will be pooled into a defined takaful fund belonging to all participants for the purpose of paying any defined loss suffered by any of the participants.	A robust underwriting regime is in place with well-experienced and qualified professionals in the team. A well-scrutinised set of SOP's are formulated and implemented.
Product Design - Designing the product offers and benefits with the right pricing is very critical to the Takaful Business operation.	The Company has appointed a Research and Development Team and a Technical Team with a set of hand-picked members from Sales & Marketing, Underwriting, Retakaful and Claims. The Team met periodically and reviewed existing product features while researching for new product requirements.
Actuarial calculations and provisions carry claims risks of General Insurance business.	A qualified and well-experienced professional firm has been contracted to carry out the actuarial function.

A. Claims Risk

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

B. Retakaful Risk

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

2. MARKET RISKS

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

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

3. STRATEGIC AND REPUTATIONAL RISK

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

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

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

4. OPERATIONAL RISKS

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

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

5. COMPLIANCE RISK

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

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

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

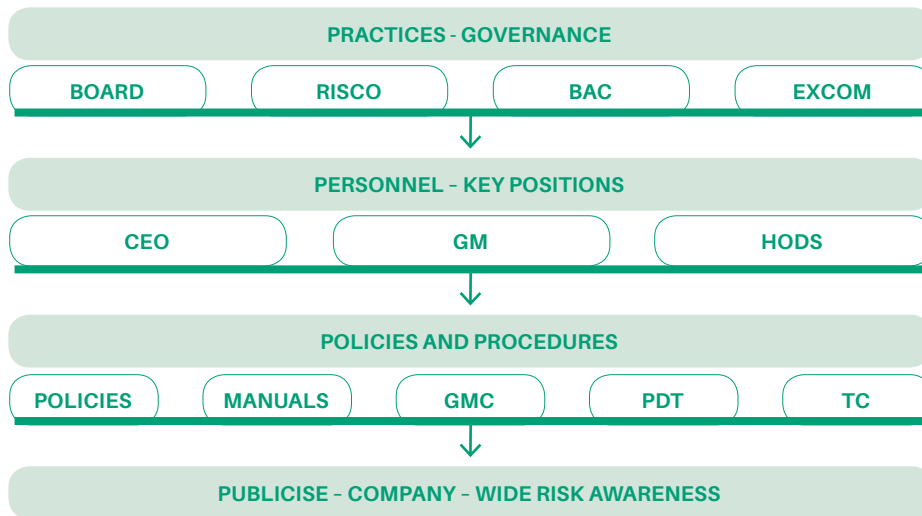
6. CREDIT RISK

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

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

ATM ENTERPRISE RISK MANAGEMENT FRAMEWORK

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



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

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

1. First Line of Defence

Publicise – Educating the staff at shop floor level with the appropriate level of authority will help them take the right decision at the right time. The Company recognised that staff in the front line were exposed to the market and most often encountered various challenges. Cognisant of the challenge in communicating the entire ERM Framework and strategies to manage risks, the Risk Management Unit has adopted a simplified 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. The Company believed in its human capital, especially personnel in key positions, that they will take prudent business decisions in pursuit of corporate objectives.

4. Final Line of Defence

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

Personnel and review performance, challenges and opportunities under the respective areas and report to the Board accordingly.

RISK MANAGEMENT PROCESS

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

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

KEY RISK MANAGEMENT ACTIVITIES DURING 2019

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

MEETING

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

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

Members	No. of Meetings Attended
Dato' Mohd Fadzli Yusof (Chairman)	4 out of 4
Mohamed Haniffa Mohamed Rafiq	2 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 a Risk Management Manual and a Register, taking into account of all possible risks associated with the business activities. The RISCO and the Board believe that Amāna Takaful (Maldives) PLC is in the right direction in terms of developing a sound system and process to manage and mitigate these risk profiles accordingly.



Dato' Mohd Fadzli Yusof
Chairman
Risk Management Committee

10th March 2020

The Directors are pleased to submit their report, together with the audited accounts for the Company, for the year ended 31st December 2019, 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 10 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 12.48 Mn and Profit after Taxation of the General Takaful Fund for the year was MVR 6.94 Mn.

Profit after Taxation of the Shareholders' Funds for the year was MVR 5.53 Mn.

PROPERTY, PLANT & EQUIPMENT

During the year under review, the capital expenditure on Property, Plant & Equipment for the Company amounted to MVR 1.39 Mn.

Information relating to movement in Property, Plant & Equipment during the year is disclosed under Note 9 to the Financial Statements on page 77.

INVESTMENTS

Details of Investments held by the Company are given in Note 10 to the Financial Statements on page 78.

RESERVES

Total revenue reserves as at 31st December 2019 for the Company amounted to MVR 42.51 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 2019, 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 81.

CONTINGENT LIABILITIES

There were no material contingent liabilities outstanding as at 31st December 2019.

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 38.

STATUTORY PAYMENTS

The Directors, to the best of their knowledge and belief, are satisfied that all statutory payments in relation to all relevant regulatory

and statutory authorities have been paid within the stipulated period.

MATERIAL CONTRACTS

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. M.H.M. Rafiq serves as Director of both Amāna Takaful (Maldives) PLC and Amāna Global Ltd.
2. A wakalah facility has been provided by Amāna Takaful (Maldives) PLC to Amāna Takaful PLC to support working capital requirements.

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

Osman Kassim
Dato' Mohd. Fadzli Yusof
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 2019:

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

BOARD COMMITTEES

Audit Committee

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

1. Dato' Mohd Fadzli Yusof - *Chairman*
2. 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
3. M.H.M. Rafiq

The particulars of the Remuneration Committee are mentioned in the Corporate Governance Report on page 42.

NOMINATION COMMITTEE

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

1. Dato' Mohd Fadzli Yusof - *Chairman*
2. Osman Kassim
3. M.H.M. Rafiq

The particulars of the Nomination Committee are mentioned in the Corporate Governance Report on page 42.

SHARE INFORMATION AND SUBSTANTIAL SHAREHOLDINGS

The substantial shareholdings and market value of shares are given on page 88.

The earnings per share, dividends per share and net assets per share are given on page 88.

DIRECTORS

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

	Date of Appointment/ Reappointment	Date of Resignation
Tyeab Akbarally	14.02.2018	-
Osman Kassim	14.02.2018	-
Dato' Mohd Fadzli Yusof	14.02.2018	-
M.H.M. Rafiq	14.02.2018	-
Abdullah Kassim	14.02.2018	-
Dr. Abdullah Shiham Hassan	28.04.2019	-
Hareez Sulaiman	20.05.2012	-

A brief profile of the Directors are given on pages 14 to 16 of this Annual Report.

DIRECTORS' SHAREHOLDING

The interest of the Directors in the shares of the Company as at 31st December 2019, were as follows:

	No. of Ordinary Shares as at 31.12.2019
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 44.

BOARD MEETINGS

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

Name of the Director	Board Meetings		Remuneration Committee/Nomination Committee Meetings	
	Held	Attended	Held	Attended
Tyeab Akbarally - Chairman	4	4		
Osman Kassim	4	4	2	2
Dato' Mohd Fadzli Yusof	4	4	2	2
Mohamed Hanifa Mohamed Rafiq	4	3	2	2
Abdullah Kassim	4	4		
Dr. Abdullah Shiham Hassan	4	4		
Hareez Sulaiman	4	4		

GOING CONCERN

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

AUDITORS

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

The audit fee paid to the Auditors is disclosed in the Note 4.2 on page 75. The proposed external audit fee for the year 2020 is to be a maximum of USD 7,102.

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 23rd April 2020 at 2.30 p.m. virtually, local time.

The Notice of the Annual General Meeting appears on page 93.

For and on behalf of the Board.



Hareez Sulaiman
Managing Director/CEO



Abdullah Kassim
Chairman - EXCOM



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

Amāna Takaful (Maldives) PLC

8th April 2020
Malé

COMPOSITION

The main objective of the Audit Committee is to present an independent oversight of Amāna Takaful (Maldives) PLC's financial reporting and internal control system as well as providing checks and balances within the establishment. Membership of the Committee, appointed by and answerable to the Board of Directors, presently comprises 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	No. of Meetings Attended
Dato' Mohd Fadzli Yusof (Chairman)	4 out of 4
M.H.M. Rafiq	2 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.

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.

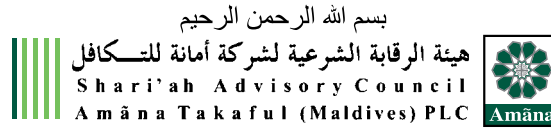


Dato' Mohd Fadzli Yusof

Chairman

Audit and Compliance Committee of the Board

10th March 2020



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 2019.

We have also conducted our review to form an opinion as to whether the Company has complied with Shari'ah Rules and principles and also with the specific fatwas, regulations and guidelines issued by the Shari'ah Advisory Council.

RESPONSIBILITIES

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

SCOPE OF AUDIT

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

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

FINDINGS:

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

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

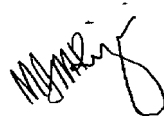
OPINION

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

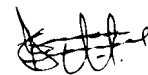
- i. The Takaful Operations, Financial transactions and General Operations undertaken by the Company during the year under review were generally in accordance with the guidelines prescribed by the Shari'ah Advisory Council.
- ii. Muslim Shareholders are advised to disburse Zakaah on their shares as per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

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

والسلام عليكم ورحمة الله وبركاته



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



Mufti Shafique A Jakhura
Member- Shari'ah Advisory Council



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

Financial Reports

Statement of Directors Responsibilities **58**

Certification by the Actuary **59**

Independent Auditors' Report **60**

Statement of Comprehensive Income **62**

Statement of Financial Position **63**

Statement of Changes in Equity **64**

Statement of Cash Flows **65**

Segmental Analysis - Statement of Comprehensive Income **66**

Segmental Analysis - Statement of Financial Position **67**

Notes to the Financial Statements **68**

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 2019 prepared and presented in this Annual Report are consistent with the requirements of the Companies Act No. 10 of 1996.

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

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

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

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

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

For and on behalf of the Board,



Tyeab Akbarally
Chairman

Male', Republic of Maldives

10th March 2020



04 March 2020

**AMANA TAKAFUL (MALDIVES) PLC 31
DECEMBER 2019 NET IBNR AND LAT
CERTIFICATION**

I hereby certify that the undiscounted Central Estimate of IBNR provision of MVR 1,356,841 inclusive of Claims Handling Expenses is adequate in relation to the Claim Liability of Amāna Takaful (Maldives) PLC as at 31 December 2019, Net of Retakaful. This IBNR provision, together with the Case Reserves held by the Operator, is expected to be adequate at a 50th percentile to meet the future liabilities in respect of the Operator's incurred claims obligations as at 31 December 2019, 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). The total UCR provision of MVR 20,703,413 set by the Operator, Net of Retakaful is lower than the estimated URR of MVR 17,811,905. This implies the carrying amount of UCR is adequate at a 50th percentile in relation to the unexpired risks of Amāna Takaful (Maldives) PLC as at 31 December 2019, in many, but not all, scenarios of future experience. As such, there is no contribution 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.

A handwritten signature in black ink, appearing to read 'S. Kumar'.

Sivaraman Kumar

Fellow of the Institute and Faculty of Actuaries
For and on behalf of NMG Consulting

Dated 04 March 2020



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

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Reg. No: C-192/95

AHF/CMKW

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF AMANA TAKAFUL (MALDIVES) PLC

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Amāna Takaful (Maldives) PLC ("the Company"), which comprise the statement of financial position as at 31 December 2019, 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 31 December 2019 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 Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (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 judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the Auditor's responsibilities 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 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.

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. 31.1Mn representing 34% 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 2019 Annual Report

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

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

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

Responsibilities of Board of Directors and those charged with governance for the financial statements

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

In preparing the financial statements, the Board is responsible for assessing the 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 the Board either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's responsibilities for the audit of the financial statements

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

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

- ★ Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk

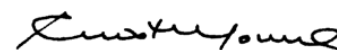
of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

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

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

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

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



05 March 2020
Male'

Year ended 31 December 2019	Note	Year ended 31.12.2019 MVR	Year ended 31.12.2018 MVR
Gross written takaful contribution (premium)	3	138,134,349	130,584,541
Less: Contribution (premium) ceded to re-takaful (net of re-takaful commission income)	3	(55,495,945)	(39,997,579)
Net written takaful contribution (premium)		82,638,404	90,586,962
Net change in reserve for unearned takaful contribution (premium)	3	3,870,364	(7,760,145)
Net earned takaful contribution (premium)		86,508,767	82,826,817
Benefits, losses and expenses			
Takaful (insurance) claims and benefits (net of re-takaful recoveries)	3	(51,958,929)	(48,284,561)
Acquisition cost	3	(2,978,308)	(4,366,821)
Underwriting results		31,571,531	30,175,435
Other Revenue			
Investment income	3.1	5,106,301	4,250,996
Other income	3.2	6,585,936	6,401,624
Expenses			
Other operating, investment related and administrative expenses	4	(25,743,469)	(23,486,539)
Fair value loss on investments		(464,530)	(1,217,563)
Amortisation	5	(412,548)	(455,297)
Marketing expenses		(1,613,811)	(1,332,311)
Finance cost		(80,092)	-
Profit before taxation		14,949,318	14,336,345
Business profit tax	6	(2,468,000)	(2,637,365)
Profit for the year		12,481,318	11,698,979
Basic, diluted earnings per share	7	0.62	0.58
Other comprehensive income			
Profit for the year		12,481,318	11,698,979
Net change in fair value of Available-for-Sale Financial Assets Available for sale reserve		11,545,200	-
		24,026,518	11,698,979
Total comprehensive income for the year		24,026,518	11,698,979

The accounting policies and notes on pages 68 through 87 form an integral part of the financial statements.

As at 31 December 2019	Note	As at 31.12.2019 MVR	As at 31.12.2018 MVR
Assets			
Intangible assets	8	5,539,175	3,339,693
Property, plant and equipment	9	1,523,710	299,604
Right-of-use assets	9.1	19,189,673	-
Deferred tax assets	6.2	509,398	602,620
Financial assets	10	110,971,722	101,938,899
Deposit with Maldives Monetary Authority		2,000,000	2,000,000
Re-takaful (Re-insurance) receivables	11	11,947,810	13,092,796
Contribution (premium) receivables	12	13,416,459	12,015,730
Amounts due from related parties	13	232,800	324,547
Other assets	14	5,177,758	4,170,145
Cash and cash equivalents	15	1,870,396	2,994,509
Total assets		172,378,901	140,778,543
Equity and liabilities			
Shareholders' equity			
Issued share capital	16	26,314,583	26,314,583
Available for sale reserve		11,545,200	-
Revenue reserves		42,514,045	32,664,187
Total equity		80,373,828	58,978,770
Liabilities			
Lease liability	9.1	7,356,363	-
Takaful (Insurance) contract liabilities	17	31,151,375	46,502,422
Re-takaful (Re-insurance) payables		21,940,956	10,825,303
Employee benefits	18	2,862,467	2,095,609
Amounts due to related parties	19	46,021	6,185
Other liabilities	20	28,647,891	22,370,254
Total liabilities		92,005,073	81,799,773
Total equity and liabilities		172,378,901	140,778,543

The Board of Directors is responsible for the preparation and presentation of these financial statements.

Signed for and on behalf of the Board by,



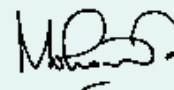
Tyeab Akbarally
Chairman



Hareez Sulaiman
Managing Director



Dato' Mohd. Fadzli Yusof
Director



Siraj Nizam
Head of Finance

The accounting policies and notes on pages 68 through 87 form an integral part of the financial statements.

05 March 2020
Male'

Year ended 31 December 2019	Share capital MVR	Available for sale reserve MVR	WAQF fund MVR	Retained earnings MVR	Total equity MVR
Balance as at 1 January 2018	26,314,583	(194,402)	1,542	24,910,853	51,032,576
Final dividend - 2017	-	-	-	(1,315,729)	(1,315,729)
1st Interim dividend - 2018	-	-	-	(1,973,594)	(1,973,594)
2nd Interim dividend - 2018	-	-	-	(657,865)	(657,865)
Transfer of realized gain on Available For Sale Financial Assets to profit or loss	-	194,402	-	-	194,402
Profit for the year	-	-	-	11,698,979	11,698,979
Balance as at 31 December 2018	26,314,583	-	1,542	32,662,645	58,978,770
Final dividend - 2018	-	-	-	(1,315,730)	(1,315,730)
1st Interim dividend - 2019	-	-	-	(1,315,730)	(1,315,730)
Net change in fair value of Available for Sale Financial Assets	-	11,545,200	-	-	11,545,200
Profit for the year	-	-	-	12,481,318	12,481,318
Balance as at 31 December 2019	26,314,583	11,545,200	1,542	42,512,503	80,373,828

The accounting policies and notes on pages 68 through 87 form an integral part of the financial statements.

Year ended 31 December 2019		Year ended 31.12.2019 MVR	Year ended 31.12.2018 MVR
	Note		
Operating activities			
Profit before taxation		14,949,318	14,336,345
Non-cash adjustment to reconcile profit to net cash flows			
Amortisation of intangible assets - software	8	412,548	455,297
Depreciation	9	173,822	142,795
Business profit tax paid	6.4	(2,993,876)	(1,486,846)
Fair value loss on investments		(464,530)	(1,217,563)
Investment income	3.1	(5,106,301)	(4,250,996)
Transfer of realised gain/(loss) on AFS		-	194,402
Lease finance cost		80,092	-
Right of use assets depreciation		215,614	-
Working capital adjustments:			
Decrease in re-takaful (re-insurance) assets		1,144,987	(2,659,059)
Increase in contribution (premium) receivables		(1,400,729)	(7,509,807)
Increase in other assets		(1,007,613)	(713,062)
Decrease / (increase) in amounts due from related parties		91,747	(324,547)
Increase/(decrease) in takaful contract liabilities		(15,351,046)	14,661,919
Increase in re-takaful (re-insurance) payable		11,115,653	4,047,683
Increase/(decrease) in other liabilities		6,277,637	7,087,807
Increase in Employee benefits		766,858	577,771
Increase in amounts due to related parties		39,836	(925,345)
		8,944,017	22,416,794
Investing activities			
Lease liability payment		(129,016)	-
Investment in financial asset		(1,157,824)	(19,306,730)
Acquisition of property, plant and equipment	9	(1,325,674)	(207,585)
Acquisition of intangible assets	8	(2,612,030)	(3,045,331)
Investment income received	3.1	4,765,463	4,250,996
Investment in shares		(6,977,588)	(21,600)
Net cash used in investing activities		(7,436,669)	(18,330,250)
Financing activities			
Dividend paid		(2,631,460)	(3,947,187)
Net cash flows from financing activities		(2,631,460)	(3,947,187)
Net Increase/(decrease) in cash and cash equivalents		(1,124,112)	139,357
Cash and cash equivalents at 1 January		2,994,509	2,855,152
Cash and cash equivalents at 31 December (Note 15)		1,870,397	2,994,509

The accounting policies and notes on pages 68 through 87 form an integral part of the financial statements.

Year ended 31 December 2019	General Takaful Fund MVR	Shareholders' Fund MVR	Adjustments MVR	Consolidated MVR
Gross written takaful contribution (premium)	138,134,349	-	-	138,134,349
Less: Contribution (premiums) ceded to re-takaful - (net of re-takaful (re-insurance) commission income)	(55,495,945)	-	-	(55,495,945)
Net written takaful contribution (premium)	82,638,404	-	-	82,638,404
Net changes in reserve for un-earned contribution	3,870,364	-	-	3,870,364
Net earned takaful contribution (premium)	86,508,767	-	-	86,508,767
Benefits, losses and expenses				
Takaful (insurance) claims and benefits (net of re-takaful recoveries)	(51,958,929)	-	-	(51,958,929)
Acquisition cost	-	(2,978,308)	-	(2,978,308)
Under writing results	34,549,839	(2,978,308)		31,571,531
Wakalah fee		28,294,421	(28,294,421)	-
Other revenue				
Investment income	3,353,943	1,752,359	-	5,106,301
Fair value gains and (losses)	-	-	-	-
Other income	885,513	5,700,423	-	6,585,936
	38,789,294	32,768,895	(28,294,421)	43,263,768
Direct expenses				
Wakalah fee	(28,294,421)		28,294,421	-
Expenses				
Fair value loss	(235,459)	(229,071)		(464,530)
Other operating, investment related and administrative expenses	(1,652,092)	(24,091,377)	-	(25,743,469)
Amortisation	(255,712)	(156,836)	-	(412,548)
Marketing expenses		(1,613,811)	-	(1,613,811)
Finance Cost		(80,092)	-	(80,092)
	(2,143,263)	(26,171,188)	-	(28,314,450)
Profit from operation	8,351,610	6,597,708	-	14,949,318
Business profit tax	(1,407,331)	(1,060,669)	-	(2,468,000)
Profit for the year	6,944,280	5,537,038	-	12,481,318
Other comprehensive income				
Profit for the year	6,944,280	5,537,038	-	12,481,318
Net change in fair value of Available-for-Sale Financial Assets	7,397,228	4,147,972	-	11,545,200
Total comprehensive income for the year	14,341,508	9,685,010	-	24,026,518

As at 31 December 2019	General Takaful Fund MVR	Shareholders' Fund MVR	Adjustments MVR	Consolidated MVR
Assets				
Intangible assets	2,520,047	3,019,128	-	5,539,175
Property, plant and equipment	-	1,523,710	-	1,523,710
Right of use assets	-	19,189,673	-	19,189,673
Deferred tax assets	-	509,398	-	509,398
Financial Assets	74,997,368	35,974,348	-	110,971,716
Deposit with Maldives Monetary Authority	2,000,000	-	-	2,000,000
Re-takaful (Re-insurance) receivables	11,947,810	-	-	11,947,810
Contribution (premium) receivables	13,416,459	-	-	13,416,459
Wakalah fee (management fee) receivable	-	(409,225)	409,225	-
Amounts due from related parties	261,399	(28,600)	-	232,800
Other assets	3,345,285	1,832,473	-	5,177,758
Inter-fund receivable	1,586,434	-	(1,586,434)	-
Cash and cash equivalents	1,616,725	253,671	-	1,870,396
Total assets	111,691,526	61,864,577	(1,177,209)	172,378,895
Equity and liabilities				
Shareholders' equity				
Issued share capital	-	26,314,583	-	26,314,583
Available for sale reserve	7,397,228	4,147,972	-	11,545,200
Revenue reserves	31,740,734	10,773,306	-	42,514,040
Total equity	39,137,961	41,235,862	-	80,373,823
Liabilities				
Lease liability	-	7,356,363	-	7,356,363
Takaful (Insurance) contract liabilities	31,151,375	-	-	31,151,375
Re-takaful (Re-insurance) payables	21,940,956	-	-	21,940,956
Wakalah fee (management fee) payable	(409,225)	-	409,225	-
Inter-fund payable	-	1,586,434	(1,586,434)	-
Employee benefits	-	2,862,467	-	2,862,467
Amounts due to related parties	-	46,021	-	46,021
Other liabilities	19,870,459	8,777,431	-	28,647,890
Total liabilities	72,553,565	20,628,716	(1,177,209)	92,005,072
Total equity and liabilities	111,691,527	61,864,578	(1,177,209)	172,378,895

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. Palmayrah, Sosun Magu, Male' 20069, Republic of Maldives.

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

On 23rd March 2011, on going 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 Amāna Takaful PLC.

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 re-classified wherever necessary to conform to the current year's presentation.

2.4 Significant Accounting Judgments, Estimates and Assumptions

The preparation of Financial Statements of the Company in conformity with International Accounting Standards requires the management to make judgments, 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.

2.5 Significant Accounting Judgments, Estimates and Assumptions

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

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

2.5.1 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.

2.5.2 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 judgment 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.

2.5.3 Deferred Tax Assets

Deferred tax assets are recognized 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 utilized. Judgement is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and level of future taxable profits, together with the future tax-planning strategies.

2.5.4 Useful Life-time of the Property, Plant and Equipment

The Company reviews the residual values, useful lives and methods of depreciation of Property, Plant and Equipment at each reporting date. Judgment of the management is exercised in the estimation of these values, rates, methods and hence they are subject to uncertainty.

2.6 Summary of significant accounting policies

2.6.1 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.

2.6.2 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.

2.6.3 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.

2.6.4 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 recognized 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 utilized.

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 utilized.

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

2.6.5 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.

2.6.6 Property, plant and equipment

Property, plant and 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 and 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 recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are met.

Depreciation on property, plant and 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:

Property, plant and equipment

Furniture and fittings	20 %
Computer equipment	33.33%
Other equipment	25%
Motor vehicles	25%

2.6.7 Lease hold assets

The Company has entered into a lease agreement for Ground floor and first floor of the head office building and agreement extended up to 15 years commencing from 1st November 2019 to 31st October 2034 as per the subsequent addendums. Amounts paid to obtain the lease rights are considered as prepaid lease rentals and amortized on a straight-line basis over the remaining term of the lease.

Right-of-use assets and lease liabilities

Leases are recognized, measured and presented in line with IFRS 16 'Leases'.

Accounting by the lessee

The Company implemented a single accounting model, requiring lessees to recognize assets and liabilities for all leases excluding exceptions listed in the standard. Based on the accounting policy applied the Company recognizes a right-of-use asset and a lease liability at the commencement date of the contract for the lease conveying the right to control the use of an identified assets for a period of lease agreement. The commencement date is the date on which a lessor makes an underlying asset available for use by a lessee.

The right-of-use assets are initially measured at cost, which comprises:

- The amount of the initial measurement of the lease liability, - any lease payments made at or before the commencement date, less any lease incentives,
- Any initial direct costs incurred by the lessee,
- An estimate of costs to be incurred by the lessee in dismantling and removing the underlying assets or restoring the site on which the assets are located.

After the commencement date the right-of-use assets are measured at cost less any accumulated depreciation and any accumulated impairment losses and adjusted for any re-measurement of the lease liability. Depreciation is calculated using the straight-line method over the estimated useful lives, as follows:
Building lease right - 15 Years

2.6.8 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 amortization 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 amortized over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization 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 amortization period or method, as appropriate, and are treated as changes in accounting estimates. The amortization 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 - 20 Years

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.

2.6.9 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.

2.6.10 Impairment 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.

2.6.11 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 recognized 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 amortized 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 recognized on the settlement date.

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
Mudharaba 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 realized gains and losses are recognised in the income statement.

(c) Subsequent Measurement

Financial Assets at Fair Value through Profit or Loss

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 unrealized gains or losses recognised as other comprehensive income in the available-for sale reserve until the asset is derecognized, 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 amortization is included in finance income in the income statement. Gains and losses are recognised in the income statement when the investments are derecognized or impaired, as well as through the amortization process.

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.

Held to Maturity Financial Assets

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 derecognized or impaired, as well as through the amortization process.

(d) 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 derecognized when:

- ✧ The rights to receive cash flows from the asset have expired
- ✧ The Company retains the right to receive cash flows from the asset 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.

2.6.12 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 reorganization 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.

2.6.13 Impairment of Financial Assets

Financial Assets Carried at Amortised Cost

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 realized 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.

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 recognized 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.

2.6.14 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.

2.6.15 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.

2.6.16 Capital commitment and contingencies

Capital commitment and contingent liabilities of the company are disclosed in the financial statement

2.6.17 Retakaful (reinsurance) and contribution (premium) receivable

All contribution (premium) and other receivable assets are recognized 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 on going 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.

2.6.18 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.

- 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 recognized on cash basis since the Company cannot reliably estimate the same.

★ Other investment income

All other investment income is recognized on an accrual basis

c) **Interest income on deposit with Maldives Monetary Authority**

Interest income is recognized on accrual basis. The basis of recognition of interest income is discussed under note 3.2 in the financial statements.

All authorized 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 authorized to engage in.

2.6.19 Expenditure recognition

Expenses are recognized 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.

3. GROSS WRITTEN TAKAFUL CONTRIBUTION (PREMIUM) AND NET UNDERWRITING INCOME

Year ended 31 December 2019	Year ended 31.12.2019 MVR	Year ended 31.12.2018 MVR
Gross written takaful contribution (premium)	138,134,349	130,584,541
Less: Contributions (premiums) ceded to re takaful (re-insurers)		
Treaty	(8,439,120)	(9,921,109)
Facultative	(43,534,286)	(28,639,141)
Excess of loss	(3,522,540)	(1,437,329)
Net written takaful contribution (premium)	82,638,404	90,586,962
Gross provision for unearned takaful contribution (premium)		
Opening balance	24,572,758	16,812,613
Closing balance	20,702,394	24,572,758
Unearned premiums Provision for unearned takaful contribution (premium)	3,870,364	(7,760,145)
Total underwriting income	86,508,767	82,826,817
Gross benefits and claims paid	(66,224,137)	(47,782,186)
Surplus refund	(2,600,155)	(2,200,000)
Re-Takaful (re-insurance) claims recoveries	17,613,366	7,190,959
Increase in provision for gross claims payable	(724,360)	(5,487,619)
(Increase)/decrease in provision for claims IBNR	(23,643)	(5,715)
Takaful (insurance) claims and benefits (net)	(51,958,929)	(48,284,561)
Acquisition cost	(2,978,308)	(4,366,821)
Net underwriting income	31,571,531	30,175,435

3.1 Investment income

Year ended 31 December 2019	Year ended 31.12.2019 MVR	Year ended 31.12.2018 MVR
Dividend income	1,164,908	1,121,498
Murabaha, Wakalah and Ijarah income	3,008,426	2,024,585
Mudarabah income	494,787	655,085
Sukuk income	438,180	421,699
Income from unit trust	-	7,907
Net realised capital gain	-	20,221
	5,106,301	4,250,996

3.2 Other income

Year ended 31 December 2019	Year ended 31.12.2019 MVR	Year ended 31.12.2018 MVR
Income from deposit with Maldives Monetary Authority	19,968	19,998
Management fee income	5,380,531	5,518,718
Sundry income	1,185,437	862,908
	6,585,936	6,401,624

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

4. OTHER OPERATING, INVESTMENT RELATED AND ADMINISTRATION EXPENSES

	Year ended 31.12.2019 MVR	Year ended 31.12.2018 MVR
Staff expenses (4.1)	16,879,442	15,481,459
Administration & establishment expenses	7,564,681	6,538,805
Depreciation	173,822	142,795
Consultancy fees	1,125,526	1,323,481
	25,743,471	23,486,539

4.1 Staff expenses

	Year ended 31.12.2019 MVR	Year ended 31.12.2018 MVR
Wages, salaries & bonuses	9,613,518	8,418,431
Defined benefit plan	766,859	577,771
Staff welfare	143,236	176,769
Staff training	296,539	291,288
Medical claims	171,824	152,653
Staff incentives	2,903,738	2,790,753
Other staff cost	2,983,728	3,073,793
	16,879,442	15,481,459

4.2 Included in Administrative Expenses

	Year ended 31.12.2019 MVR	Year ended 31.12.2018 MVR
Audit fee	196,602	105,083

5. AMORTISATION OF INTANGIBLE ASSETS

	Year ended 31.12.2019 MVR	Year ended 31.12.2018 MVR
Software	412,548	455,297

6. BUSINESS PROFIT TAX

	Year ended 31.12.2019 MVR	Year ended 31.12.2018 MVR
Tax on business profit (Note 6.1)	2,374,778	2,450,490
Under provision for previous years	-	-
	2,374,778	2,450,490
Deferred tax provided/(reversed) during the year (Note 6.3)	93,222	186,875
	2,468,000	2,637,365
To other comprehensive income	-	-
	2,468,000	2,637,365

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 31 December is as follows:

	Year ended 31.12.2019 MVR	Year ended 31.12.2018 MVR
Profit before tax	14,949,318	14,336,345
Add: Depreciation and amortization charge for the period	801,958	598,092
Disallowable expenses	22,130,730	23,259,172
Less: Capital allowances	(550,763)	(299,904)
Other allowable expenses	(20,999,390)	(21,057,105)
Taxable Profit before adjustments	16,331,853	16,836,600
Tax free allowance	(500,000)	(500,000)
Taxable profit	15,831,853	16,336,600
Business profit tax on taxable profit @ 15%	2,374,778	2,450,490

6.2 Deferred tax asset

	Year ended 31.12.2019 MVR	Year ended 31.12.2018 MVR
Temporary difference on assets and liabilities	5,513,254	3,339,393
Temporary difference on ROU Asset	(164,531)	-
Available for sale financial assets	-	-
Unrealized fair value loss	(5,882,243)	(5,261,250)
Defined employee benefits	(2,862,467)	(2,095,609)
Net change in fair value of Available-for-Sale Financial Assets reclassified to profit or loss	-	-
Total temporary difference	(3,395,987)	(4,017,466)
Tax rate	15%	15%
Deferred tax asset as at 31 December	(509,398)	(602,620)

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

6.3 Movement in deferred tax

	Year ended 31.12.2019 MVR	Year ended 31.12.2018 MVR
At 1 January	(602,620)	(789,495)
Provision made during the year	93,222	186,875
As at 31 December	(509,398)	(602,620)

6.4 Business profit tax payable

	Year ended 31.12.2019 MVR	Year ended 31.12.2018 MVR
Tax payable as at 1 January	1,920,841	957,197
Income tax expense for the year	2,374,778	2,450,490
Tax paid during the year	(2,993,876)	(1,486,846)
Tax payable as at 31 December	1,301,743	1,920,841

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.

Amount used as the numerator:	Year ended 31.12.2019 MVR	Year ended 31.12.2018 MVR
Profit for the year	12,481,318	11,698,979
Number of ordinary shares used as denominator:	Number	Number
Weighted average number of ordinary shares in issue applicable to earnings per share	20,241,987	20,241,987
Earnings per share	0.62	0.58

8. INTANGIBLE ASSETS

	Year ended 31.12.2019 MVR	Year ended 31.12.2018 MVR
At cost		
Balance as at 1st January	6,084,815	3,039,484
Additions	2,612,030	3,045,331
Balance as at 31st December	8,696,845	6,084,815
Amortisation		
Balance as at 1st January	2,745,122	2,289,825
Amortisation for the year	412,548	455,297
Balance as at 31st December	3,157,670	2,745,122
Carrying amount as at 31st December	5,539,175	3,339,693

9. PROPERTY, PLANT AND EQUIPMENT

	Balance As at 01.01.2019 MVR	Additions/ Transfers MVR	Disposal/ Transfers MVR	Balance As at 31.12.2019 MVR
At cost				
Furniture and fittings	720,498	1,112,519	72,254	1,760,763
Motor vehicles	132,880	-	-	132,880
Computers and peripherals	627,596	94,154	-	721,751
Other equipment	321,880	191,255	-	513,135
Total value of depreciable assets	1,802,854	1,397,928	72,254	3,128,528

9. PROPERTY, PLANT AND EQUIPMENT (CONTD.)

	Balance As at 01.01.2019 MVR	Charge for the year MVR	Disposal/ Transfers MVR	Balance As at 31.12.2019 MVR
Depreciation				
At cost				
Furniture and fittings	587,737	66,237	72,254	581,720
Motor vehicles	132,880	-	-	132,880
Computers and peripherals	484,075	80,205	-	564,280
Other equipment	298,559	27,380	-	325,938
Total depreciation	1,503,250	173,822	72,254	1,604,819
Carrying amount	299,604	-	-	1,523,710

9.1 Right-of-use assets

	2019 MVR	2018 MVR
Additions of properties held under lease	19,405,287	-
Amortization Expense	(215,614)	-
As at 31 December	19,189,673	-
Lease Obligation		
Additions of properties held under lease	7,405,287	-
Accretion of Finance Cost	80,092	-
Payments	(129,016)	-
As at 31 December	7,356,363	-
Current Liability	304,910	-
Non-current Liability	7,356,363	-

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

10. FINANCIAL ASSETS

	Year ended 31.12.2019 MVR	Year ended 31.12.2018 MVR
Financial instruments at fair value through profit or loss (10.1)	45,463,350	3,681,600
Available for sale financial assets (10.2)	1,828,634	24,654,427
Loans and receivable (10.3)	63,679,738	73,602,872
	110,971,722	101,938,899

10.1 Financial instruments at fair value through profit or loss

	Year ended 31.12.2019 MVR	Year ended 31.12.2018 MVR
Financial instruments at fair value through profit or loss Investment in equity securities (10.4.1)	45,463,350	3,681,600

Fair value through profit or loss investments have been valued at fair value.

10.2 Available for sale financial assets

	Year ended 31.12.2019 MVR	Year ended 31.12.2018 MVR
Investment in equity securities		
- Quoted (10.4.2)	1,828,634	2,449,627
- Unquoted (10.4.3)	-	22,204,800
	1,828,634	24,654,427

10.3 Loans and receivable

	Year ended 31.12.2019 MVR	Year ended 31.12.2018 MVR
Murabaha investments	60,290	115,381
Mudarabah investments	10,484,800	32,924,900
Wakalah investment	47,475,763	34,112,513
Advances to company officers	27,552	35,718
Ijarah investment	131,333	124,382
Sukuk investment	5,500,000	5,500,000
Special Foreign Investment Deposit Accounts (SFIDA)	-	789,977
	63,679,738	73,602,872

10.4 Investment in equity securities

10.4.1 Quoted

	2019		2018	
	Number of shares	Market value MVR	Number of shares	Market value MVR
Dhivehi Raajjeyge Gulhun PLC	2,270	238,350	2,270	181,600
Ooredoo Maldives PLC	100,000	3,600,000	100,000	3,500,000
Maldives Islamic Bank PLC	1,125,000	41,625,000	-	-
	1,227,270	45,463,350	102,270	3,681,600

10.4.2 Quoted

	2019		2018	
	Number of shares	Market value MVR	Number of shares	Market value MVR
Amāna Bank PLC (10.4.2.1)	9,340,821	1,828,634	9,340,821	2,449,627
	9,340,821	1,828,634	9,340,821	2,449,627

	2019		2018	
	Number of shares	Market value MVR	Number of shares	Market value MVR
10.4.2.1 Cost as at 31 December	-	7,710,877	-	7,710,877
Less: provision for impairment	-	(5,882,243)	-	(5,261,250)
Less: sold during the year	-	-	-	-
Fair value as at 31 December	-	1,828,634	-	2,449,627

10.4.3 Unquoted

	2019		2018	
	Number of shares	Market value MVR	Number of shares	Market value MVR
Maldives Islamic Bank PLC	-	-	9,000	22,204,800
	-	-	9,000	22,204,800

Amāna Takaful (Maldives) PLC (ATM) purchased Maldives Islamic Bank's (MIB) un-quoted 9,000 shares at the rate of MVR. 2,467/- in 2018. In 2019, there was a Share split process of 1: 100 shares. Therefore Number of shares held by ATM increased to 900,000 and price per share reduced to MVR. 24.67. Additional 225,000 un-quoted shares were purchased by ATM at the rate of MVR. 35/- under a rights issue process. After the rights issue, MIB listed its shares in Maldives Stock Exchange.

11. RE-TAKAFUL (RE-INSURANCE) RECEIVABLES

	Year ended 31.12.2019 MVR	Year ended 31.12.2018 MVR
Re-takaful (re-insurance) receivables	11,947,810	13,092,796
	11,947,810	13,092,796

12. CONTRIBUTION (PREMIUM) RECEIVABLE

	Year ended 31.12.2019 MVR	Year ended 31.12.2018 MVR
Contribution (premium) receivables	13,416,459	12,015,730
	13,416,459	12,015,730

13. AMOUNTS DUE FROM RELATED PARTIES

	Year ended 31.12.2019 MVR	Year ended 31.12.2018 MVR
Amāna Takaful PLC- Medical Takaful (Colombo)	232,800	324,547
	232,800	324,547

14. OTHER ASSETS

	Year ended 31.12.2019 MVR	Year ended 31.12.2018 MVR
Other receivables	4,472,439	1,215,373
Deposits, advances and prepayments	705,320	2,954,772
	5,177,758	4,170,145

15. CASH AND CASH EQUIVALENTS

	Year ended 31.12.2019 MVR	Year ended 31.12.2018 MVR
Cash in hand	1,843	4,000
Balances with banks	1,868,553	2,990,509
	1,870,396	2,994,509

16. ISSUED SHARE CAPITAL

16.1 Authorized share capital

	Year ended 31.12.2019 MVR	Year ended 31.12.2018 MVR
50,000,000 Ordinary shares of MVR 1.30	65,000,000	65,000,000

16.2 Issued and fully paid share capital

	Year ended 31.12.2019 MVR	Year ended 31.12.2018 MVR
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, Company has declared a final dividend of MVR. 1,315,730/- for 2018 and an interim dividend of MVR. 1,315,730/- during the year ended 31 December 2019.

17. TAKAFUL (INSURANCE) CONTRACT LIABILITIES

	Year ended 31.12.2019 MVR	Year ended 31.12.2018 MVR
Provision for unearned contribution (premium) (17.1)	20,702,394	24,572,758
Provision for claims IBNR (17.3)	906,478	882,835
Claims outstanding (17.2)	9,542,504	21,046,829
	31,151,375	46,502,422

17.1 Provision for unearned contribution

	Year ended 31.12.2019 MVR	Year ended 31.12.2018 MVR
As at 1 January	24,572,758	16,812,613
Increased during the year	(3,870,364)	7,760,145
As at 31 December	20,702,394	24,572,758

17.2 Provision for claims outstanding

	Year ended 31.12.2019 MVR	Year ended 31.12.2018 MVR
As at 1 January	21,046,829	14,150,770
Settled during the year	(21,046,829)	(14,150,770)
Provision made during the year	9,542,504	21,046,829
As at 31 December	9,542,504	21,046,829

17.3 Provision for claims IBNR

The incurred but not reported (IBNR) claim reserve has been actuarially computed by Sivaraman Kumar 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.

18. EMPLOYEE BENEFITS

	Year ended 31.12.2019 MVR	Year ended 31.12.2018 MVR
As at 1 January	2,095,609	1,517,838
Provision during the period	766,859	577,771
As at 31 December	2,862,468	2,095,609

19. AMOUNTS DUE TO RELATED PARTIES

	Year ended 31.12.2019 MVR	Year ended 31.12.2018 MVR
Amāna Global Limited	46,021	6,185
	46,021	6,185

20. OTHER LIABILITIES

	Year ended 31.12.2019 MVR	Year ended 31.12.2018 MVR
Commission payable	1,939,224	1,871,526
Other payables	11,927,124	7,214,004
Business profit tax payable (Note 6.4)	1,301,743	1,920,841
Pending policy deposits	13,479,801	11,363,883
	28,647,891	22,370,254

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.

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.

	Year ended 31.12.2019 MVR	Year ended 31.12.2018 MVR
Directors' fees, benefits & expenses	3,105,682	2,589,627

21.3 Transactions with other group companies

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

Name of the Company	Relationship	Nature of the transaction	Year ended 31.12.2019 MVR	Year ended 31.12.2018 MVR
Amāna Global Limited	Affiliate company	Balance at 01 January	(3,176)	(355,852)
		Settlements (fund transfers to)	473,633	(586,664)
		Consultancy fee	(516,478)	939,340
		Balance at 31 December	(46,021)	(3,176)
Amāna Takaful PLC - Medical	Parent company	Balance at 01 January	324,547	(6,341)
		Charges for the Year	(2,457,656)	(3,018,347)
		Settlement during the period	2,394,509	3,349,236
		Balance at 31st December	261,399	324,547
Amāna Takaful PLC	Parent company	Balance at 01 January	(3,027)	(569,355)
		Charges for the Year	(1,963,195)	(2,193,930)
		Settlement during the period	1,937,622	2,760,258
		Balance at 31 December	(28,600)	(3,027)

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 categorized 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:

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

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

Approach to capital / investment management

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

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. Re-Insurance receivable
3. Investments in debt securities

Credit Exposure

ATM's maximum exposure to credit risk for the components of the Statement of Financial Position as at 31st December 2019 and 2018, is the carrying amounts of respective financial instruments.

Year ended 31 December 2019	Neither Past due nor Impaired	Past due but not Impaired	Individually Impaired	As at 31st December 2019
Financial Assets				
Financial Assets at Fair Value through Profit or Loss				
Investment in Equity Securities	45,463,350	-	-	45,463,350
Available for Sale Financial Assets				
Investment in Equity Securities	-	-	1,828,634	1,828,634
Unquoted Investments	-	-	-	-
Loans & Receivables				
Mudaraba investments	10,484,800	-	-	10,484,800
Murabaha investments	60,290	-	-	60,290
Wakalah investments	47,475,763	-	-	47,475,763
Sukuk investments	5,500,000	-	-	5,500,000
Ijarah investments	131,333	-	-	131,333
Advances to Company Officers	27,552	-	-	27,552
Other Assets Exposed to Credit Risk				
Retakaful (Reinsurance) Receivables	11,947,810	-	-	11,947,810
Contribution (Premium) Receivables	13,416,459	-	-	13,416,459
Cash & Cash Equivalents	1,870,396	-	-	1,870,396
Total Credit Exposure	136,377,752	-	1,828,634	138,206,386

	Neither Past due nor Impaired	Past due but not Impaired	Individually Impaired	As at 31st December 2018
Financial Assets				
Financial Assets at Fair Value through Profit or Loss				
Investment in Equity Securities	3,681,600	-	-	3,681,600
Available for Sale Financial Assets				
Investment in Equity Securities	-	-	2,449,627	2,449,627
Unquoted Investments	22,204,800	-	-	22,204,800
Loans & Receivables				
Mudaraba investments	33,714,877	-	-	33,714,877
Murabaha investments	115,381	-	-	115,381
Wakalah investments	34,112,513	-	-	34,112,513
Sukuk investments	5,500,000	-	-	5,500,000
Ijarah investments	124,382	-	-	124,382
Advances to Company Officers	35,718	-	-	35,718
Other Assets Exposed to Credit Risk				
Retakaful (Reinsurance) Receivables	13,092,796	-	-	13,092,796
Contribution (Premium) Receivables	12,015,730	-	-	12,015,730
Cash & Cash Equivalents	2,994,509	-	-	2,994,509
Total Credit Exposure	127,592,307	-	2,449,627	130,041,934

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. Shariah 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.

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
- ★ Re-Insurance Risk

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

22.6.1 Under-writing Risks

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

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 Re-Insurance Risk

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

Name of the reinsurer	Financial Strength	Name of the Rating Agency
Swiss 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	B++	A.M. Best
Saudi Re for Cooperative Reinsurance Company	A3 (IFSR)	Moody's
Asian Reinsurance Corporation	B+ Good	A M BEST
Kenya Re	B+	GCR
Tunis Re	B+ (Good)	A M BEST
	AA-(tun)' (Very Strong)	Fitch
Oman Re	BBB-	Fitch
Kuwait Re	A-	AM 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.

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

Maturity Analysis 2019	Less than one Year	1-3 Years	3-5 Years	More than 5 years	No stated maturity	Total
Investments in Equity Securities	3,838,350	-	-	-	43,453,634	47,291,984
Mudaraba investments	10,484,800	-	-	-	-	10,484,800
Murabaha investments	60,290	-	-	-	-	60,290
Wakalah investments	9,500,000	22,000,000	15,975,763	-	-	47,475,763
Sukuk investments	-	-	-	5,500,000	-	5,500,000
Ijarah investments	-	131,333	-	-	-	131,333
Advances to Company Officers	27,552	-	-	-	-	27,552
	23,910,991	22,131,333	15,975,763	5,500,000	43,453,634	110,971,722

Maturity Analysis 2018	Less than one Year	1-3 Years	3-5 Years	More than 5 years	No stated maturity	Total
Investments in Equity Securities	3,681,600	-	-	-	24,654,427	28,336,027
Mudaraba investments	33,714,877	-	-	-	-	33,714,877
Murabaha investments	115,381	-	-	-	-	115,381
Wakalah investments	11,542,000	11,696,200	10,874,313	-	-	34,112,513
Sukuk investments	-	-	-	5,500,000	-	5,500,000
Ijarah investments	-	124,382	-	-	-	124,382
Advances to Company Officers	35,718	-	-	-	-	35,718
	49,089,576	11,820,582	10,874,313	5,500,000	24,654,427	101,938,898

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 reporting 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.

Category of Shareholders	
Amāna Takaful PLC	11,166,500
ExpoLanka Holdings Ltd.	4,600,000
A.G. Capital Pvt Ltd.	2,568,993
Other Shareholders	1,448,627
Public	457,867
Total	20,241,987

MARKET HIGHLIGHTS

Highest
Traded
Price

MVR 9.00

Lowest Traded
Price

MVR 4.00

No. of
Trades

9

No. of Shares
Traded

1,743

Weighted
Average
Traded Price

MVR 5.96

Market
Capitalization

**MVR
182,177,883**

Market Value
per Share

MVR 9

Price-Earnings
Ratio (P/E
Ratio)

14.51

Dividend per
Share

MVR 0.13

Net Asset Value
per Share

MVR 3.97

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 TAKAFUL CONTRIBUTION (PREMIUM)

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

GENERAL INSURANCE BUSINESS (GENERAL TAKAFUL)

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

INSURANCE PROVISION - GENERAL TAKAFUL (INSURANCE)

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

MUDARABA

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

NET EARNED TAKAFUL CONTRIBUTION (PREMIUM)

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

CONTRIBUTION (PREMIUM)

The consideration payable by the insured for an insurance contract

RETAKAFUL (REINSURANCE)

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

SHARI'AH

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

SHARI'AH ADVISORY COUNCIL (SAC)

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

SOLVENCY MARGIN - GENERAL TAKAFUL (INSURANCE)

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

TAKAFUL

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

UNDERWRITING

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

UNEARNED TAKAFUL CONTRIBUTION / UNEARNED TAKAFUL CONTRIBUTION RESERVE

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

WRITTEN CONTRIBUTION (PREMIUM)

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

NOTICE IS HEREBY GIVEN that the Ninth Annual General Meeting of Amāna Takaful (Maldives) PLC will be held on Thursday, 23rd April 2020 at 2.30 p.m. virtually, local time. 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 2019 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 16 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 authorize Directors to determine their Fee.
(please refer page 53 of the Annual Report for the proposed Audit Fee for year 2020).
 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 Male'

8th April 2020

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.

REVOCAION 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.

PARTICIPATION IN THE AGM

Shareholders whose name is registered in the Shareholders registry as at 16th April 2020 shall be eligible to participate and vote at The AGM and are entitled to any benefit thereof.

VIRTUAL ANNUAL GENERAL MEETING PROCESS

1. INTRODUCTION

As a standard process the AGM's have been physically held all these years, thus, we have revisited the processes accordingly in order to make it as similar as possible as in a physical setup. The Zoom Cloud Meetings will be the platform for conducting the AGM virtually.

2. REGISTRATION PROCESS

1. AGM 2019 will be conducted via Zoom Cloud Meetings application.
2. Along with the Notice of Meeting, a QR code and a link will be published in our website for the shareholders to pre-register for the AGM.
3. Once the shareholder register using the link provided, ATM will be notified via email.
4. ATM will verify all the pre-registrations received with the shareholders registry and accept the registrations for AGM. Once the registration is accepted, shareholders will receive an email confirmation with the link to access to the virtual meeting room.
5. Proxy holders shall submit duly completed proxy forms to ATM three days prior to AGM. On receipt of Proxy forms, ATM shall send an email confirmation of the acceptance of the Proxy form.
6. Any shareholder whose pre-registration is not received by ATM from the link shared along with the notice of meeting will not be entertained at the AGM. Pre-registration for the meeting will be closed two days prior to AGM.

3. ANNUAL GENERAL MEETING PROCESS:

1. Shareholders will be required to access the link sent by ATM on the day of AGM, 30 minutes prior to meeting time.
2. When a shareholder accesses the link, he/she will be in a virtual waiting room.
3. Access to virtual meeting room will be closed 10 minutes prior to commencement of meeting.
4. ATM will allow the shareholders in the virtual waiting room to the AGM meeting room immediately before the commencement of the meeting.
5. ATM will use the "raise hand" feature in the application to allow shareholders participation in the AGM. Shareholders are encouraged to use this feature for questions and comments.
6. In a situation where shareholders' voting is required, the "raise hand" function will be applicable. This will be moderated by the Chair of the meeting.

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 authorize:

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

as my/our proxy to represent me/us and to vote for me/us on my/our behalf in the NINTH Annual General Meeting of Amāna Takaful (Maldives) PLC to be held in virtually on 23rd of April 2020 and at any adjournment thereof.

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

For and On behalf of the Member

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

Contact No:

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

Contact No:

INSTRUCTIONS AS TO COMPLETION

1. In order to appoint a proxy, this form must be signed and dated by the shareholder or his/her Attorney duly authorized. If the Shareholder is a company or legal entity it should execute this proxy form under its common seal or by the signature(s) of a person(s) authorized to sign on its behalf.
2. In case of joint shareholding, any one shareholder may sign this proxy form.
3. A copy of the National Identity Card or Passport of the shareholder and the Proxy should be submitted with the proxy form.
4. The duly completed Form of Proxy must be submitted to the Company before 20th April 2020..
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.

NAME OF THE COMPANY

Amāna Takaful (Maldives) PLC

Legal Status

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

Company Registration Number

C-0315/2005

Business Address

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

Stock Exchange Listing

The shares of the Company are listed in the
Main Board of Maldives Stock Exchange in
September 2011. Stock Exchange Code of
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
Ash-sheikh Ali Zahir Bin Saeed Gasim

Auditors

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

Consultant Actuaries

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

Lawyers

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

Reinsurance Panel

Swiss Re Retakaful
Labuan Reinsurance (L) Ltd
Trust International Bahrain
GIC Retakaful
Saudi Re for Cooperative Reinsurance
Company

Secretaries

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

Principal Bankers

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



Amāna Takaful (Maldives) PLC
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