



MALDIVES ISLAMIC BANK

FOURTH QUARTER REPORT

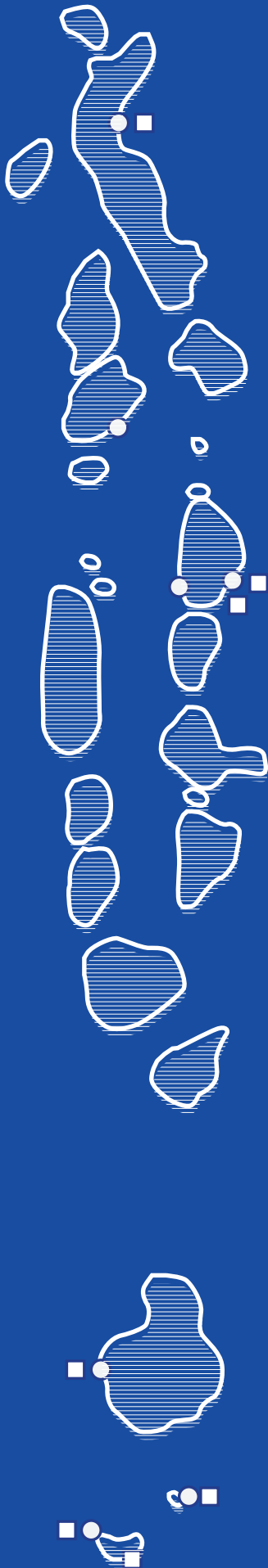
October to December 2022

MALDIVES ISLAMIC BANK PLC.

Maldives Islamic Bank PLC., the first and fully Shari'ah compliant bank in the Maldives is a collaboration between Islamic Corporation for the Development of the Private Sector (ICD), the private sector arm of the Islamic Development Bank Group (IsDB) and the Government of Maldives, represented by Ministry of Finance. The parties entered into an agreement on 04th October 2009 with a view to jointly develop and pioneer Islamic Banking services in the Maldives in line with principles of Shari'ah. MIB opened its' doors on the 7th of March 2011 with the opening of the main branch in Male', the capital of Maldives and quickly followed suit by expanding into all major population centres of the nation. MIB now operates with 6 branches in 5 atolls across the country. The Bank is listed on Maldives Stock Exchange as the only full-fledged Islamic bank in Maldives since November 2019. Today, 20% of the Bank's share capital is owned by the general public, in line with the Bank's principle of increasing public participation in the Bank's ownership.

Incorporated as a Private Limited Company, the Bank was brought to inception with the intention to provide an alternative to the public and businesses who wish to avail themselves to banking transactions and dealings in strict compliance to Islamic banking principles. The primary goal was to offer the people of Maldives the opportunity to be a part of the fast-growing Islamic banking community worldwide. MIB is an active participant in the development and promotion of a viable Islamic economics and financial system in the Maldives which adheres to the highest ethical standards and values.

MIB provides full range of Shari'ah compliant deposit products and financing solutions catering to the general public, both individuals and businesses. From a humble beginning, MIB currently provides its services through 6 branches to meet the growing demand and to facilitate Islamic banking convenience throughout the country. In MIB's continuous effort to provide better access and convenience to our customers, the Bank has expanded its alternative distribution channels through Automated Teller Machines (ATM)s network, Point of Sale (POS) terminals at various merchant outlets and via our online banking service, FaisaNet. MIB constantly strives to exceed customers' expectations by proactively developing long-term relationships and through constantly introducing modern banking services such as FaisaPay for online payments and FaisaMobile for mobile banking services.



OUR BRANCH ATM NETWORK

Haa Dhaalu Kulhudhuffushi
Branch & Atm

Baa Eydhafushi
Atm

Male', Male' City
Maldives Islamic Bank, Atm

Thilafushi
Atm

Hulhumale', Male' City
Branch & Atm

Gaafu Dhaalu Thinadhoo
Branch & Atm

Gnaviyani Fuvahmulah
Branch & Atm

Addu City Hithadhoo
Branch & Atm

Addu City Feydhoo
Atm

■ BRANCH

● ATM

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SUMMARY

Last quarter, we delivered another successful set of results. The Bank's underlying performance during Q4 of 2022 reflected the progress we are making on multiple fronts. Our business lines performed well, and we continued to gain momentum in areas of strategic focus. We strategized and focused on enhancing our digital and mobile capabilities to serve our customers better. New products and solutions were launched, strategic investments were made, paving way for future growth of the bank.

During Q4 of 2022, total Assets reached MVR 6 billion mark. This is a growth of 8.93% compared to Q3 of 2022. Customer Deposits also grew by 10.49%, to MVR 5.11 billion from MVR 4.62 billion in the earlier quarter. Our continued efforts in enhancing the financing portfolio continued to yield positive growth in financing activities during Q4 of 2022.

Total Revenue for the quarter was the highest recorded during the year as it stood at MVR 92.01 million, compared to MVR 84.11 million recorded for the previous quarter. This was a growth of 9.39%. Although, the Net Profit for the quarter dropped to MVR 21.57 million from MVR 36.86 million registered for Q3 of 2022, we were able to finish the year with the highest Net Profit recorded since the pandemic. Net Asset position per share also improved to MVR 33.20 from MVR 32.24 recorded during the third quarter.

STATEMENT OF COMPLIANCE

This report has been prepared in accordance with the Capital Market Development Authority's Circular on Minimum Criteria for Periodic Reporting for Listed Companies (MCPR) dated 19th September 2019.

BUSINESS DEVELOPMENTS

FAISANET 2.0

The soft launch of FaisaNet 2.0 was on 29th December 2022. This new and revamped platform of MIB's internet banking comes with multiple improvements and new features, such as ability to manage multiple profiles with one user credential, self-service TT applications, AI backed chat and messaging system, improvements to self-registration and enhanced payment gateway reports among many others. Additionally, this upgrade provides improved access levels and approval matrices for corporate accounts. The FaisaNet 2.0 is equipped with enhanced security features, where customers have the option to choose their preferred OTP channel among the various two factor authentication channels available.

NEW Hulhumale' BRANCH



In line with our strategic focus to enhance customer service, improve accessibility and convenience, the new Hulhumale' Branch and its ATM centre was officially inaugurated at One Avenue, Hulhumale' on 19th December 2022. The new premises was inaugurated by the Governor of the Maldives Monetary Authority (MMA), Mr. Ali Hashim. With the opening of the new branch, we re-located our existing Hulhumale' branch to this premises and currently facilitates banking services to the community of Hulhumale' via the new branch and 3 ATM facilities at different locations.

HAJJ SAVINGS ACCOUNT LAUNCHED

During the quarter, we launched the first ever Hajj Savings Account in Maldives offered by a Bank. This is the first of its kind from the only fully Shariah compliant bank in the Maldives. MIB Hajj Savings Account is a debit freeze Savings Account tailor made to cater to individuals who are intending to save money to fulfill the Hajj pilgrimage. With this account, the beneficiary is bound to gain one of the highest profit sharing rates in the market and be able to easily accumulate the required amount within a planned duration, starting from an initial deposit as low as MVR 5,000.00

IFFSA SILVER AWARD WINNER

MIB won IFFSA Silver Award of the Best Islamic Bank of the Year (Small Category) during this quarter. This accolade was awarded at the 7th Islamic Finance Forum of South Asia held at Sri Lanka.

MARKETING ACTIVITIES

During Q4 of 2022, MIB conducted the following marketing campaigns aimed towards increasing deposit and utilization.

SAVE WITH MIB PROMOTION

Launched during Q2 2022, this year's "Save with MIB" promotion was dedicated to customers who open and operate Kaamiyaabu Kids account and Kids Saving Account with MIB. Customers who made a new deposit of MVR 30,000 during the promotion period and retained it until the end of the 2022 was eligible for the grand prize of 3-Nights Family Trip to Lego Land Malaysia.

Our annual "Save with MIB" campaign is a regular promotion that has gained popularity amongst the Bank's customer base.

INFORMATION SESSIONS & CUSTOMER ONBOARDING ACTIVITIES

During the quarter, we conducted special banking day events for multiple companies and public. These sessions were oriented towards customer onboarding and awareness towards Islamic banking products. Account opening sessions were conducted at Banyan Tree, ADK Hospital, Ooredoo Maldives, RCC, Artificial Beach and at Velaanaage.

CASHBACK IS BACK PROMOTION

A special iteration of our widely accepted Cashback promotion returned during last quarter of 2022. This campaign aimed to give those who make retail purchases of minimum MVR 250 in value using MIB Visa Everyday card, a 2% cashback on their purchases, when the purchases are paid for in any MIB POS machines. Open for all card holders with a Visa Everyday Debit card of MIB, this promotion was run for 1 month during the quarter.

EXPOS AND EVENTS

During the quarter, we took part in multiple stakeholder events and expos including Smartcom Fair, Living Expo and Vinares Expo. MIB's participation at these events were oriented towards providing product information in general, and particularly on the housing financing schemes offered by the Bank. We also used these avenues for customer onboarding and raising awareness towards Islamic banking products. Additionally, a special marketing campaign was conducted during November 2022 as World Cup promotion.

SHAREHOLDING STRUCTURE

During the reporting period, shareholding structure of the Bank remains unchanged compared to Quarter 03 of 2022. The current shareholding structure of the Bank is as follows.

	Q4 – 2022		Q3 – 2022	
	No. of shares	% of shareholding	No. of shares	% of shareholding
Islamic Corporation for the Development of the Private Sector (ICD)	7,425,000	33.00%	7,425,000	33.00%
Government of Maldives	6,300,000	28.00%	6,300,000	28.00%
Amana Takaful (Maldives) PLC.	1,806,372	8.03%	1,806,372	8.03%
Public Shareholders				
1. Maldives Pension Administration Office	2,369,370	10.53%	2,369,370	10.53%
2. Others	4,599,265	20.44%	4,599,265	20.44%
Total	22,500,007	100%	22,500,007	100%

BOARD AND GOVERNANCE

COMPOSITION OF THE BOARD AND BOARD COMMITTEES

As per the Articles of Association of the Bank, the Board shall not be less than 9 (nine) Directors and shall include at least 4 (four) Nominee Directors, at least 1 (one) Elected Director, at least 2 (two) Independent Directors and at least 2 (two) Executive Directors.

The following are the Directors on the Board of the Bank as at 31st December 2022:

Name	Designation	Committee ^{/1}	Date of Appointment / Re-appointment
Mr. Kazi Abu Muhammad Majedur Rahman Independent Director	Chairman ^{/2} & Independent Non-Executive Director	-	28/10/2021
Mr. Nasser Mohammed Al-Thekair Nominee Director - ICD	Non-Executive Director	BRCC	30/05/2022
Uz. Mohamed Naseem Ibrahim Nominee Director - GoM	Non-Executive Director	BRCC, BNRC	23/07/2020
Mr. Ali Shareef Nominee Director - MPAO	Non-Executive Director	BRCC, BIC	23/07/2020
Mr. Ahmed Ali Elected Director – Public	Independent Non-Executive Director	BAC, BNRC	23/07/2020
Mr. Hassan Mohamed Nominee Director - GoM	Non-Executive Director	BAC, BRCC	31/05/2021
Mr. Rajiv Nandlal Dvivedi Independent Director	Independent Non-Executive Director	BNRC, BIC	28/10/2021
Mr. Moez Baccar Nominee Director - ICD	Non-Executive Director	BAC, BIC	30/05/2022
Mr. Osman Kassim ^{/3 /4} Nominee Director – Amana Takaful	Non-Executive Director	BNRC, BIC	12/12/2022
Mr. Mufaddal Idris Khumri ^{/4} Executive Director	Managing Director & CEO	-	12/12/2022
Mr. Ali Wasif Executive Director	CFO	-	27/06/2022

^{/1} Board Committees were re-constituted effective from 20th December 2022.

^{/2} Mr. KAM Majedur Rahman was appointed as the Chairman effective from 31st October 2022.

^{/3} Following the sale of MIB shares from ICD to Amana Takaful (Maldives) PLC on 18th September 2022, Amana Takaful (Maldives) PLC is eligible for one Board seat.

^{/4} Mr. Osman Kassim and Mr. Mufaddal Idris Khumri was appointed to the Board following EGM held on 12th December 2022.

FREQUENCY OF MEETINGS

	Q4 – 2022	Q3 – 2022
Board of Directors	04 (Four)	03 (Three)
Board Risk and Compliance Committee (“BRCC”)	01 (One)	02 (Two)
Board Audit Committee (“BAC”)	03 (Three)	01 (One)
Board Nomination and Remuneration Committee (“BNRC”)	01 (One)	01 (One)
Board Investment Committee (“BIC”) ^{1/}	01 (One)	-

1/ BIC was formed on 20th December 2022 following re-constitution of Board sub-committees.

SIGNIFICANT BOARD DECISIONS

- Appointed Mr. KAM Majedur Rahman as the Chairman of the Board of Directors effective from 31st October 2022.
- Reviewed and approved the Bank’s Quarterly Report for the Third Quarter of 2022.
- Recommended the appointment of Mr. Osman Kassim as the Nominee Director of Amana Takaful (Maldives) Plc in the Board of Maldives Islamic Bank for a term of 3 years. The appointment was confirmed at the Shareholders meeting held on 12th December 2022.
- Approved the Book closure date for the EGM of the Bank.
- Reviewed and approved the Notice of the EGM of the Bank.
- Reviewed and approved the proposed resolutions for the EGM of the Bank.
- Approved to nominate Directors as Alternate Chairman at the EGM of the Bank.
- Reviewed and approved the Business Plan and Budget of the Bank for the Financial Year 2023.
- Reviewed and approved Strategic Plan of the Bank for 2023 – 2027.
- Recomposed the Board sub-committees.
- Approved to form Board Investment Committee.
- Reviewed and approved the amendments to Procurement Policy of the Bank.
- Reviewed and approved the Record Retention Policy.
- Reviewed and approved IT related policies.

PENALTIES IMPOSED BY THE REGULATOR

There are no penalties imposed by the regulator during this quarter.

MATERIAL TRANSACTIONS WITH THE DIRECTORS/SUBSTANTIAL SHAREHOLDERS

There are no material transactions beyond ordinary course of business with directors, significant shareholders or associates during this quarter.

CORPORATE SOCIAL RESPONSIBILITY

No activities and events were conducted under the umbrella of Corporate Social Responsibility by the Bank during Q4 of 2022.

FINANCIAL HIGHLIGHTS

(All amounts in MVR'000 unless otherwise stated)

	Oct - Dec 2022	Jul - Sep 2022	12 months 2022 unaudited	12 months 2021 audited
Total Revenue	92,011	84,111	338,432	276,448
Total Expenses	(63,252)	(34,959)	(176,141)	(181,389)
Net Profit	21,569	36,864	121,718	79,623
Earnings Per Share	0.96	1.64	5.41	3.54
Net Assets per Share	33.20	32.24	33.20	29.28
Cash Flow per Share	25.36	47.46	25.36	68.50

FINANCIAL STATEMENTS

Income Statement (Unaudited) - Quarter ended 31 December 2022

(All amounts in MVR'000 unless otherwise stated)

	Oct - Dec 2022	Jul - Sep 2022	12 months 2022 unaudited	12 months 2021 audited
Gross Income				
Income from Financing and Similar Income	95,971	88,813	355,853	303,340
Profit Paid on Customer Accounts and Similar Charges	(14,027)	(13,058)	(54,596)	(58,382)
Net Fund based Income	81,944	75,755	301,257	244,958
Fee and Commission Income	12,522	10,063	42,786	34,033
Fee and Commission Expense	(2,461)	(1,806)	(5,872)	(3,082)
Net Fee and Commission Income	10,061	8,257	36,914	30,951
Other Operating Income	6	99	261	539
Total Operating Income	92,011	84,111	338,432	276,448
Loss on Fair Valuation of Financial Instruments Mandatorily Measured at FVTPL	-	-	-	-
Personnel Expenses	(34,595)	(18,847)	(88,072)	(77,997)
General and Administrative Expenses	(15,613)	(11,554)	(49,787)	(40,678)
Depreciation and Amortization	(7,812)	(7,446)	(29,971)	(27,005)
Total Operating Expenses excluding Provision	(58,020)	(37,847)	(167,830)	(145,680)
Operating Profit (Profit before Provisions)	33,991	46,264	170,602	130,768
Net Impairment Losses on Financial Assets	(5,232)	2,888	(8,311)	(35,709)
Profit / (Loss) Before Tax	28,759	49,152	162,291	95,059
Income Tax Expense	(7,190)	(12,288)	(40,573)	(15,436)
Net Profit	21,569	36,864	121,718	79,623
Basic Earnings Per Share	0.96	1.64	5.41	3.54

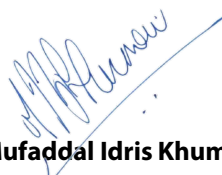
Statement of Financial Position (Unaudited) - As at 31 December 2022

(All amounts in MVR'000 unless otherwise stated)


	31-Dec-22	30-Sep-22	31-12-2021 Audited
Assets			
Cash, Short Term Funds & Balances with MMA	570,706	1,067,885	1,541,191
Minimum Reserve Requirement with MMA	481,950	410,260	396,105
Investments in Equity Securities	53,100	53,100	53,100
Investments in Other Financial Instruments	1,915,603	1,157,765	885,563
Net Receivables from Financing Activities	2,813,997	2,676,926	2,346,159
Property, Plant and Equipment	72,446	70,002	63,484
Right-of-Use Assets	125,196	98,366	107,698
Other Assets	119,867	114,224	102,796
Total Assets	6,152,865	5,648,528	5,496,096
Liabilities			
Customers' Accounts	5,107,909	4,623,069	4,434,875
Lease Liabilities	95,917	93,768	98,880
Other liabilities	202,003	206,224	303,543
Total Liabilities	5,405,829	4,923,061	4,837,298
Equity			
Share Capital	337,500	337,500	337,500
Retained Earnings	225,708	190,863	146,421
Statutory Reserve	150,000	150,000	150,000
Other Reserves	33,828	47,104	24,877
Total Equity	747,036	725,467	658,798
Total Liabilities and Equity	6,152,865	5,648,528	5,496,096



Ali Wasif
Chief Financial Officer



Mufaddal Idris Khumri
MD & CEO



Ahmed Ali
Chairman / BAC

Statement of changes in Equity (Unaudited) - Quarter ended 31 December 2022

(All amounts in MVR'000 unless otherwise stated)

	Share Capital	Retained Earnings	Statutory Reserve	Other Reserves	Total Equity
Balance as at 01 January 2022	337,500	146,421	150,000	24,877	658,798
Net profit for the quarter	-	32,995	-	-	32,995
Dividends to equity holders	-	-	-	-	-
Transferred to reserves	-	-	-	-	-
Transferred to Non-Distributable Capital Reserve	-	1,987	-	(1,987)	-
Issue of Shares	-	-	-	-	-
Balance as at 31 March 2022	337,500	181,403	150,000	22,890	691,793
Net profit for the quarter	-	30,290	-	-	30,290
Dividends to equity holders	-	(33,480)	-	-	(33,480)
Transferred to reserves	-	-	-	-	-
Transferred to Non-Distributable Capital Reserve	-	(5,326)	-	5,326	-
Issue of Shares	-	-	-	-	-
Balance as at 30 June 2022	337,500	172,887	150,000	28,216	688,603
Net profit for the quarter	-	36,864	-	-	36,864
Dividends to equity holders	-	-	-	-	-
Transferred to reserves	-	-	-	-	-
Transferred to Non-Distributable Capital Reserve	-	(18,888)	-	18,888	-
Issue of Shares	-	-	-	-	-
Balance as at 30 September 2022	337,500	190,863	150,000	47,104	725,467
Net profit for the quarter	-	21,569	-	-	21,569
Dividends to equity holders	-	-	-	-	-
Transferred to reserves	-	-	-	-	-
Transferred to Non-Distributable Capital Reserve	-	13,276	-	(13,276)	-
Issue of Shares	-	-	-	-	-
Balance as at 31 December 2022	337,500	225,708	150,000	33,828	747,036

Statement of Cash Flows (Unaudited) - Quarter ended 31 December 2022

(All amounts in MVR'000 unless otherwise stated)

	Oct - Dec 2022	Jul - Sep 2022	12 months 2022 unaudited	12 months 2021 audited
Cash Flows from Operating Activities	27,403	43,006	153,754	96,827
Changes in Operating Assets and Liabilities	301,079	(341,778)	(38,419)	770,477
Cash Flows from Investing Activities	(825,384)	10,916	(1,043,018)	(504,242)
Cash Flows from Financing Activities	(277)	(5,961)	(42,802)	(46,291)
Net increase/ (used) in Cash and Cash Equivalents	(497,179)	(293,817)	(970,485)	316,771
Cash and Cash Equivalents at beginning of the period	1,067,885	1,361,702	1,541,191	1,224,420
Cash and Cash Equivalents at end of the period	570,706	1,067,885	570,706	1,541,191

INVESTOR INFORMATION

Highest Traded Price	MVR 50.00
Lowest Traded Price	MVR 30.00
Last Traded Price	(on 22 nd Dec 2022) MVR 40.00
Weighted Average Traded Price	MVR 40.36
Number of Securities Traded	6,944
Value of Securities Traded	MVR 280,267.00
Market Capitalization	MVR 908,100,282.52
Dividend Yield *	3.69%
Price Earnings Ratio *	7.46
Total No. of Shareholders at the end of Quarter	16,165
Number of Trades	47

* **annualised**

SHARI'AH COMPLIANCE REVIEW

Maldives Islamic Bank PLC. is the only full-fledged Shari'ah compliant bank in the Maldives. The business of the Bank remains Shari'ah compliant as per the regulation on Shari'ah Screening of Equity Securities of Capital Market Development Authority since its inception. The level of Shari'ah compliance during the quarter remains unchanged compared to Quarter 03 of 2022.

EXTERNAL AUDITOR'S LIMITED REVIEW

The financials stated above are management accounts (unaudited) and are subject to changes after full year audit by the External Auditor.

