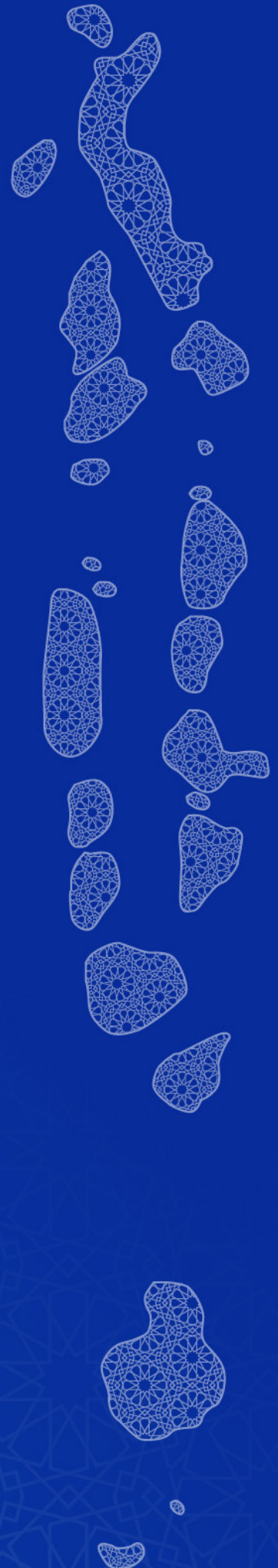




MALDIVES ISLAMIC BANK

FIRST QUARTER REPORT

January to March 2023

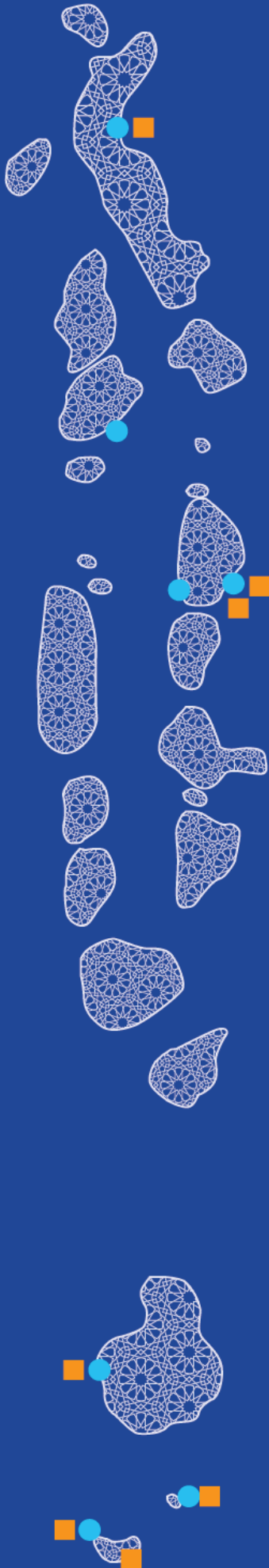


MALDIVES ISLAMIC BANK PLC.

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. We opened our doors to the public 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. We now operate with 6 branches in 5 atolls across the country. We have been listed on Maldives Stock Exchange as the only full-fledged Islamic bank in Maldives since November 2019. Today, 20% of our share capital is owned by the general public, in line with our principle of increasing public participation in the Bank's ownership.

Incorporated as a Private Limited Company, MIB was brought to inception with the intention of providing 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. We are 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.

We provide full range of Shari'ah compliant deposit products and financing solutions catering to the general public, both individuals and businesses. From a humble beginning, we currently provide our services through a branch network of 06, 09 ECRMs and 14 ATMs across 09 island locations to meet the growing demand and to facilitate Islamic banking convenience throughout the country. In our continuous effort to provide better access and convenience to our customers, we have expanded our alternative distribution channels through Automated Teller Machines (ATM) network, Point of Sale (POS) terminals at various merchant outlets and via our online banking service, FaisaNet and FaisaMobile. We constantly strive to exceed customers' expectations by proactively developing long-term relationships and through constantly introducing modern 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

TABLE OF CONTENTS

SUMMARY	5
STATEMENT OF COMPLIANCE	5
BUSINESS DEVELOPMENTS	6
MARKETING ACTIVITIES	7
SHAREHOLDING STRUCTURE	9
BOARD AND GOVERNANCE	10
CORPORATE SOCIAL RESPONSIBILITY	12
FINANCIAL HIGHLIGHTS	12
FINANCIAL STATEMENTS	13
INVESTOR INFORMATION	17
SHARIAH COMPLIANCE REVIEW	17
EXTERNAL AUDITOR'S LIMITED REVIEW	17

SUMMARY

The Bank's performance this quarter reflects the strength of the Bank's business model. We have demonstrated operational resilience and financial strength, while our business lines performed well. We continued to make progress and deliver notable improvements on our key performance measures during the quarter as well. 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 Q1 of 2023, Total Assets reached MVR 6.59 billion, recording a growth of 6.36% compared to the last quarter of 2022. Customer Deposits grew by 6.97%, to MVR 5.50 billion from MVR 5.14 billion recorded for the previous quarter. The Bank's financing portfolio continued to yield positive growth trajectory with MVR 3.01 billion recorded as Net Receivables from Financing Activities at the end of first quarter of 2023 compared to MVR 2.82 billion for the Q4 of 2022.

Total Revenue number continued its upward trend to reach MVR 103.64 million by the end of the quarter, compared to MVR 96.21 million recorded for the last quarter of 2022. This was a growth of 7.72%. Net Profit for the quarter was recorded at MVR 42.30 million, compared to MVR 20.94 million recorded for Q4 of 2022. At the end of Q1 of 2023, Earnings Per Share improved to MVR 1.88 from MVR 0.93 recorded for last quarter of 2022 while Net Assets Per Share grew to MVR 36.69 from MVR 34.81 the same period. Cash Flow Per Share also recorded an improvement as it stood at MVR 34.86 compared to MVR 25.34 recorded for the Q4 of 2022.

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

USD ECRM



MIB launched its first ever USD ATM during the first quarter of the year. This 24-hour Self Service Center houses ECRM for deposit and withdrawal of USD notes. Housed at the Baazaar Service Center located at Faamudheyrige, Male', the USD ATM will facilitate USD transactions for customers with MIB dollar accounts, with daily withdrawal limit of USD 1,000 and deposit limit of USD 12,000. Through this ATM, customers can conduct deposit and withdrawal using an OTP sent to their mobile phones, without using their cards.

VILIMALE' ATM



Backed with our strategic priority of enhancing customer service experience and fulfilling our mandate of providing customers with ease of access to banking, we opened a new deposit ATM at Vilimale' during March 2023. This ATM was inaugurated by the Chairman of MIB and Mayor of Male' City Council. This machine comes equipped with automated cash and cheque deposit functionality among others, allowing customers to conduct deposit and withdrawals using an OTP sent to their mobile phones, without using their cards.

This self-service banking option when combined with our ApplyNow portal and the Internet/Mobile Banking service, provides customers with an extensive pathway through which they can conduct their transactions and apply for and receive financing at the convenience of their own locations.

MARKETING ACTIVITIES

During Q1 of 2023, MIB conducted the following marketing campaigns aimed towards increasing deposit and utilization.

SAVE WITH MIB 2023 PROMOTION

The new iteration of Save with MIB campaign was launched during February 2023 and will run until the end of the year. This year's Save with MIB campaign is targeted towards customers who newly open their accounts with MIB and for customers who re-activate their accounts during the promotion period. Customers can open or re-activate Savings Account, GIA, Kids Account, Kaamiyaabu Kids Account and Hajj Savings Account to be eligible for the monthly prize. Maldivians who route a minimum of MVR 2,000 or USD equivalent to their newly opened accounts or re-activated accounts will be eligible for the lucky draw of that respective month.

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

UJAALAA ROADHA PROMOTION

This Ramadan promotion is dedicated to customers who purchase goods using our "Ujaalaa Dhiriulhun" financing facility. Under this promotion, customers who utilize a total amount of MVR 25,000 using Ujaalaa Dhiriulhun facility will be eligible for the weekly lucky draw and will be eligible for the grand prize of Umrah trip for two. The promotion was run from 5th February 2023 until end of the first quarter.

CARDUN KANDAALAA CAMPAIGN 1444

The Cardun Kandaalaa Campaign is open for all cardholders holding a Visa Debit Card of the Bank. This promotion was launched during March 2023 and will be run until 20th April 2023. Customers who make local purchases using MIB Visa debit card on an MIB POS machine will be eligible for attractive weekly prizes and grand prize.

EVERYDAY BENEFITS

The Everyday Benefits is a scheme which gives exclusive discounts and special offers to MIB Card holders. MIB's Everyday Benefits discount scheme offers exclusive discounts from affiliated partners for customers who pay from their MIB cards through MIB POS machines. With this scheme, customers are eligible for discounts up to 25%.

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 various resort islands including Vabbinfaru Resort, Movenpick Resort Kuredivaru Maldives, Joali Being and Emboodhoo Village, multiple SOEs including Road Development Corporation (RDC), State Trading Organization (STO) and MWSC, government offices including Maldives Police Service, Hulhumale' Hospital and Department of National Registration. In addition to this, multiple Roadshows were organized in Male', Hulhumale', Vilimale' and ADh. Mahibadhoo.

ISLAMIC FINANCE EXHIBITION OF MALDIVES

MIB was the main sponsor for the Islamic Finance Exhibition of Maldives (IFEM 2023). This one-day exhibition was held on 11th March 2023 at Islamic University of Maldives. MIB's participation at this exhibition was oriented towards providing information on Islamic Financing and product information in general. Additionally, we also used this avenue for conducting walk-in interviews for customer service representatives.

MIB ANNIVERSARY ACTIVITIES



In lieu of the Bank's 12th Anniversary, we conducted multiple activities focused towards our deposit customers and financing customers. These included Weekend Account Opening Day we conducted at Male' and Hulhumale' Branch in addition to providing Same Day Ujaalaa Limit Approval from all branches for financing customers who submitted all valid documents. Furthermore, we were the proud sponsors of the Islamic Finance Exhibition of Maldives and Maldives Half Marathon.

SHAREHOLDING STRUCTURE

During the reporting period, the shareholding structure of the Bank remains unchanged compared to Quarter 04 of 2022. The current shareholding structure of the Bank is as follows.

	Q1 – 2023		Q4 – 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 March 2023:

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

FREQUENCY OF MEETINGS

	Q1 – 2023	Q4 – 2022
Board of Directors	03 (Three)	04 (Four)
Board Risk and Compliance Committee (“BRCC”)	03 (Three)	01 (One)
Board Audit Committee (“BAC”)	04 (Four)	03 (Three)
Board Nomination and Remuneration Committee (“BNRC”)	02 (Two)	01 (One)
Board Investment Committee (“BIC”) ^{/1}	02 (Two)	01 (One)

SIGNIFICANT BOARD DECISIONS

- Reviewed and approved the Bank’s Quarterly Report for the Fourth Quarter of 2022.
- Approved to appoint an additional External Legal counsel to represent the Bank in the Employment Tribunal against claims filed by former MD & CEO.
- Reviewed and approved the Policy for recruitment, selection and engagement of MD & CEO.
- Reviewed and approved the Conflict of Interest Policy for staff.
- Reviewed and approved the proposed changes to the Prevention of Sexual Harassment Policy for staff.
- Approved to hire a consultant for Comprehensive HR service review.
- Reviewed and approved the updated Terms of Reference of BNRC.
- Approved revisions to the remuneration package of Shariah Committee members.
- Recommended revisions to remuneration of the Board of Directors to be tabled for the approval of Shareholders.

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

During Q1 of 2023, the Bank provided financial assistance to Ministry of Islamic Affairs towards the Ihyaa Forum organized by the Ministry. This is a festive religious educational forum conducted by Ministry of Islamic Affairs on a yearly basis in lieu of every Ramadan.

FINANCIAL HIGHLIGHTS

(All amounts in MVR'000 unless otherwise stated)

	Jan – Mar 2023	Oct – Dec 2022 Updated	Jan – Mar 2022
Total Revenue	103,641	96,210	79,224
Total Expenses	(47,248)	(68,286)	(35,230)
Net Profit	42,295	20,943	32,995
Earnings Per Share	1.88	0.93	1.47
Net Assets per Share	36.69	34.81	30.75
Cash Flow per Share	34.86	25.34	65.34

FINANCIAL STATEMENTS

Income Statement (Unaudited) - Quarter ended 31 March 2023

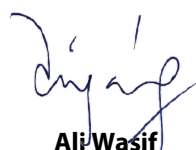
(All amounts in MVR'000 unless otherwise stated)

	Jan – Mar 2023	Oct – Dec 2022 Updated	Jan – Mar 2022
Gross Income			
Income from Financing and Similar Income	107,716	100,264	84,239
Profit Paid on Customer Accounts and Similar Charges	(16,327)	(14,027)	(14,604)
Net Fund based Income	91,389	86,237	69,635
Fee and Commission Income	13,952	12,529	10,118
Fee and Commission Expense	(1,786)	(2,563)	(654)
Net Fee and Commission Income	12,166	9,966	9,464
Other Operating Income	86	7	125
Total Operating Income	103,641	96,210	79,224
Loss on Fair Valuation of Financial Instruments Mandatorily Measured at FVTPL	-	-	-
Personnel Expenses	(22,455)	(33,277)	(16,777)
General and Administrative Expenses	(13,081)	(15,629)	(10,682)
Depreciation and Amortization	(7,627)	(7,814)	(7,367)
Total Operating Expenses excluding Provision	(43,163)	(56,720)	(34,826)
Operating Profit (Profit before Provisions)	60,478	39,490	44,398
Net Impairment Losses on Financial Assets	(4,085)	(11,566)	(404)
Profit / (Loss) Before Tax	56,393	27,924	43,994
Income Tax Expense	(14,098)	(6,981)	(10,999)
Net Profit	42,295	20,943	32,995
Basic Earnings Per Share	1.88	0.93	1.47

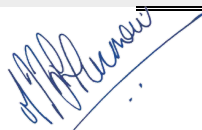
Statement of Financial Position (Unaudited) - As at 31 March 2023

(All amounts in MVR'000 unless otherwise stated)

	31-Mar-23	31-Dec-22 Audited	31-Mar-22
Assets			
Cash, Short Term Funds & Balances with MMA	784,282	570,189	1,470,231
Minimum Reserve Requirement with MMA	516,891	481,950	406,448
Investments in Equity Securities	102,100	102,100	53,100
Investments in Other Financial Instruments	1,871,309	1,915,361	1,116,412
Net Receivables from Financing Activities	3,005,301	2,821,969	2,448,383
Property, Plant and Equipment	70,814	72,451	63,009
Right-of-Use Assets	121,415	124,828	104,686
Other Assets	122,664	111,273	154,651
Total Assets	6,594,776	6,200,121	5,816,920
Liabilities			
Customers' Accounts	5,503,186	5,144,621	4,834,743
Lease Liabilities	93,443	95,473	97,303
Other liabilities	172,692	176,867	193,081
Total Liabilities	5,769,321	5,416,961	5,125,127
Equity			
Share Capital	337,500	337,500	337,500
Retained Earnings	273,594	230,560	181,403
Statutory Reserve	150,000	150,000	150,000
Other Reserves	64,361	65,100	22,890
Total Equity	825,455	783,160	691,793
Total Liabilities and Equity	6,594,776	6,200,121	5,816,920



Ali Wasif
Chief Financial Officer



Mufaddal Idris Khumri
MD & CEO



Ahmed Ali
Chairman / BAC

Statement of changes in Equity (Unaudited) - Quarter ended 31 March 2023

(All amounts in MVR'000 unless otherwise stated)

	Share Capital	Retained Earnings	Statutory Reserve	Other Reserves	Total Equity
Balance as at 01 July 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	-	20,943	-	-	20,943
Equity Instruments at FVOCI - change in fair value	-	-	-	49,000	49,000
Recognition of deferred tax impact on fair value change	-	-	-	(12,250)	(12,250)
Dividends to equity holders	-	-	-	-	-
Transferred to reserves	-	-	-	-	-
Transferred to Non-Distributable Capital Reserve	-	18,754	-	(18,754)	-
Issue of Shares	-	-	-	-	-
Balance as at 31 December 2022	337,500	230,560	150,000	65,100	783,160
Net profit for the quarter	-	42,295	-	-	42,295
Dividends to equity holders	-	-	-	-	-
Transferred to reserves	-	-	-	-	-
Transferred to Non-Distributable Capital Reserve	-	739	-	(739)	-
Issue of Shares	-	-	-	-	-
Balance as at 31 March 2023	337,500	273,594	150,000	64,361	825,455

Statement of Cash Flows (Unaudited) - Quarter ended 31 March 2023

(All amounts in MVR'000 unless otherwise stated)

	Jan – Mar 2023	Oct – Dec 2022 Updated	Jan – Mar 2022
Cash Flows from Operating Activities	51,446	32,904	41,948
Changes in Operating Assets and Liabilities	145,951	307,076	129,218
Cash Flows from Investing Activities	19,780	(837,399)	(238,267)
Cash Flows from Financing Activities	(3,084)	(277)	(3,859)
Net increase/ (used) in Cash and Cash Equivalents	214,093	(497,696)	(70,960)
Cash and Cash Equivalents at beginning of the period	570,189	1,067,885	1,541,191
Cash and Cash Equivalents at end of the period	784,282	570,189	1,470,231

INVESTOR INFORMATION

Highest Traded Price	MVR 45.00
Lowest Traded Price	MVR 33.00
Last Traded Price	MVR 42.00 (on 30 th Mar 23)
Weighted Average Traded Price	MVR 41.45
Number of Securities Traded	2,584
Number of Trades	22
Value of Securities Traded	MVR 107,114.00
Market Capitalization	MVR 932,625,290.15
Dividend Yield *	3.59%
Price Earnings Ratio *	5.51
Total No. of Shareholders at the end of Quarter	16,166

* *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 04 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.

