



MALDIVES ISLAMIC BANK

**DRAFT MINUTES OF THE
14th ANNUAL GENERAL MEETING**

MALDIVES ISLAMIC BANK PLC

23rd MAY 2024

Contents

1. Opening of the Meeting	2
2. Review of the Year and Chairman's Remarks	2
3. Chairman of Meeting.....	4
4. Attendance.....	4
5. Agenda	5
6. Approval of the Minutes of the 13 th Annual General Meeting	6
7. Approval of the Minutes of Extraordinary General Meeting No 01/2024	6
8. Approval of the Directors' Report and Audited Financial Statements for the year ended 31 st December 2023.....	6
9. Approval of the Final dividend for the year ended 31 st December 2023.....	7
10. Approval of the appointment/re-appointment of the External Auditors of the Bank for the year 2024 and fixation of their remuneration.....	8
11. Approval of changes to Board of Directors Remuneration	8
12. Other Matters	9
13. Conclusion.....	11

Company Registration Number: C-0255/2010

Minutes of the Fourteenth Annual General Meeting of the shareholders of Maldives Islamic Bank PLC. (“the Company” or “the Bank”) held on Thursday, 23rd May 2024 at 2:00 p.m. using “Fahivote”, an online General Meetings Management System developed by Maldives Securities Depository Pvt Ltd.

1. Opening of the Meeting

- The meeting commenced with the recitation of the Holy Quran by Mr. Muaz Abdul Raheem.
- The Chairman declared the meeting open at 2:00 p.m. announcing that the meeting was quorate with the presence of 30 shareholders representing 17,924,104 of the Bank’s shares.
- The meeting was opened by the Chairman by welcoming all shareholders who had joined the meeting and the special invitees for taking part in the meeting which was also webcasted.
- The Chairman informed all the Shareholders that, in case of any disconnection with the system from his side as the Chairman; Board of Directors has decided that Mr. Nasser Mohammed Al-Thekair would preside as Chairman, and if he also gets disconnected, Mr. Osman Kassim would preside as the Chairman of this AGM.

2. Review of the Year and Chairman’s Remarks

- Before moving on with the formal proceedings of the Meeting, the Chairman said a few words about the results achieved by the Bank during 2023.
- The Chairman began by stating that last year, the Bank marked significant milestones, categorized by the remarkable success and accomplishments of MIB. Chairman stated that he was very thrilled that in 2023, MIB achieved successful execution of its Strategic Vision 2027 as more than 100 strategic initiatives were effectively executed.
- Chairman highlighted that in 2023, the Bank achieved a Net Profit of MVR 176.53 million, 45.78% higher than 2022, Total Operating Income was recorded at MVR 475.56 million, an increase of 38.80%. He also noted that last year, MIB’s Balance Sheet grew to MVR 8.23 billion and Equity grew to MVR 928.12 million. Deposit mobilization activities experienced substantial momentum, resulting in a significant 32.91% growth of the portfolio to reach MVR 6.84 billion. He stated that this demonstrates robust customer confidence and an increasing appreciation for the Bank’s value proposition.
- The Chairman expressed his delight that as a result of the outstanding results achieved by the Bank during 2023, the Bank have been able to reaffirm its commitment to shareholders via incremental growth in both dividend yield and quantum paid, for the fourth consecutive year. He stated that in view of the record results achieved by the Bank last year, the Board of Directors has proposed a final dividend of MVR 2.90 per share for the Financial Year 2023, 65.71% higher annual growth in returns per share. The total dividend payout this year would be the highest till date, with MVR 65.25 million being declared as total dividend for the year.

- In continuing his remarks, the Chairman stated that 2023 was largely characterized as a year of digital transformation within the Bank as game changing digital banking solutions were launched and the Bank partnered with others where the Bank could make positive impact towards its stakeholders and the communities.
- As Chairman stated, MIB expanded its presence throughout the year by generating additional opportunities within the existing and new market segments. He added that MIB had been able to remain as the leading Shariah compliant bank in Maldives by utilizing its distinctive proposition and its capability to deliver flexible and tailored solutions.
- Chairman stated that as a Board, MIB's Board of Directors are committed to continuously improve the Corporate Governance practices of the Bank and noted that this commitment is a shared priority among all our Board members and is considered fundamental to all other guiding principles.
- He stated that a Board Charter was finalized for the first-time last year, over 15 new policies were approved and implemented, the performance of the Board was continued to be evaluated independently, and the Bank's Annual Board Refresher Program and Strategic Retreat was continued, providing an avenue to refine the Strategic Vision set out the earlier year.
- The Chairman continued by stating that the further developments in governance included a thorough review of the TORs of Board Sub-Committees, expanding the mandate of some and revising the composition of all sub-committees. Committees were granted enhanced approval authorities, and Board Agendas were reorganized to focus more on Strategic Matters.
- He also stated that the Bank's governance framework is crafted to oversee not just the Bank's progress but also to protect its operations and the interests of stakeholders. He affirmed that over the course of last year, the Bank has committed to strengthening its risk management capabilities and cultivating a culture that is attuned to risk.
- Before concluding his remarks, the Chairman expressed his appreciation to the MIB family, its customers, partners, shareholders, to management and the employees. He also extended his appreciation to the Board of Directors and the Shari'ah Committee of the Bank for their contribution.
- Looking ahead to 2024, The Chairman stated that the Bank remains resilient as well as the market is foreseen to be resilient as well. At the same time, he iterated that it is significant that the Bank remains vigilant of the macroeconomic volatility and maintains sufficient levels of capital, liquidity, and asset quality in response. Chairman assured that in order to achieve this, MIB will continue to execute its strategy by investing in its capabilities and mitigating the risks with the help of diligently crafted strategies and policies.
- He concluded his remarks by expressing his confidence that the Bank's Strategic Vision which has proven to be a success in the first year itself will continue to provide higher productivity, income, and operational excellence to all stakeholders Insha Allah.

Before proceeding with the formal proceedings of the Meeting, Chairman briefed shareholders on the voting processes at the AGM.

- He informed that since the meeting was conducted virtually using Fahirvote, voting for all agenda items would be poll voting, in accordance with Article 30 (thirty) of the Articles of Association of the Bank. He stated that this means every shareholder present by self or by proxy should have 1 (one) vote for every share he or she holds. He further informed that if a shareholder did not vote, it would be noted as abstained and would not be counted towards vote results.

3. Chairman of Meeting

Mr. KAM Majedur Rahman, Chairman of the Board of Directors, chaired the meeting.

4. Attendance

The Chairman announced that:

- Mr. Mohamed Hassan was representing and voting on behalf of the Islamic Corporation for the Development of the Private Sector.
- Mr. Abdulla Imraan was representing and voting on behalf of the Government of Maldives as represented by Ministry of Finance.
- Ms. Haifa Ahmed was representing and voting on behalf of the Maldives Pension Administration Office.
- Mr. Hareez Sulaiman was representing and voting on behalf of the Amana Takaful (Maldives) PLC.

Board of Directors in Attendance

i) Mr. KAM Majedur Rahman	Chairman, Non-Executive Independent Director
ii) Mr. Nasser Mohammed Al-Thekair	Non-Executive Director
iii) Mr. Ahmed Ali	Non-Executive Independent Director
iv) Mr. Rajiv Nandlal Dvivedi	Non-Executive Independent Director
v) Mr. Moez Baccar	Non-Executive Director
vi) Mr. Osman Kassim	Non-Executive Director
vii) Mr. Ahmed Shafeez	Non-Executive Director
viii) Ms. Mausooma Yoosuf	Non-Executive Director
ix) Mr. Ahmed Siraj	Non-Executive Director
x) Mr. Mufaddal Idris Khumri	Managing Director & CEO
xi) Mr. Ali Wasif	CFO, Executive Director

- By Invitation
 - i) Ms. Aminath Maldha Maldives Monetary Authority
 - ii) Ms. Aminath Naareen Faisal CMDA
 - iii) Mr. Ibrahim Fazeel Auditor General's Office
 - iv) Ms. Hawwa Saaiga Auditor General's Office
 - v) Mr. Aushan Latheef Maldives Stock Exchange
 - vi) Uza. Aishath Junaina Ahmed SHC Law & Tax LLP
 - vii) Mr. Jatindra Bhatray Deloitte
 - viii) Mr. Sivagnanendran Achchuthan Deloitte
 - ix) Mr. Siraj Muneer Deloitte
 - x) Mr. Rakitha Chandrasekara Chief Internal Auditor, MIB

- Secretary
Mr. Hussain Ali Habeeb

5. Agenda

The Agenda of the 14th Annual General Meeting was published on 08th May 2024 and was read as follows.

Agenda Item 1	Recitation of the Holy Qur'an
Agenda Item 2	Opening Remarks by the Chairman of the Board of Directors
Agenda Item 3	Approval of the Agenda of the 14 th Annual General Meeting
Agenda Item 4	Approval of the Minutes of the 13 th Annual General Meeting
Agenda Item 5	Approval of the minutes of the Extraordinary General Meeting 01/2024
Agenda Item 6	Approval of the Directors' Report and Audited Financial Statements for the year ended 31 st December 2023
Agenda Item 7	Approval of the Final dividend for the year ended 31 st December 2023
Agenda Item 8	Approval of the appointment of the External Auditors of the Bank for the year 2024 and fixation of their remuneration
Agenda Item 9	Approval of changes to Board of Directors Remuneration
Agenda Item 10	Other Matters
Agenda Item 11	Conclusion of the AGM

As there were no comments or requests for amendments from shareholders, the Agenda of the 14th Annual General Meeting was taken to be approved and adopted by the shareholders as read.

Following this Agenda item, the Chairman briefed the attendees about some matters regarding the meeting for the information of the shareholders.

- The Chairman mentioned that as highlighted in the Notice of the AGM, the floor would not be open for questions of shareholders at today's meeting. Since the meeting was being held virtually, shareholders were requested to send any query or question to the Bank's Investor Relations office by 1400hrs of 21st May 2024. The Chairman mentioned that questions received before the deadline would be responded under Agenda No. 10: Other Matters.
- The Chairman also stated that a messaging option would be activated at various intervals during the meeting and shareholders and proxy holders could submit their questions and queries relating to individual Agenda items.
- As the meeting was conducted through "Fahivote", a small video presentation regarding the "Fahivote" system demonstrating the voting process and participation in the meeting was then shown for the benefit of all shareholders.

6. Approval of the Minutes of the 13th Annual General Meeting

- The minutes of the 13th Annual General Meeting held on 24th May 2023 through Fahivote were published on 08th May 2024, requesting shareholders to submit comments and amendments to the minutes by 21st May 2024.
- No comments were received from the shareholders by the deadline.
- It was therefore confirmed that the minutes of 13th AGM held on 24th May 2023 as correct and approved.

7. Approval of the Minutes of Extraordinary General Meeting No 01/2024

- The minutes of the Extraordinary General Meeting No 01/2024 held on 23rd April 2024 through Fahivote were published on 08th May 2024, requesting shareholders to submit comments and amendments to the minutes by 21st May 2024.
- No comments were received from the shareholders by the deadline.
- It was therefore confirmed that the minutes of the Extraordinary General Meeting No 01/2024 held on 23rd April 2024 as correct and approved.

8. Approval of the Directors' Report and Audited Financial Statements for the year ended 31st December 2023

- The Chairman informed that on 30th April 2024, the Bank published the Annual Report of the Bank for the year ended 31st December 2023, the Directors' Report, and Audited Financial

Statements together with the Auditors Report, as stipulated in the relevant laws & regulations and the Articles of Association of the Bank.

- Before putting the resolution for the vote of the shareholders, the Chairman gave 2 (two) minutes for shareholders to send their questions on the Agenda No. 6 through Fahivote. No questions were received within the allocated time.
- A Poll Voting was conducted and the shareholders by majority decision voted to approve the Annual Report, together with the Directors Report and the Audited Financial Statements of the Bank for the year ended 31st December 2023.

Details of the Vote:		
Vote Choice	No. of Votes Received	% of Votes Received
Approved	8,147,012	99.992%
Not Approved	625	0.008%
Total	8,147,637	100.00%
Abstained: 9,813,829		

9. Approval of the Final dividend for the year ended 31st December 2023

- The Chairman informed that the Board of Directors of the Bank, during its meeting held on 23rd April 2024 had recommended a cash dividend of MVR 65.25 million equivalent to MVR 2.90 per ordinary share for the year ended on 31st December 2023. The Dividend would be payable to shareholders of the Bank registered as at the Book closure date of 08th May 2024.
- Before putting the resolution for the vote of the shareholders, the Chairman gave 2 (two) minutes for shareholders to send their questions on Agenda no. 7 through Fahivote.
- Mr. Ibrahim Firushan enquired what is the general dividend policy the Bank is following? Chief Financial Officer and Executive Director Mr. Ali Wasif replied that the Bank is currently working on a formal dividend policy at the moment, however, over the years, the analysis is presented to the Board as and when dividend is to be declared, and based on the detailed discussions at the Board, on the profit and capital requirements of the Bank, and based on analysis of various scenarios, the amount of dividend which is feasible is determined by the Board.
- A Poll voting was conducted, and the shareholders unanimously voted to approve the final dividend for the year 31st December 2023 as recommended.

Details of the Vote:		
Vote Choice	No. of Votes Received	% of Votes Received
Approved	15,564,448	99.992%
Not Approved	1,220	0.008%
Total	15,565,668	100.00%
Abstained: 2,395,798		

- Before proceeding to the next Agenda Item, Chairman reminded all shareholders that as per the Income Tax Act of Maldives, dividends paid to shareholders are subject to deduction of 10% Non-Resident Withholding Tax if a shareholder has not declared his / her residency status to the Bank. The Chairman therefore urged those shareholders who have not updated their residential status to do so at the earliest and prior to disbursement of dividends.

10. Approval of the appointment/re-appointment of the External Auditors of the Bank for the year 2024 and fixation of their remuneration

- The Chairman informed that, the Board of Directors in its meeting held on 19th March 2024 approved to re-appoint Deloitte as the External Auditor of the Bank for the year 2024 in accordance with the Policy of Appointment / Re-appointment and Removal / Dismissal of External Auditors of the Bank. That is for a remuneration of USD 42,590.00.
- Chairman added that the appointment of Deloitte was made public on the Notice of the AGM dated 08th May 2024.
- Before putting the resolution for the vote of the shareholders, the Chairman gave 2 (two) minutes for shareholders to send their questions on the Agenda no. 8 through Fahivote.
- Mr. Dhetcina Moorthy Chelliah enquired on what basis the Bank proposed the external auditor and whether it is based on performance or money or something else? Company Secretary Mr. Hussain Ali Habeeb replied that the re-appointment of Deloitte was done as per the Board approved policy for appointment and re-appointment of External Auditors, and in line with the MMA Prudential Regulation, external auditors can be re-appointed up to a maximum of four years at a time.
- A Poll voting was conducted and the shareholders by majority decision voted to approve the re-appointment of Deloitte as the Bank’s External Auditors for the year 2024 for a remuneration of USD 42,590.00 (forty-two thousand five hundred and ninety United States Dollars).

Details of the Vote:		
Vote Choice	No. of Votes Received	% of Votes Received
Approved	15,543,888	99.824%
Not Approved	27,389	0.176%
Total	15,571,277	100.00%
Abstained: 2,390,189		

11. Approval of changes to Board of Directors Remuneration

- The Chairman informed that in line with the spirit of CMDA’s Corporate Governance Code, the Board of Directors of the Bank during its meeting held on 23rd April 2024 has agreed to recommend to the AGM, the introduction of Board Remuneration to Executive Directors of the Board. He added that this remuneration will be in line with the Board Remuneration approved

for Non-Executive Directors of the Bank during 13th AGM of the Bank and will be effective from the date of approval by the shareholders.

- The Chairman informed that the changes proposed to the Remuneration package of Non-Executive Directors are:
 - Introduction of a Monthly fee of USD 650.00 for each Executive Director.
 - Introduction of Board and Committee Sitting Fees of USD 500.00 per sitting.
- Before putting the resolution for the vote of the shareholders, the Chairman gave 2 (two) minutes for shareholders to send their questions on the Agenda no. 9 through Fahivote.
- Mr. Ibrahim Firushan enquired whether it is the industry practice to pay same as non-executive directors in Maldives? Chairman replied that it is the practice, and the Board of Directors of the Bank has proposed to pay fees to Executive Directors of the Bank in line with this industry practice.
- A Poll voting was conducted, and the shareholders by majority decision voted to approve the introduction of Board Remuneration to Executive Directors as proposed for approval.

Details of the Vote:		
Vote Choice	No. of Votes Received	% of Votes Received
Approved	15,545,918	99.952%
Not Approved	7,399	0.048%
Total	15,553,317	100.00%
Abstained: 2,408,149		

12. Other Matters

- The Agenda Item No. 11 was Other Matters.
- The Chairman informed that the Bank had received some questions from two shareholders (Mr. Hassan Rasheed and Mr. Dhetcina Moorthy Chelliah) to be addressed under this Agenda.
- Before responding to the questions, Chairman thanked both the shareholders for their questions and encouraged more shareholders to send their questions in future as well.
- The Chairman proceeded to respond to the questions one by one. Questions that were read at the AGM and the answers given by the Chairman are noted below:
 - **Q1: (Mr. Hassan Rasheed) Why do you dislike the ordinary public shareholders to the extent you do not hold the General Meetings in such a way that the general public shareholders can physically come and join a meeting with you in the same physical hall?**
Q1: (Mr. Dhetcina Moorthy Chelliah) I would like to know why are you conducting the AGM virtually? Is there a specific reason for this?
 Ans: I would like to take this opportunity to re-affirm and reiterate that our shareholders remain our highest priority. We hold these general meetings with a view to ensuring

maximum shareholder participation. The choice to hold the meeting virtually is made each year on case-by-case basis, after careful consideration of factors including logistical constraints, and on the goal of ensuring maximum participation from all shareholders who reside in outer atolls and other countries. We have noted your concerns on this matter and will be carefully considering the same for our future general meetings.

- **Q2: (Mr. Hassan Rasheed) When will you have a normal shareholders general meeting with shareholders attending the same meeting hall?**

Ans: As we have said earlier, the meeting format is based on multiple factors, and the format may vary year on year. We understand that it may be the practice of some local companies. We take note of this suggestion and will consider it going forward.

- **Q3: (Mr. Hassan Rasheed) Are the proposed changes to Board remuneration comparable to the remuneration of the Boards of the same industry? How similar or different? Is it fair to them?**

Ans: The proposed remuneration to Executive Directors is benchmarked against current local industry practices. We note that the only proposed change is the introduction of Board Remuneration to Executive Directors, with no changes to the remuneration of Non-Executive Directors. This is also in line with the remuneration package approved by the shareholders during 2023 for Non-Executive Directors of the Bank. We have proposed the recommendation based on a study on the comparability of the remuneration given to board directors of other listed companies in the country.

- **Q4: (Mr. Hassan Rasheed) Do you have any plans to issue new shares to the public to increase general public participation in the Bank's ownership?**

Ans: We certainly welcome increased participation of general public in our Bank, both at ownership level and at stakeholder level. The Bank regularly monitors its capital position to ensure we are well capitalized. As we continue to rapidly grow our business lines, we may consider ways of enhancing our capital base as well in the near future, and should there be such a decision, all our shareholders including general public shareholders will be notified accordingly.

- **Q5: (Mr. Hassan Rasheed) In answering to a shareholder question in a previous year, you have said that draft audit report is ready by end of February but the Bank sets the AGM date within the time frame stipulated by the regulators. It is clearly seen from past experience that the Bank waits for the maximum time before holding the AGM. Why don't you hold the AGM in March if the audit is complete by**

February? It is unlikely that the regulators will find fault with you when you become a little bit more efficient!

Ans: As correctly mentioned, it is the draft financials which are ready by February, meaning, there are multiple other steps that need to be completed before the audit report is finalized. The final audit report is usually finalized and approved by the Board within April, and the reports are published within the next day. As for the AGM date, as mentioned earlier, it depends on certain factors including the logistics and is arranged at the earliest feasible date after approval of audited financials.

- **Q6: (Mr. Hassan Rasheed) How do you get auditors to propose bids? Do you send direct invitation to only certain limited audit firms or is it an open notification to propose their competitive bids, perhaps with direct invitations to as many audit firms as desired?**

Ans: The appointment of external auditors for the Bank is conducted in line with the Board's pre-determined Policy on the Appointment of External Auditors. As per this policy, when the Bank is due to appoint new auditors, direct invitations are sent to the qualified auditors requesting proposals.

13. Conclusion

- Before concluding the Meeting, the Chairman thanked the Board of Directors for their presence at the AGM.
- The Chairman also thanked all the attendees who participated in the Meeting by invitation, including the representatives from Maldives Monetary Authority (MMA), Capital Market Development Authority (CMDA), Maldives Stock Exchange, Auditor General's Office, Bank's External Auditor and the Legal Counsel to the Board SHC Lawyers LLP.
- He conveyed a special thanks to Maldives Securities Depository for their guidance and technical support with "Fahivote" system in conducting the meeting successfully.
- The Chairman thanked all the shareholders who participated and contributed at the Meeting.
- There being no other business for which due notice has been given; the 14th Annual General Meeting of Maldives Islamic Bank PLC. was brought to a close at 3:15pm.

Confirmed by:

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Hussain Ali Habeeb
Secretary

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KAM Majedur Rahman
Chairman

Dated: