

MANAGING DIRECTOR & CHIEF EXECUTIVE OFFICER'S STATEMENT



Assalamualaikum

2020 was not a normal year!

The year 2020 was the year of Covid-19. It was a global pandemic that disrupted every facet of our normal life, the global economy, business and trade supply chains, and all economic activities in general. Lockdowns, travel restrictions, wearing a mask, social distancing, working from home became the order of the day and became the new normal! The pandemic forced us to change the business and delivery model to manage the challenges faced under the "new normal". To serve the customers and communities, we had to quickly adapt and introduce digital solutions to ensure uninterrupted essential services while protecting the safety and well-being of the customers and team members of MIB. As COVID-19 hit without any warning, in an unprecedented way, turning lives around, the banking industry certainly underwent a revolution.

Maldives Islamic Bank PLC. also faced its fair share of challenges during the year. Despite being strongly capitalised and funded, the Bank also endured the negative impacts of the adverse macro-economic impacts of COVID-19 pandemic. Nonetheless, we were able to mitigate and tackle the obstacles comparatively well, thanks to the proactive and cautious approach adopted at all levels within the Bank. We have been fortunate to finish the year without any major impact on our financial and operational results.

With the concessions given by MMA through the Moratorium, coupled with robust planning, prudent liquidity management, strong credit discipline, managing costs, going digital and with cautious business growth, we were able to have a 16% growth in our Balance Sheet. The Bank's cash position stood at a noteworthy level, with MVR 1.22 billion recorded in cash and cash equivalents compared to MVR 703 million of 2019. The Profit After Tax of MVR 75 million of 2020 was lower than the previous year owing to the overwhelming impact of the pandemic that resulted in higher impairment and provisioning requirement, vis-à-vis COVID-19 relief measures. Despite this, we were able to generate stronger revenues than 2019, and our Customer Deposits and the Bank's financing portfolio also improved by the end of the year.

Following the rigid lockdowns imposed by the countries and global restrictions on travel and tourism, the economy of Maldives was also affected, disrupting the income and livelihood of the population. Despite this, the Bank was able to sustain its revenue level, at MVR 249 million, compared to MVR 246 million in 2019. MIB was able to attain MVR 3.34 as Earnings Per Share, while Net Asset Per Share improved to MVR 27.34 from MVR 25.34 in 2019.

The COVID-19 crisis has increased the significance of digital solutions and products for businesses and banks, and the importance of speed and seamless integration. Even before COVID-19 outbreak, MIB was already focusing on going digital in our payment and other financial services. The pandemic has strengthened our resolve, and we used this crisis, as an inflection point, to bring in innovations in service, transform our delivery channels, by enhancing the digital and automated delivery value chain.

During the year 2020, in response to the coronavirus pandemic, our major focus was to support our stakeholder groups through financial and operational intervention to mitigate the impacts of the crisis. As customers battled with their health and safety, we prioritized their financial health and safety. As such, Maldives Islamic Bank PLC. became the first bank in the Maldives to offer moratorium to all customers of all the products of the Bank. MIB financed medical supplies needed by insitutions with relevant to COVID-19.

Throughout the year, we have pursued our strategic priorities of being an integral part of our community while attempting to expand in retail banking and simplifying the business by bringing innovative digital solutions to the market. Irrespective of the unprecedented impacts of the pandemic,

we were able to act promptly due to the commitment of our team, and due to the strength of our business model and proactive business continuity model devised ahead in time.

It is absolutely imperative that I recognize the extraordinary efforts of our Frontline & Support Team and the Bank's leadership team which have risen and responded quickly and effectively to the pressing demands of the pandemic, despite the risk of their personal health and safety to serve the Customers and the Communities in Maldives. I am extremely honoured to be part of such a dedicated and committed team who risked their lives and well-being to ensure our branches and services were operational during the periods of lockdown, in order to meet the customer needs and support in the darkest of time during the pandemic.

I would like to acknowledge guidance and support of the Board of Directors of Maldives Islamic Bank PLC., provided in the turbulence of COVID-19 pandemic. The Bank's Shariah Board also has been a pillar of strength in our journey of sustainable growth. Thank you for your ongoing support and guidance at all times.

I also thank with gratitude the Maldives Monetary Authority, all the regulators and all other stakeholders for their continued and timely support during the year without which we will not be where we are today!

While the long term impact and consequences of the disruption of this pandemic is still not clear, we believe the worst is behind us and we look forward to a brighter, promising and resilient future to recover from the impacts of this ravaging pandemic, as Maldives once again finds its way towards a position of economic strength. Maldives Islamic Bank PLC. will also continue to work with and support the stakeholders and regulators in their efforts to reverse the economic challenges of 2020.

In 2020 we have faced untold adversity, turmoil and disruption, but we have endured with unwavering perseverance to prevail and overcome the COVID-19. As we redefine growth and reorient our business towards the new normal realities of the post pandemic era, I convey my heartfelt gratitude to our customers and shareholders for their trust and confidence placed in us and reiterate that we are here for good!



Mr. Abul Ehtesham Abdul Muhaimen
Managing Director & CEO