

MD & CEO STATEMENT

Dear Shareholders,

As I sit down to pen down my annual letter to shareholders, a dystopian time is around us. A tumultuous year of 2025, led by tariff shocks and prolonged destructive conflicts across continents that eventually led to the geopolitical flareup in the Middle East in early 2026. This epic fury has ruptured economies, severely hampered logistics, deteriorated supply chains and rained misery on civic life and public infrastructure, whilst casting a caustic shadow of wrath, despair and toxicity across the global community of nations. This cauldron of sheer abhorrence cannot continue to stagnate global economic growth and must be dealt with effectively.

Allow me to begin my note by expressing a desire to see our world arise like a phoenix from the ashen stupor of its malefice and malfeasance.



Mr. Mufaddal Idris Khumri

Managing Director & Chief Executive Officer

The world that we have bequeathed from nature has now come to war with it! As humans attempt to overpower and rein in the primordial force of nature that created the universe, we are slowly but surely becoming increasingly arrogant. With great power comes great responsibility, an adage much used by superheroes. But the super-rich and super powerful of our times appear to behave contradictory. For them, great power accompanies, greater arrogance. Crony capitalism and malicious nationalism have become the agenda of those in power. The masses fed with the unassailable dream of their country's greatness in the comity of nations, follow like lambs. They have crushed the very soul of freedom and chained our imagination.

We are living through a period where it has become the norm to witness wars with global repercussions, trillion-dollar companies operating at a scale bigger than many economies, a fundamental reordering of international trade, and the advent of the most significant technology since, at least, the computer.



The world is afflicted by income inequality, most of the wealth has flowed to people who owned assets, not to people who earned most of their money by working. Now AI threatens to repeat that pattern at an even larger scale—concentrating wealth among the companies and investors positioned to capture it. Today's economic anxiety stems from a deeper feeling that capitalism is working for the bourgeois, leaving the proletariat masses at the mercy of economic vagaries.

This is the precise moment when we must together battle to get back our soul and breathe the air of freedom. We need to iron out friction and become our own messiahs. Collective will and shared conscience of the people is a weapon that has seldom failed. It will usher in a thousand years of peace with no oppression or violence. More than us, Mother Earth needs rest from the violence we have unleashed on creation.

// Peace is not only better than war, but infinitely more arduous."

George Bernard Shaw

Can we for once have allegiance to humanity alone. Is this possible or merely a dream?

Martin Luther in his exhilarating speech once said, "I have a dream". Let the women, men and children in the comity of nations make that dream come true in all nations across the world.

In these rather testing times Maldives Islamic Bank (MIB) has done exceptionally well. In three years starting Jan 2022, our Balance Sheet has grown by nearly 250% crossing USD 1 Billion, Financing book has leapfrogged close to 300% supported by core deposits crossing MVR 13 billion. The growth has been well diversified across retail and corporate banking. Our corporate inroads have been instrumental to support this momentum. This well-crystallized growth has been aided by customer growth and profits. We will speak about this later.

The global economy has shown notable resilience to heightened trade tensions and policy uncertainty. In 2025, stockpiling of traded goods, strong risk appetite, and a surge in artificial intelligence (AI) spending supported activity, while supply chains adapted to rising trade barriers. Global GDP grew at approx. 3%. Advanced Economies grew at a slower pace of roughly 1.5% to 1.7% whereas Emerging Market and Developing Economies remained the primary driver with growth above 4%. Global Inflation continued its gradual descent, estimated to have fallen to 4.1% in 2025, whereas Global Trade grew by an estimated 3.4% before new tariffs took effect and created the rupture across economies.

U.S. effective tariff rates reached their highest levels since the 1930s (peaking at ~28% in mid-April before averaging ~17%-19.5% later in the year), causing significant disruption but encouraging supply chain reorganization. On the upside, firms' adaptability to new trade conditions and AI-related activity broadened growth. Unprecedented capital expenditure in AI and semiconductors acted as a "stabilizing force," helping economies absorb shocks from trade policy.

The Maldives has marked a historic milestone in 2025, recording its strongest tourism performance to date, with projected travel receipts expected to exceed USD 5.4 billion, surpassing the national target of USD 5 billion. Tourism receipts grew by 15.8% year-on-year compared to 2024. As per IMF estimates, GDP grew to approx. USD 7.7 Billion as of 2025 translating into a growth rate of 4.8%.

The launch of Velana International Airport's new passenger terminal marked a major milestone for the Maldives' aviation sector in 2025, enhancing capacity, efficiency, and the passenger experience. With an annual capacity of 7.5 million passengers, the terminal significantly enhances the Maldives' ability to manage rising visitor volumes while improving passenger flow and overall travel experience. During the year, 48 scheduled and charter airlines operated at Velana International Airport, including 41 scheduled carriers and seven charter operators.

The year concluded with approximately 10% growth in surface arrivals crossing 2.22 million tourists, alongside growth in bed nights, reflecting sustained demand across key source markets. Overall bed capacity increased as well, supported by the opening of new resorts and guesthouses during the year, further strengthening the destination's accommodation portfolio.

Key source markets delivered robust growth, with China recording a 22% increase and Russia growing by 20%, reaffirming their importance to the destination's recovery and expansion strategy.

As of 2025, the Maldives features 178 operational resorts with a total of 44,697 beds. In addition, 16 hotels and 973 guesthouses offer 2,598 and 16,824 beds, respectively, while 168 safari vessels provide a further 3,356 beds, reflecting the Maldives' diverse accommodation offerings.

The banking industry in Maldives reflected the state of the economy with solid growth across all portfolios. Driven by improving macroeconomic conditions that have encouraged investment in innovation. For MIB, these new market dynamics reinstates focus on innovation that acts as a catalyst to aid its growth ambitions.

Our achievements in 2025, we crossed USD ONE BILLION IN BALANCE SHEET SIZE

The Bank generated record revenue in each of our lines of business. We earned net operating revenue in 2025 of MVR 897.44 million, an increase of nearly 27% compared to 2024 and net profit of MVR 370.74 million, an increase of 34% to the bottom-line compared to 2024. Our return on equity (ROE) of 28% reflects strong underlying performance across our businesses.

Over the last one year the Bank has worked on an agenda of sustained growth across all business verticals. Our core customer deposits have increased by more than 49%, financing has increased by 30% and the overall balance sheet has grown by 45% to touch MVR 16.65 billion. Our risk appetite has grown in a noticeably measured fashion as we have taken considerable exposure in the corporate sector, tourism, fishing and infrastructure. Our customer base has increased by 27% as we have onboarded new to bank retail & corporate customers. Our share of corporate deposits has crossed 50% largely aided by substantial increase in CASA, whereas our share of corporate financing book has reached 40%. Balance sheet growth has been supported by increase in the corporate book, and costs have been maintained at reasonable levels with delinquency under control. We have opened more than 8 sales and service centers and deployed more than 15 ECRMs across the country.

At MIB, we have worked as a cohesive team to develop a customer centric approach for creating service excellence. Our ambition remains undaunted to become the largest Bank in the Maldives.

In 2025, we executed more than 120 initiatives across multiple businesses and support verticals, 60 of these core projects were managed by the projects team.

Project Management Office

The Project Management Office was formally established in April 2025 with the appointment of a Head of PMO, bringing over 25 years of experience in technology project management and delivery, with demonstrated expertise in emerging technologies including artificial intelligence and digital transformation.

During 2025, the PMO initiated project governance framework across the bank, establishing formal project management processes and supporting templates that provided consistent oversight and control across all initiative portfolios managed by business departments.

The PMO oversaw the development of the Customer Relationship Management platform and the initiation of a Comprehensive Internet Banking Suite upgrade, working closely with business and technology teams to manage scope, dependencies, and stakeholder alignment throughout execution. Across operations and back-office functions, the PMO guided related automation and process improvement initiatives that enabled business units to enhance operational efficiency while maintaining control over implementation quality and delivery schedules.

In 2025, the PMO helped to bring multiple major projects to completion or operational status while maintaining active governance over a diverse portfolio of concurrent initiatives spanning risk, operations, retail, payments, and technology domains. The majority of 2025's completed, and near-completion initiatives are advancing into Phase 2 development during 2026, building on the governance foundations and delivery disciplines established by the PMO.

Looking ahead to 2026, the PMO will continue to strengthen its governance operating model while supporting the bank's digital transformation agenda through enhanced coordination, capability development, and alignment of project delivery with strategic business objectives. The PMO's role in the bank's governance backbone has proven central to managing the complexity, pace, and scope of technology-enabled transformation while maintaining stakeholder alignment and operational discipline.

Risk, Compliance & Information

During 2025, the Bank continued to strengthen its overall risk governance, internal control environment and operational resilience as part of its broader strategic focus on sustainable and well controlled growth. A key area of progress was the advancement of the Enterprise Risk Management (ERM) implementation programme, aligned with the Maldives Monetary Authority's Risk Management Guidelines and internationally recognised standards. This initiative enhanced the Bank's ability to identify, assess, monitor and report risks in a structured and forward looking manner, improving risk informed decision making at both management and Board levels.

The year also saw meaningful improvements in internal controls through the successful completion of the first phase of SOP and process documentation programme, which focused on the Bank's core banking operations, including front end and back end operational processes. Through comprehensive documentation, risk based reviews and control rationalisation,

the Bank strengthened process clarity, accountability and control effectiveness across key operational areas. It laid a strong foundation for consistent execution, reduced operational risk and enhanced compliance with regulatory and internal policy requirements within the Bank's primary business activities.

In parallel, the Bank progressed several critical technology enabled risk mitigation initiatives. The implementation of a new automated AML/CFT transaction monitoring solution was initiated to replace a legacy, manual intensive system, with the objective of improving efficiency, alert quality, regulatory reporting and auditability. Additionally, the Bank advanced the establishment of a dedicated Fraud Risk Management system to enhance monitoring capabilities across digital channels and core banking platforms. In the area of information security and technology risk, the Bank continued to strengthen its cyber resilience through regular risk assessments, regulatory remediation programmes, crisis simulations, independent security testing and enhanced staff awareness initiatives.

Throughout the year, the Bank maintained strong regulatory engagement, timely statutory and supervisory reporting, effective oversight through Board and Management Risk & Compliance Committees, and disciplined follow up on audit and supervisory observations. Collectively, these initiatives reflect the Bank's continued commitment to strong governance, prudent risk management and regulatory compliance, reinforcing a robust control environment to support long term stability and growth.

Customer Experience

In October 2025, the Bank strengthened its customer-centric agenda through the establishment of a dedicated Customer Experience Function and the appointment of a Customer Experience Officer to lead

the function serves as a strategic catalyst for embedding customer perspectives into decision-making across the Bank. It oversaw the development of the Customer Relationship Management platform and the initiation of a Comprehensive Internet Banking Suite upgrade, working closely with business and technology teams to manage scope, dependencies, and stakeholder alignment throughout execution.

The team aims to drive structured customer feedback systems, service quality monitoring and customer journey enhancements to elevate service standards. The function also promotes greater accountability for service delivery and continuous improvement across customer touchpoints. Through this strategic focus, we aim to strengthen long-term customer trust and loyalty.

Calendar theme 2026

The 2026 calendar, themed "Flavors of Our Islands," was developed as a tribute to the Maldives' rich culinary heritage and the stories preserved through traditional island cuisine. Each month highlights a distinctive dish from a different island, carefully selected to reflect the diversity, identity and cultural richness of communities across the country.

To ensure authenticity of our endeavour, we travelled to islands across the Maldives to document not only the featured dishes, but also the local traditions and people behind them. Community members were engaged in demonstrating how each item is prepared, allowing the calendar to capture the true essence of island life and preserve traditional methods passed down through generations.

Each month includes a brief description of the featured item, highlighting its distinctive taste and its cultural significance. A QR code is also embedded on every page, directing viewers to a dedicated video focused on the featured item, showing how it is traditionally prepared by a local from the island.

Through this initiative, the calendar became more than a corporate gift. It served as a storytelling platform that connects customers and the wider public to the cultural richness of the Maldives, while reinforcing our commitment to celebrating heritage, community and national identity.

Annual report theme

The theme of this Annual Report, Sea Life, reflects the Maldives' deep connection to the ocean and the vital role marine ecosystems play in shaping our environment, livelihoods and identity. Inspired by the richness of marine life surrounding our islands, the visual concept highlights the beauty and diversity of marine fish and the natural environment that sustains them.

To bring this theme to life, the report features original artworks created by local artists, adding an authentic Maldivian expression to the publication. Each illustration was carefully developed to capture the vibrancy of our marine surroundings while celebrating local artistic talent and creativity.

Through this theme, the Annual Report not only presents the Bank's performance and achievements but reinforces an appreciation for the natural heritage that defines the Maldives and mirrors the principles and standards MIB stands for.

Work for the art community as part of CSR

One of the greatest traits we humans possess is that of being story tellers, we are imaginative and bold. We created money and imagined mythology. In one sense money itself has no value yet it has been ingrained in our minds to hold a value. As for myths, they border between the realms of surreal and fantasy. Art is an extension of our story telling, it is an expression of human creativity and imagination. It has evolved across millennia, reflecting the changing times and cultures. Art is a strong sensory stimulus by nature and even helps in accessing the unconscious part of the psyche. As goes a popular saying, “a painting is a source of endless pleasure, but also of great anguish.”

At MIB, we remain committed to supporting the local artistic community by creating meaningful opportunities for artists to highlight their talent and gain wider recognition. This includes sponsoring art exhibitions, engaging local artists to contribute original works for key corporate publications such as the Annual Report and incorporating Maldivian creativity into our brand platforms.

As part of this commitment, selected artworks are also acquired and displayed across our office premises, giving these masterpieces continued visibility and allowing customers, staff and visitors to experience local artistic expression in everyday spaces.

Through these initiatives, we aim to encourage creative talent, celebrate cultural identity and contribute to the growth of the local arts community.

The Impact of AI and our calibrated approach towards it.

In 1956, John McCarthy and Malvin Minsky organised a workshop on artificial intelligence (AI) at the Dartmouth College. The term AI was coined by McCarthy specifically for this workshop and has stuck since then.

A decade and a half later, Minsky predicted “From three to eight years we will have a machine with the general intelligence of an average human being. A machine that will be able to read Shakespeare, grease a car, play office politics, tell a joke, and act and do a lot more like a normal human being. At that point the machine will begin to educate itself with fantastic speed. In a few months it will be at genius level and a few months after that its powers will be incalculable.” We are now in 2026. Nonetheless, breathless and grandiose predictions on the future of AI continue to be made.

Artificial intelligence is being sold as the next great economic revolution. But history suggests technological revolutions rarely transform economies as quickly as their evangelists claim.

Indeed, AI will reshape work, but its impact will likely unfold more gradually than predicted, unevenly and with real social costs. Business concerns, cultural attitudes, government rules, politics, or ethical worries can slow it down. Throughout 2025, AI dominated headlines and the hype shows little sign of slowing down. There are bold predictions about productivity gains, promises of transformation across banking and almost every app now has some kind of AI-assisted feature.

The hype is so much that there’s huge pressure on chief executives to show the world that they are doing something about AI. MIB has taken a decision to invest in AI as it is much better than not spending on AI and missing out on the opportunities.

AI will transform work, improve productivity and strengthen economic structures over time. In the end, the real story of AI may not be a sudden revolution, but a long, grinding evolution – one that unfolds over many years rather than just sensational headlines.

That is why the real debate about AI should not only be about technological possibilities. It should also be about who gains, who loses and how societies choose to manage the transition.

At MIB we have created opportunity for the bank to navigate accelerated digital transformation. As the bank enters 2026, the PMO is leading the initiative to deepen this strategic role, leading the establishment of AI and Emerging Technology Governance for secure adoption across the bank.

A roadmap is being developed with targeted pilots in intelligent customer service, staff expert copilots, and advanced identity and financial document analysis, supported by comprehensive upskilling to build organisational AI capability. These initiatives will be delivered with the governance discipline that has guided the bank through 2025’s complex project landscape, ensuring responsible innovation and meaningful business value. The foundation established in 2025 positions the bank to retain a cadence of technology-enabled change for competitiveness in an increasingly digital banking environment.

MIB in 2026


We have grown far more over the last three years than what we have achieved in the first 11 years of our establishment. In 2026 on account of the geopolitical risks, it will be a challenge to sustain our business and grow. We expect economic challenges that would lead us to calibrate our business with due consideration to tourist arrivals, inflation, subdued economic growth and supply chain disruption. The banks' business growth strategies may require further adjustments in lieu of economic and geopolitical uncertainty. We will closely monitor the local economy and take initiative-taking measures to safeguard our financing and deposit business. MIB will remain focused on "Customer Engagement" and prioritise on information security and data privacy.

In Conclusion

I want to say a profound "thank you" to everybody at Maldives Islamic Bank. MIB was founded in 2011 and since then the Bank has recruited some of the best minds in the financial sector. And today, the people are the reason I still love coming to work. And that remains true for most of my coworkers. So, to all my colleagues at MIB, I'm so grateful for you.

I wish to express my earnest gratitude to our Board members, the Shariah Supervisory Committee and other partners and stakeholders of MIB for their continuous guidance, motivation, and supervision. You have been a catalyst in our progress through your steady backing, motivation and conviction in our capabilities to deliver.

And to MIBs customers, thank you for your trust. We consider it to be a privilege and an act of sacred consecration to manage your deposits and finances, and we don't take it for granted. Serving you is a real honour.



Mr. Mufaddal Idris Khumri

Managing Director & Chief Executive Officer

Earnings Per Share (EPS)
**MVR 15.47, a
growth of 25%**

MVR 7.5 billion
in Net Financing to support
critical developments of the
nation and its people.

**More than
MVR 13.6 billion**
in Customer Deposits - 165%
higher than 1 year ago

Internet Banking
transactions - increased by
149%

Card Transactions grew by
91%

Over
200,000 customers