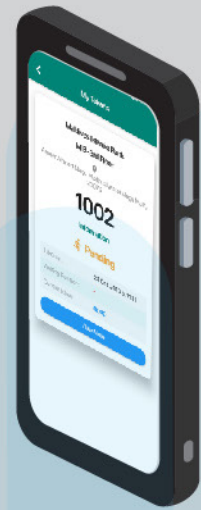


# FOURTH QUARTER REPORT 2019



**Maldives Islamic Bank PLC.**

# MALDIVES ISLAMIC BANK PLC.

Maldives Islamic Bank Public Limited Company at its inception was incorporated as a private limited company as the first and only fully-fledged Islamic bank in the Maldives on 01st April 2010. The establishment of MIB was initiated by Islamic Corporation for the Development of the Private Sector (ICD), the private sector arm of the Islamic Development Bank, in collaboration with the Government of Maldives, represented by the Ministry of Finance.

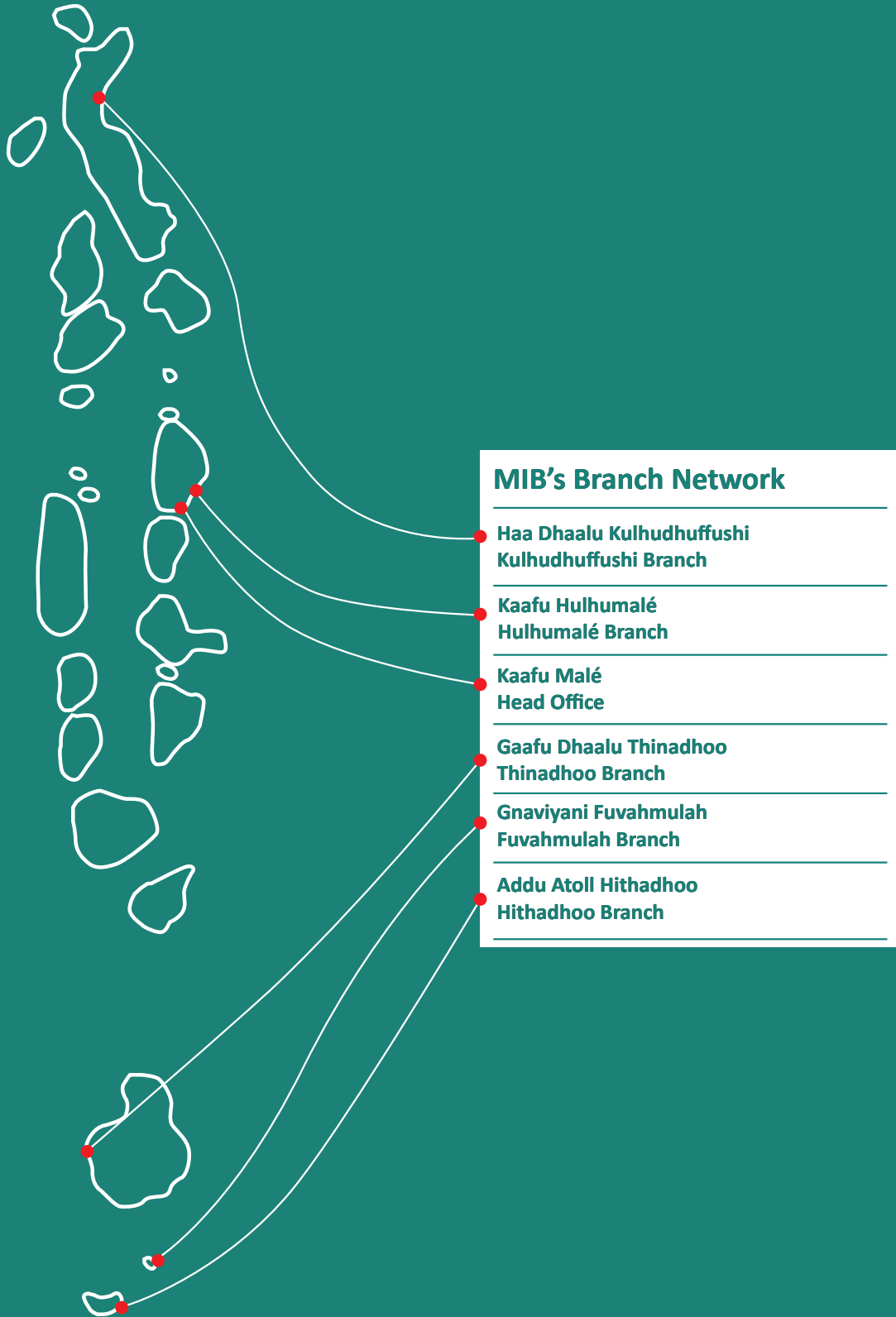
The parties entered into an agreement on 04th October 2009 with a view to jointly develop and pioneer Islamic Banking services in the Maldives in line with principles of Shariah. The Bank received its banking license from the Maldives Monetary Authority on 02nd August 2010 to conduct Islamic banking business in the Maldives and obtained a certificate of approval to commence operations on 08th March 2011. The launch of MIB brought to fruition the long and cherished pursuit of the people of the Maldives for access to an Islamic banking service in the country. The primary goal was to offer the people of this 100% Muslim nation the opportunity to be part of the fast-growing Islamic banking community world-wide.

MIB offers an alternative to the public and businesses who wish to avail themselves to banking transactions whilst in strict compliance to Islamic banking principles. MIB participates actively in the development and promotion of an Islamic economic and financial system in the Maldives.

MIB provides the full range of Shariah compliant deposit products and financing solutions catering to the general public, both individuals and businesses, who prefer to obtain financial services in conformity with Shariah requirements. From humble beginnings, MIB currently operates a branch network of six (06) to meet the growing demand and to facilitate Islamic banking convenience throughout the country in all major population centres. In its continuous effort to provide better access and convenience to its 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 in Malé and Addu City and via its online banking service, FaisaNet. MIB constantly strives to exceed its 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 etc.

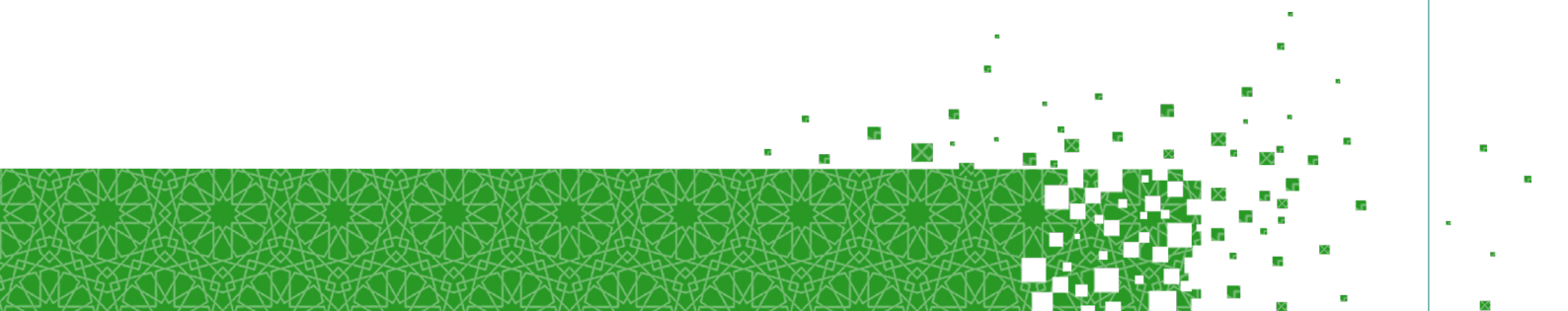


# OUR NETWORK



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## SUMMARY

Financial results for 4th Quarter 2019 were positive with a net profit of MVR 25,678,000. This is an increase of 13.8% from the 3rd Quarter 2019. The Bank's performance exceeded the expectations with healthy growth in deposit and other business lines. Please note that the financials mentioned below are pre-audited numbers. The Bank will publish the audited full year results for 2019 once they are available.

## STATEMENT OF COMPLIANCE

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

## BUSINESS DEVELOPMENTS

### LISTING OF MALDIVES ISLAMIC BANK PLC. ON MALDIVES STOCK EXCHANGE



Maldives Islamic Bank PLC. was listed on the Maldives Stock Exchange on the 17th November 2019. The official bell ringing ceremony was officiated by the Chief Guest Hon. Ibrahim Ameer, Minister of Finance, Aamir H. Khan, Director, Global Markets Equity of ICD, Board of Directors of Maldives Islamic Bank and regulators and partners of the IPO.

The event also marked the closing of MIB IPO, which was an unprecedented success in the Maldives recording an over subscription of 1.46 times with 99.63% retail participation.

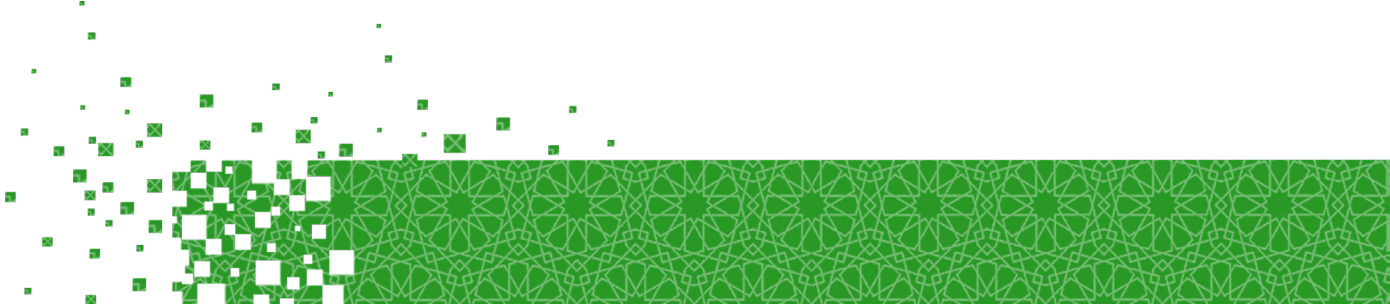
## AWARDS RECEIVED

### IFFSA SILVER AWARD FOR PRODUCT OF THE YEAR - 2019

Awarded by Islamic Finance Forum of South Asia for FaisaMobile, MIB's Mobile Banking application developed for iOS and Android.

### IFFSA HONORARY AWARD

Honorary Award in Recognition of the Contribution to the Industry was awarded to Maldives Islamic Bank at the 4th Islamic Finance Forum of South Asia.

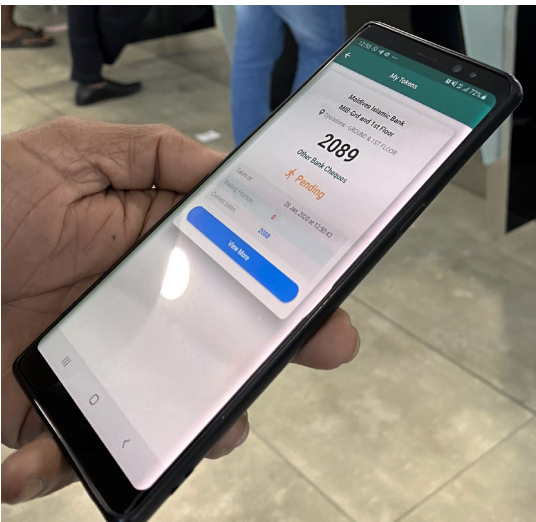


## BAAZAARU CUSTOMER SERVICE CENTRE



MIB started accepting customers to its Baazaar Service Centre on 22nd December 2019. This centre is designed to increase capacity to the service front for the many different service offerings of the Bank. The services provided from this centre include, opening of bank accounts, submissions of Faisacard and Faisanet applications, cheque deposit, TT and LC applications, submission of Ujaalaa Consumer Financing Applications and other non-cash services such as issuance of cheque books, issuance of account statements, salary processing and RTGS applications.

## ONLINE QUEUE SYSTEM



In partnership with AntQueue online queue system, MIB initiated the implementation of an online queue system, a first for a Bank in the Maldives. The system was initially installed in the Main Branch and other 2 service floors at the Head Office, followed by Hulhumale' Branch and Baazaar Customer Service Centre shortly.

The online queue system allows customers to take queue numbers through a mobile app installed on their smartphones. Customers are alerted on their phones when the queue number is called. Most importantly customers are able to rate and provide feedback for the services that they received.

## KAAMIYAABU KIDS ACCOUNT



MIB introduced Kaamiyaabu Kids Account, a monthly contribution investment account designed to assist parents to save up for children's future educational expenditure. This unique product provides the best saving platform available in the market catering for children's saving. Given the growing cost of education, parents can now use this unique offering to invest, save and earn to reach their targets. This offering is available in both MVR and USD, and can be signed up by parents with children below 15 years of age and will be valid till the child is 18 years of age.

## SHAREHOLDING STRUCTURE

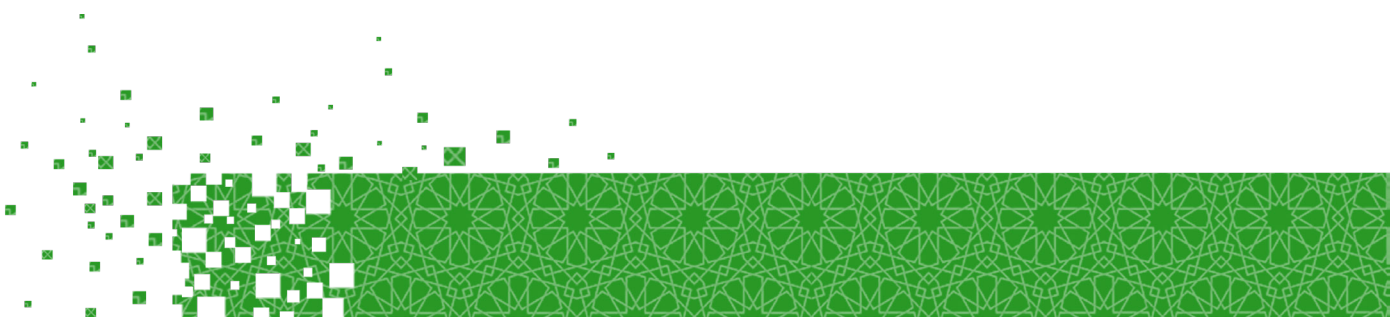
Name	Q4-2019		Q3-2019	
	Number of Shares	% of shareholding	Number of Shares	% of shareholding
Islamic Corporation for the Development of the Private Sector	8,100,000	36.00%	10,575,000	58.75%
Public	6,975,000	31.00%		0.00%
Government of Maldives	6,300,000	28.00%	6,300,000	35.00%
Amana Takaful (Maldives) Plc.	1,125,000	5.00%	1,125,000	6.25%
Other	7	0.00%	7	0.00%
<b>Total</b>	<b>22,500,007</b>	<b>100%</b>	<b>18,000,007</b>	<b>100%</b>

## BOARD AND GOVERNANCE

Composition of the Board				
#	Name	Designation	Committee	Date of Appointment/ Reappointment
1	Mr. Najmul Hassan	Chairman (Independent Non Executive Director)	BRCC, BNRC	20/11/2018
2	Mr. Mohammed Ataur-Rahman Chowdhury	Independent Non-Executive Director	BAC, BNRC	08/10/2018
3	Mrs. Fathimath Shafeega	Independent Non-Executive Director	BAC	05/08/2019
4	Mr. Mohamed Azad	Independent Non-Executive Director	BAC, BNRC	23/04/2017
5	Mr. Osman Kassim	Independent Non-Executive Director	BRCC	23/04/2017
6	Mr. Nasser Mohammed Al-Thekair	Independent Non-Executive Director	BRCC	18/02/2019
7	Mr. A.E.A. Muhaimen	Managing Director & CEO		27/06/2019
8	Mr. Ali Wasif	Executive Director & CFO		27/06/2019

## OTHER INFORMATION

	Q4-2019	Q3-2019
<b>Number of Board / Committee Meetings Held</b>		
Board of Directors	3	3
Board Risk & Compliance Committee (BRCC)	1	2
Board Audit Committee (BAC)	1	1
Board Nomination & Remuneration Committee (BNRC)	0	1



	Q4-2019	
<b>Significant Board Decisions</b>	The Bank's Budget and Business Plan for 2020 was approved during the Board meeting held on 18th November 2019.	
	Reviewed and Approved the Board Remuneration Policy and all other policies submitted for approval	
	Reviewed the Financial Performance of the Bank on a monthly basis	
	Reviewed the Non-Performance Assets portfolio on a monthly basis.	
Approved a number of financing facilities during this period as per the recommendation of the management.		
	Q4-2019	Q3-2019
<b>Penalties imposed by the regulator</b>	There are no penalties imposed by the regulator during this quarter	There are no penalties imposed by the regulator during this quarter
	Q4-2019	Q3-2019
<b>Material transactions with directors</b>	There are no material transactions beyond ordinary course of business with directors, significant shareholders or associates during this quarter	There are no material transactions beyond ordinary course of business with directors, significant shareholders or associates during this quarter
	Q4-2019	
<b>Proceeds from IPO</b>	Proceeds from the offer of sale was assigned to ICD as the selling shareholder while the proceeds from the offer for the subscription is being used in the normal cause of banking business of the Bank.	

## CORPORATE SOCIAL RESPONSIBILITY

The main Corporate Social Responsibility activities funded by Maldives Islamic Bank during Q4 of 2019 are as follows.

### SCHOLARSHIP

MIB has awarded and continues to provide funding including tuition fees and living allowance to 4 scholars studying at Islamic University of Maldives (IUM). These scholarships are towards reading for undergraduate degree in Islamic Finance at IUM.

### PLATINUM SPONSORSHIP of the 4th ISLAMIC FINANCE FORUM OF SOUTH ASIA (IFFSA).

MIB was the platinum sponsor of the 4th Islamic Finance Forum of South Asia, held in Maldives for the first time. This is the premier forum of Islamic Banking and Finance in South Asia bringing together academicians, experts and practitioners of the Islamic Banking and Finance industry from the region and the world. This forum provides a much needed platform towards sharing knowledge and information on Islamic Banking and Finance.



COO of MIB Mr. Ahmed Riza participating in a panel discussion at 4th IFFSA



## FINANCIAL HIGHLIGHTS

(All amounts in MVR'000 unless otherwise stated)

	Oct - Dec 2019	Jul - Sep 2019
Total Revenue	68,781	61,770
Total Expenses	(34,544)	(31,705)
Net Profit After Tax	25,678	22,549
Earnings Per Share*	1.14	1.00
Net Assets Value Per Share	24.70	23.56
Cash Flow Per Share	1.34	1.04

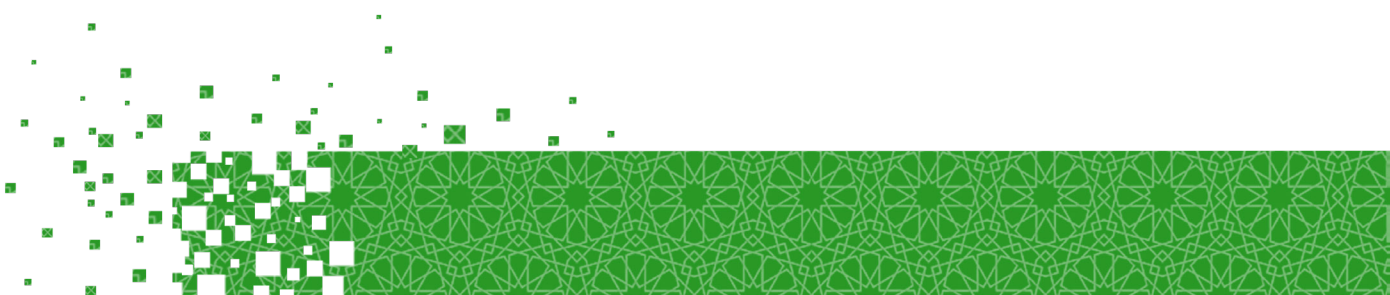
\* 4,500,000 new shares were issued during the IPO which were effective upon listing on 17th November 2019

## FINANCIAL STATEMENTS

Income Statement (Unaudited) - 4th Quarter Ended 31st December 2019

(All amounts in MVR'000 unless otherwise stated)

	Oct - Dec 2019	Jul - Sep 2019
<b>Gross Income</b>		
Income from Financing and Similar Income	71,938	64,072
Profit Paid on Customer Accounts and Similar Charges	(11,423)	(10,498)
<b>Net Fund based Income</b>	<b>60,516</b>	<b>53,574</b>
Fee and Commission Income	8,417	8,502
Fee and Commission Expense	(153)	(306)
<b>Net Fee and Commission Income</b>	<b>8,264</b>	<b>8,196</b>
Other Operating Income	2	(1)
<b>Total Operating Income</b>	<b>68,781</b>	<b>61,770</b>
Loss on Fair Valuation of Financial Instruments Mandatorily Measured at FVTPL	-	(1,439)
Personnel Expenses	(14,552)	(14,455)
General and Administrative Expenses	(13,724)	(11,322)
Depreciation and Amortization	(3,290)	(2,615)
Total Operating Expenses excluding Provision	(31,566)	(29,831)
<b>Operating Profit (Profit before Provisions)</b>	<b>37,216</b>	<b>31,939</b>
Provision for Bad and Doubtful Debts	(2,978)	(1,874)
<b>Profit Before Tax</b>	<b>34,238</b>	<b>30,065</b>
Income Tax Expense	(8,559)	(7,516)
<b>Net Profit After Tax</b>	<b>25,678</b>	<b>22,549</b>
<b>Basic Earnings Per Share</b> (note: refer to EPS values in Financial Highlights)	<b>1.14</b>	<b>1.00</b>



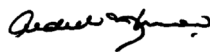
Statement of Financial Position (Unaudited) - As at 31st december  
2019 (All amounts in MVR'000 unless otherwise stated)

	31- Dec- 2019	30-Sep-2019
<b>Assets</b>		
Cash, Short Term Funds & Balances with MMA	702,048	720,882
Minimum Reserve Requirement with MMA	290,965	286,083
Investments in Equity Securities	53,500	53,500
Investments in Other Financial Instruments	404,051	636,002
Net Receivables from Financing Activities	2,114,074	1,882,572
Property, Plant and Equipment	55,941	51,039
Other Assets	74,634	68,810
<b>Total Assets</b>	<b>3,695,215</b>	<b>3,698,888</b>
<b>Liabilities</b>		
Customers' Accounts	2,974,905	2,931,654
Other liabilities	164,518	237,120
<b>Total Liabilities</b>	<b>3,139,422</b>	<b>3,168,774</b>
<b>Equity</b>		
Share Capital*	337,500	337,500
Retained Earnings	92,262	73,003
Statutory Reserves	113,447	107,028
Other Reserves	12,584	12,584
<b>Total Equity</b>	<b>555,793</b>	<b>530,114</b>
<b>Total Liabilities and Equity</b>	<b>3,695,215</b>	<b>3,698,888</b>

\* Share capital as at 30th September 2019 includes subscription for shares offered during the IPO which was allotted on 13th November 2019



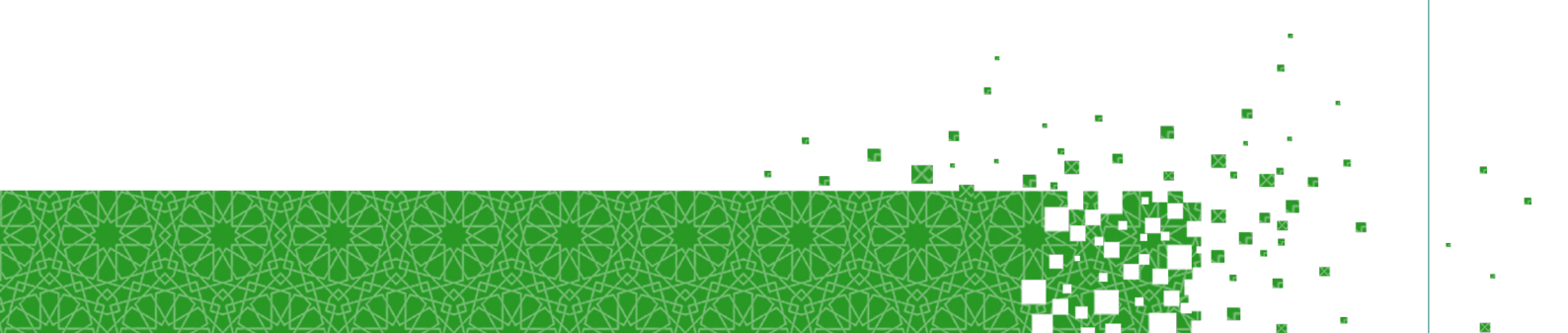
**Ali Wasif**  
Chief Financial Officer



**A.E.A Muhaimen**  
Managing Director & CEO



**Ms. Fathimath Shafeega**  
Chairperson  
Board Audit Committee



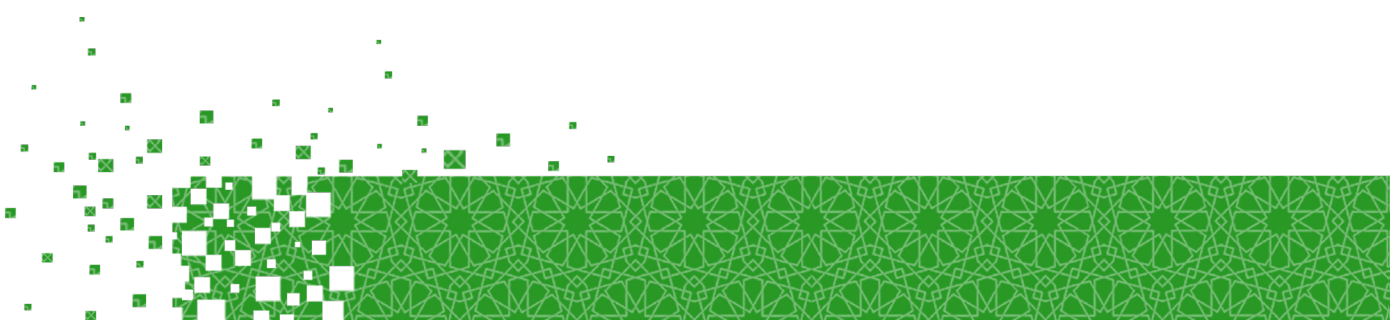
**Statement of changes in Equity (Unaudited) - Quarter ended 31st December 2019** (All amounts in MVR'000 unless otherwise stated)

	Share Capital	Retained Earnings	Statutory Reserve	Other Reserves	Total Equity
Balance as at 01 July 2019	180,000	56,091	101,390	12,584	350,066
Net profit for the quarter	-	22,549	-	-	22,549
Dividends to equity holders	-	-	-	-	-
Transferred to reserves	-	(5,637)	5,637	-	-
Issue of Shares	157,500	-	-	-	157,500
<b>Balance as at 30<sup>th</sup> September 2019</b>	<b>337,500</b>	<b>73,003</b>	<b>107,028</b>	<b>12,584</b>	<b>530,114</b>
Net profit for the quarter	-	25,678	-	-	25,678
Dividends to equity holders	-	-	-	-	-
Transferred to reserves	-	(6,420)	6,420	-	-
Issue of Shares	-	-	-	-	-
<b>Balance as at 31<sup>st</sup> December 2019</b>	<b>337,500</b>	<b>92,262</b>	<b>113,447</b>	<b>12,584</b>	<b>555,793</b>

**Statement of Cash Flows (Unaudited) - Quarter ended 31st December 2019**

(All amounts in MVR'000 unless otherwise stated)

	Oct - Dec 2019	Jul - Sep 2019
Cash Flows from Operating Activities	30,084	23,468
Changes in Operating Assets and Liabilities	(278,215)	(114,666)
Cash Flows from Investing Activities	229,298	40,418
Cash Flows from Financing Activities	-	157,500
<b>Net increase/ (decrease) in Cash and Cash Equivalents</b>	<b>(18,834)</b>	<b>106,720</b>
Cash and Cash Equivalents at beginning of Quarter	720,882	614,162
<b>Cash and Cash Equivalents at the Quarter End</b>	<b>702,048</b>	<b>720,882</b>



## INVESTOR INFORMATION

Highest Traded Price	37.00
Lowest Traded Price	36.00
Last Traded Price	(on 26th December 2019) 37.00
<b>Weighted Average Traded Price</b>	36.64
<b>Number of Securities Traded</b>	1,250.00
Value of Securities Traded	45,800.00
Market Capitalization	MVR 824,400,256
<b>Dividend Yield*</b>	2.32%
<b>Price Earnings Ratio*</b>	32.10

\* The Bank had undergone a share split at the ratio of 100:1 in FY2019. The dividend declared in the first quarter was based on the 180,000 shares outstanding at the time of dividend declaration. Following the share split this amounted to 18 million issued shares.

## SHARIAH COMPLIANCE REVIEW

Maldives Islamic Bank PLC. is the only full-fledged shariah compliant bank in the Maldives. The business of the Bank remains Shariah compliant as per the regulation on Shariah Screening of Equity Securities of Capital Market Development Authority.

## 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.

Note: The report has been revised on 17<sup>th</sup> March 2020.  
Information on page 8 has been revised after including operating expenses breakdown.

