



Maldives Islamic Bank

FIRST QUARTER REPORT 2021

January to March 2021



YOUR SERVICE - OUR PRIORITY

MALDIVES ISLAMIC BANK PLC.

Maldives Islamic Bank PLC., the first and fully Shariah 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 Shariah. MIB opened its' doors 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. MIB now operates with 6 branches in 5 atolls across the country. The Bank is listed on Maldives Stock Exchange as the only full-fledged Islamic bank in Maldives since November 2019. Today, the Bank's 31% of share capital is owned by the general public, in line with the Bank's principle of increasing public participation in the Bank's ownership.

Incorporated as a Private Limited Company, the Bank was brought to inception with the intention to provide 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. MIB is an active participant in the development and promotion of an Islamic economics and financial system in the Maldives.

MIB provides full range of Shariah compliant deposit products and financing solutions catering to the general public, both individuals and businesses. From a humble beginning, MIB currently provides its services through a branch network of 06 to meet the growing demand and to facilitate Islamic banking convenience throughout the country in major population centres. In our continuous effort to provide better access and convenience to our customers, the Bank has expanded our alternative distribution channels through Automated Teller Machines (ATM)s network, Point of Sale (POS) terminals at various merchant outlets and via our online banking service, FaisaNet. MIB constantly strives to exceed 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.



OUR BRANCH ATM NETWORK

Haa Dhaalu Kulhudhuffushi
Branch & Atm

Male', Male' City
Maldives Islamic Bank, Atm

Thilafushi
Atm

Hulhumale', Male' City
Branch & Atm

Gaafu Dhaalu Thinadhoo
Baranch & Atm

Gnaviyani Fuvahmulah
Branch & Atm

Addu City Hithadhoo
Branch & Atm

Addu City Feydhoo
Atm

■ BRANCH

● ATM

TABLE OF CONTENTS

SUMMARY	4
STATEMENT OF COMPLIANCE	4
BUSINESS DEVELOPMENTS	5
MARKETING ACTIVITIES	7
SHAREHOLDING STRUCTURE	8
BOARD AND GOVERNANCE	9
CORPORATE SOCIAL RESPONSIBILITY	10
FINANCIAL HIGHLIGHTS	11
FINANCIAL STATEMENTS	12
INVESTOR INFORMATION	15
SHARIAH COMPLIANCE REVIEW	15
EXTERNAL AUDITOR'S LIMITED REVIEW	15

SUMMARY

The first quarter of 2021 marked one year since the outbreak of COVID-19 in Maldives. Though the number of infections in the country have slowly started to subside towards the end of the quarter, global number of infections still remain high, and risks related to virus mutations and vaccine effectiveness still remain unsettled. These factors cloud the near-term outlook. Despite this, there is compelling evidence to suggest a strong economic rebound as infection rates subside with higher vaccination rates. As it became clear that measures to slow the spread of the virus were effective, economies were re-opened, leading to a surge in economic activities.

The Bank's performance this quarter reflects the strength of the Bank's business model. We have demonstrated operational resilience and financial strength, while protecting the health and safety of our employees in line with the recommendations of the authorities. The Bank continues to provide timely support and advice to customers and clients, while working with the government to help those most impacted by the pandemic.

We demonstrated positive revenue growth with MVR 66.9 million recorded as Total Revenue during the first quarter, while the amount stood at MVR 51.6 million at the end of 2020. The Bank's total expenses at the end of the quarter was at MVR 31.4 million, owing to the higher provisioning during the quarter. Despite this, the Bank's efforts in adapting to the market conditions enabled us to record a Net Profit of MVR 26.6 million, compared to MVR 15.01 million recorded for the fourth quarter of 2020. The Customer Deposit portfolio of the Bank sustained its upward trend with MVR 3.6 billion recorded for Q1 of 2021 compared to MVR 3.43 billion in Q4 of 2020. The Bank's prudent approach in Balance Sheet management saw the Bank's Total Balance Sheet rising to MVR 4.6 billion at the end of the quarter, from MVR 4.4 billion at the end of 2020, while the Cash Flow position also improved from MVR 1.3 billion in cash and cash equivalents compared to MVR 1.2 billion recorded during Q4 of 2020.

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

NEW ATM AT HULHUMALE' WITH DEPOSIT AND WITHDRAWAL FEATURES



Pictures from the opening ceremony of the new ATM at Hulhumale'. The lobby was opened by the Managing Director and CEO of HDC Mr. Shuhail Ahmed and MD and CEO of MIB Mr. A.E.A Muhaimen.

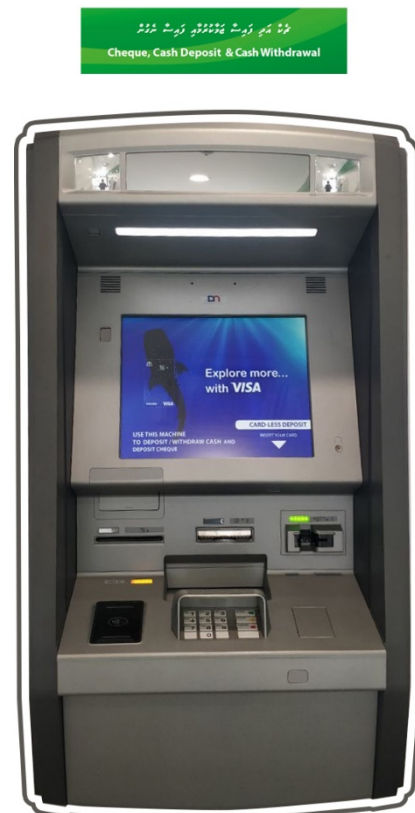
MIB installed a new ATM machine at Hulhumale' during the 1st quarter of 2021. This ATM machine possesses the automated deposit and withdrawal functionality. This feature has been tested in several other ATMs of the Bank and is rolled out to Hulhumale' ATM, as part of further enhancing customer convenience.

ADDU FEYDHOO ATM UPGRADED WITH DEPOSIT AND WITHDRAWAL FEATURES

Recognizing the significance of convenient self-service banking, MIB upgraded the ATM located at City Fuel Garage, Addu City Feydhoo with automated cash and cheque deposit functionality. With this function, customers can conduct cheque deposit transactions. MIB's customers at Feydhoo, Addu City can now enjoy the card less cheque and cash deposit and withdrawal transaction using mobile OTP. This is a service innovation that remains unique to MIB up to date.

INSTALLED NEW ATM AT FUVAHMULAH WITH DEPOSIT AND WITHDRAWAL FEATURES

Focused on providing our customers with ease of access to our services and making banking experience convenient, MIB upgraded its ATM at Fuvahmulah City with deposit and withdrawal features. This is a highly recognized service innovation by the MIB, where customers can conduct deposit and withdrawal functions using an OTP sent to their mobile phones, without using their cards. The Bank hopes to continue rolling out this function to other regions as well, going forward.



UPGRADED “UJAALAA DHIRIULHUN” FINANCING LAUNCHED

The Bank launched improved and new Ujaalaa Dhiriulhun financing facility during the quarter. The facility is designed to assist individuals to purchase desired and most in demand lifestyle consumer goods. Based on the Islamic finance principle of Murabahah, The Bank’s new Ujaalaa Dhiriulhun financing covers goods ranging from phones, electrical goods, furniture, kitchen ware, construction materials and much more. Through the facility, customers can now enjoy up to MVR 400,000 worth of goods, where repayment period is flexed over a tenure of 18 to 48 months.

UJAALAA DHIRIULHUN

400,000 MVR ގެ ފަރާތް ގަންނަން 18 ނަގަވަން 48 ނަގަވަން 18 ނަގަވަން 48 ނަގަވަން 18 ނަގަވަން 48 ނަގަވަން

customercare@mib.com.mv m.me/maldivesislamicbank
 mibmv MaldivesIslamicBank www.mib.com.mv

*Terms & conditions apply mib.mv/ujaalaa

MARKETING ACTIVITIES

During the last quarter, we started two major marketing campaigns aimed towards increasing deposit and utilization. The details are as follows.

SAVE WITH MIB

MIB's annual "save with MIB" campaign doubles as a promotion. In lieu of the Bank's 10th anniversary, customers who deposit new MVR 20,000 and retains for a period of 3 months are eligible to the lucky draw to win a motorbike.

The promotion was launched on the 7th of March 2021 with deposits into Saving Account, Kids Accounts and all normal rated GIA being eligible. We plan to run this promotion for 3 months.

KANDAALAA BILL PAY

This promotion is designed towards increasing customer utilization of MIB accounts by nudging account holders towards adopting MIB accounts to pay their utility bills. Customers who pay any of their utility bills using MIB accounts consecutively for 6 months will be eligible to stand a chance to win a motorbike.

SHAREHOLDING STRUCTURE

During the reporting period, shareholding structure of the Bank remains unchanged compared to Quarter 04 of 2020. The current shareholding structure of the Bank is as follows.

	Q1 – 2021		Q4 - 2020	
	No. of shares	% of shareholding	No. of shares	% of shareholding
Islamic Corporation for the Development of the Private Sector (ICD)	8,100,000	36.00%	8,100,000	36.00%
Government of Maldives	6,300,000	28.00%	6,300,000	28.00%
Amana Takaful (Maldives) PLC.	1,125,000	5.00%	1,125,000	5.00%
Public Shareholders				
1. Maldives Pension Administration Office	2,369,370	10.53%	2,369,370	10.53%
2. Others	4,605,637	20.47%	4,605,637	20.47%
Total	22,500,007	100.00%	22,500,007	100.00%

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 7 (seven) Directors and shall include at least 4 (four) Nominee Directors, at least 1 (one) Elected Director and at least 2 (two) Executive Directors. The following are the Directors on the Board of the Bank:

Name	Designation	Committee	Date of Appointment / Re-appointment
Mr. Najmul Hassan <i>Nominee Director</i>	Chairman (Non-Executive Director)	BRCC, BNRC	20/11/2018
Mr. Mohammed Ataur-Rahman Chowdhury <i>Nominee Director</i>	Non-Executive Director	BAC, BNRC	08/10/2018
Mr. Nasser Mohammed Al-Thekair <i>Nominee Director</i>	Non-Executive Director	BRCC	18/02/2019
Uz. Mohamed Naseem Ibrahim <i>Nominee Director</i>	Non-Executive Director	BRCC, BNRC	23/07/2020
Mr. Ali Shareef <i>Nominee Director</i>	Non-Executive Director	BAC, BNRC	23/07/2020
Mr. Ahmed Ali <i>Elected Director</i>	Independent Non-Executive Director	BAC	23/07/2020
Mr. A.E.A. Muhaimen <i>Executive Director</i>	Managing Director & CEO	-	27/06/2019
Mr. Ali Wasif <i>Executive Director</i>	Executive Director & CFO	-	27/06/2019

FREQUENCY OF MEETINGS

	Q1 –2021	Q4 – 2020
Board of Directors	03 (Three)	03 (Three)
Board Risk and Compliance Committee (BRCC)	01 (One)	02 (Two)
Board Audit Committee (BAC)	02 (Two)	02 (Two)
Board Nomination and Remuneration Committee (BNRC)	01 (One)	Nil

SIGNIFICANT BOARD DECISIONS

- Reviewed and Approved Bank's Quarterly Report for the Fourth Quarter of 2020.
- Reviewed and Approved the Bank's Audited Financial Statements for the year ended 31st December 2020 and recommended it for the Annual General Meeting.
- Reviewed and Approved the Shariah Board Annual Report for the year ended 31st December 2020.
- Approved the appointment of External Auditor for the financial year ending 31st December 2021 and recommended to the Annual General meeting.
- Reviewed and Approved the proposed amendments to the Charity Policy of the Bank.

PENALTIES IMPOSED BY THE REGULATOR

There are no penalties imposed by the regulator during this quarter.

MATERIAL TRANSACTIONS WITH THE DIRECTORS

There are no material transactions beyond ordinary course of business with directors, significant shareholders or associates during this quarter.

CORPORATE SOCIAL RESPONSIBILITY

The main activities and events conducted under the umbrella of Corporate Social Responsibility by the Bank during Q1 of 2021 are as follows.

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.

FINANCIAL HIGHLIGHTS

(All amounts in MVR'000 unless otherwise stated)

	Jan - Mar 2021	Oct - Dec 2020
Total Revenue	66,878	51,557
Total Expenses	(31,458)	(24,568)
Net Profit	26,565	15,019
Earnings Per Share	1.18	0.67
Nets Assets per Share	28.52	27.34
Cash Flow per Share	60.49	54.42

FINANCIAL STATEMENTS

Income Statement (Unaudited) - Quarter ended 31 March 2021

(All amounts in MVR'000 unless otherwise stated)

	Jan - Mar 2021	Oct - Dec 2020
Gross Income		
Income from Financing and Similar Income	73,399	58,433
Profit Paid on Customer Accounts and Similar Charges	(14,744)	(15,108)
Net Fund based Income	58,655	43,325
Fee and Commission Income	8,286	8,289
Fee and Commission Expense	(110)	(282)
Net Fee and Commission Income	8,176	8,007
Other Operating Income	47	225
Total Operating Income	66,878	51,557
Loss on Fair Valuation of Financial Instruments Mandatorily Measured at FVTPL	-	-
Personnel Expenses	(15,419)	(17,137)
General and Administrative Expenses	(8,230)	(10,812)
Depreciation and Amortization	(6,342)	(7,130)
Total Operating Expenses excluding Provision	(29,991)	(35,079)
Operating Profit (Profit before Provisions)	36,887	16,478
Net Impairment Losses on Financial Assets	(1,467)	10,511
Profit Before Tax	35,420	26,989
Income Tax Expense	(8,855)	(11,970)
Net Profit for Quarter	26,565	15,019
Basic Earnings Per Share	1.18	0.67

Statement of Financial Position (Unaudited) - As at 31 March 2021

(All amounts in MVR'000 unless otherwise stated)

	31-Mar-2021	31-Dec-2020
	(unaudited)	(audited)
Assets		
Cash, Short Term Funds & Balances with MMA	1,361,027	1,224,421
Minimum Reserve Requirement with MMA	239,633	230,318
Investments in Equity Securities	64,200	64,200
Investments in Other Financial Instruments	479,743	482,721
Net Receivables from Financing Activities	2,199,969	2,212,908
Property, Plant and Equipment	62,628	60,328
Right-of-Use Assets	87,053	87,589
Other Assets	74,388	54,280
Total Assets	4,568,641	4,416,765
Liabilities		
Customers' Accounts	3,596,161	3,431,020
Lease Liabilities	88,481	88,379
Other liabilities	242,370	282,302
Total Liabilities	3,927,012	3,801,701
Equity		
Share Capital	337,500	337,500
Retained Earnings	111,895	93,269
Statutory Reserve	139,388	132,746
Other Reserves	52,847	51,548
Total Equity	641,629	615,064
Total Liabilities and Equity	4,568,641	4,416,765


Ali Wasif

Chief Financial Officer


A.E.A. Muhaimen

Managing Director & CEO


Ahmed Ali
Chairman / BAC

Statement of changes in Equity (Unaudited) - Quarter ended 31 March 2021

(All amounts in MVR'000 unless otherwise stated)

	Share Capital	Retained Earnings	Statutory Reserve	Other Reserves	Total Equity
Balance as at 30 September 2020	337,500	110,261	128,992	18,117	594,870
Net profit for the quarter	-	15,019	-	-	15,019
Equity Instruments at FVOCI - change in fair value				6,900	6,900
Recognition of deferred tax impact on fair value change				(1,725)	(1,725)
Dividends to equity holders	-	-	-	-	-
Transferred to reserves	-	(3,755)	3,755	-	-
Transferred to Non-Distributable Capital Reserve		(28,256)		28,256	
Issue of Shares	-	-	-	-	-
Balance as at 31 December 2020	337,500	93,269	132,746	51,548	615,064
Net profit for the quarter	-	26,565	-	-	26,565
Dividends to equity holders	-	-	-	-	-
Transferred to reserves	-	(6,641)	6,641	-	-
Transferred to Non-Distributable Capital Reserve	-	(1,298)	-	1,298	-
Issue of Shares	-	-	-	-	-
Balance as at 31 March 2021	337,500	111,895	139,388	52,847	641,629

Statement of Cash Flows (Unaudited) - Quarter ended 31 March 2021

(All amounts in MVR'000 unless otherwise stated)

	Q1 2021	Q4 2020
Cash Flows from Operating Activities	36,739	14,313
Changes in Operating Assets and Liabilities	108,356	250,313
Cash Flows from Investing Activities	(8,489)	(5,085)
Cash Flows from Financing Activities	-	-
Net increase/ (used) in Cash and Cash Equivalents	136,606	259,541
Cash and Cash Equivalents at beginning of Quarter	1,224,421	964,880
Cash and Cash Equivalents at end of Quarter	1,361,027	1,224,421

INVESTOR INFORMATION

Highest Traded Price	MVR 40.00
Lowest Traded Price	MVR 33.00
Last Traded Price	(on 31 st Mar 2021) MVR 40.00
Weighted Average Traded Price	MVR 36.53
Number of Securities Traded	10,133
Value of Securities Traded	MVR 370,182.00
Market Capitalization	MVR 821,977,459.00
Dividend Yield	4.31%
Price Earnings Ratio	7.80
Total No. of Shareholders at the end of Quarter	16,162

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 since its inception. The level of Shariah compliance during the quarter remains unchanged compared to Quarter 03 of 2020.

EXTERNAL AUDITOR'S LIMITED REVIEW

The financials stated above for Quarter 01 of 2021 are management accounts (unaudited) and are subject to changes after full year audit by the External Auditor. Financials relating to Quarter 4 of 2020 is an extract from audited financials of year 2020.