



Maldives Islamic Bank

THIRD QUARTER REPORT 2021

July to September 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
Branch & Atm

Gnaviyani Fuvahmulah
Branch & Atm

Addu City Hithadhoo
Branch & Atm

Addu City Feydhoo
Atm

■ BRANCH

● ATM

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SUMMARY

The quarter marked a robust and strong rebound on the health, social and economic fronts. With more than 85% of the total population having completed first dose of vaccination, Maldives is well ahead in the race of controlling COVID-19 in the country. This can be the precursor for quicker economic recovery the country is seeing, along with the simultaneous ease of stringent movement restrictions imposed. The Bank's efforts to maintain the health and safety measures in line with the recommendations of the authorities has continued. Health and safety of the customers and employees are given utmost priority while business resumed with new normal ethos.

The strong financial and operational results of the Bank during the quarter is the manifestation of the sustainable growth strategy adopted by the Bank. Total Revenue of the Bank was the highest it has been recorded during the year at MVR 67.9 million. This is up by 7.03% from the previous quarter and 10.56% from the corresponding quarter of 2020. The Net Profit of the Bank continued to grow at a healthy rate, MVR 24.02 million in Q3 of 2021 compared to MVR 21.7 million in Q2 of 2021. Despite the increased provisioning of the quarter, both the Operating Income and Operating Profit has increased. The total Balance Sheet also maintained its upward trend, climbing to MVR 5.18 billion in Q3 of 2021 from MVR 5.08 billion in Q2 of 2021.

Customer Deposit portfolio of the Bank recorded further growth during the quarter at MVR 4.12 billion compared to MVR 4.00 billion of the previous quarter. Additionally, the Bank's cash position improved while Earnings, Net Assets and Cash Flow per share all recorded positive growth.

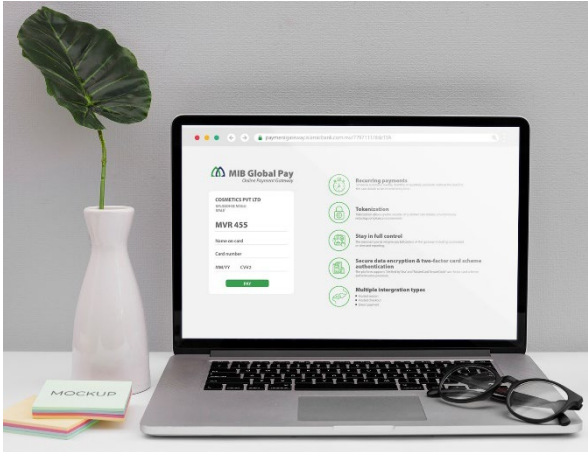
With all the core business lines reviving back to normal, the Bank is confident of maintaining the upward and positive growth in the financial and operational results for the rest of the year.

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

LAUNCH OF MIB GLOBAL PAY



MIB's brand new Internet Payment Gateway branded "MIB Global Pay" was launched on 30th August 2021. This acquiring platform will accept e-commerce payments from international card schemes. MIB Global Pay uses Mastercard Payment Gateway Services, with 99.95% up time and global accessibility and easy deployment and integration. It is equipped with innovative features such as Tokenization providing the most secure form of customer card storage, and ability to conduct recurring payments which allows merchants to schedule payments on a regular basis without re-entering the card details every time.

MIB Global Pay comes with multiple intergration possibilities including Direct Payment, Hosted Checkout and Hosted Session. It also comes with a powerful merchant portal giving full control and on-demand customised reporting.

WINNER OF THE ICD'S GLOBL FINNOVATION AWARD 2020



MIB's Ujaalaa Consumer Financing product has been recognized as a winner of the Global Finnovation Award 2020 organized by ICD as the Innovating Shariah compliant lifestyle financing product to meet consumer demand. This award was presented to MIB on 03rd September 2021.

MARKETING ACTIVITIES

During Q3 of 2021, MIB conducted the following marketing campaigns aimed towards increasing deposit and utilization.

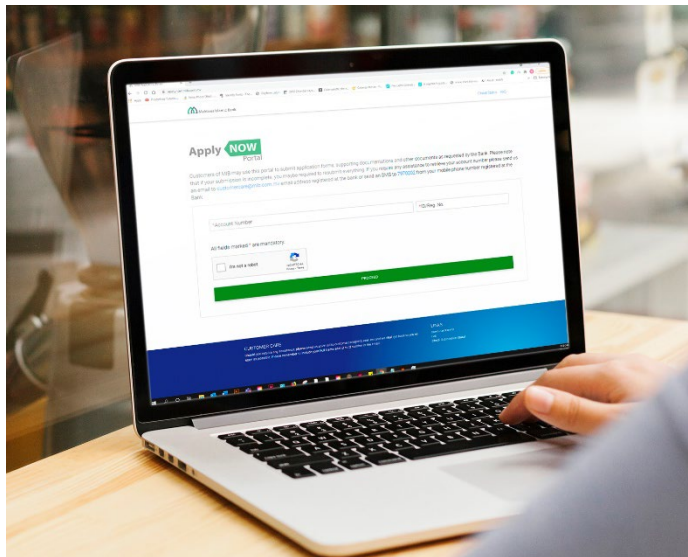
UJAALAA CONSUMER FINANCING PROMOTION FOR HIYAA RESIDENTS



In order to assist our customers and citizens who have received flats under the Hiyaa scheme, we organized a special marketing promotion and direct marketing events to facilitate consultation sessions, awareness of product as well as to create a fast track to submit and process the applications.

We conducted sessions on digital platform Club House as well as roadshows in Hulhumale' with special events with strategic partners.

APPLY NOW PLATFORM



Towards the end of the quarter, MIB launched a new portal called ApplyNow Portal. This secure platform was launched for MIB customers to apply for MIB services such as KYC application from the convenience of their homes. Customers will be OTP verified to use this contact free method of service requisition.

We will be expanding the use of this Portal as we go forward.

KANDAALAA BILL PAY

Pay your utilities bills with your **MIB Account** upto 6 months & stand a chance to win a **Scoopy motorcycle**

10th Anniversary 2011-2021
YOUR SERVICE - YOUR PRIORITY

Terms & conditions apply
mibmv/tnckUP

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

The campaign which was launched on 1st Quarter of the year was continued during quarter three of the year as well. 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. It is planned to run this promotion in the coming months.

EVERYDAY BENEFITS

everyday benefits
mib.mv/everyday

KFC

Ameenee Magu, Male'

Up to 10% DISCOUNT

everyday benefits
Up to 10% on selected items

Terms and Conditions Apply

The Everyday Benefits is a scheme which gives exclusive discounts and special offers to MIB Card holders. MIB's Everyday Benefits discount scheme is presumably the biggest discount scheme in Maldives at the moment, with over 100 shops and businesses. With this scheme, customers are eligible for discounts up to 25% when they pay to accepted dealers using MIB Visa cards. The promotion is run on electronic and physical mediums including window stickers and pull up banners on different merchant locations.

SHAREHOLDING STRUCTURE

During the reporting period, shareholding structure of the Bank has slightly changed compared to Quarter 02 of 2021. The current shareholding structure of the Bank is as follows.

	Q3 – 2021		Q2 - 2021	
	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.	1,130,152	5.02%	1,125,000	5.00%
Public Shareholders				
1. Maldives Pension Administration Office	2,369,370	10.53%	2,369,370	10.53%
2. Others	4,600,485	20.45%	4,605,637	20.47%
Total	22,500,007	100%	22,500,007	100%

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. Hassan Mohamed <i>Nominee Director</i>	Non-Executive Director	-	31/05/2021
Mr. A.E.A. Muhaimen <i>Executive Director</i>	Managing Director & CEO	-	27/06/2019
Mr. Ali Wasif <i>Executive Director</i>	CFO Executive Director	-	27/06/2019

FREQUENCY OF MEETINGS

	Q3 –2021	Q2 – 2021
Board of Directors	03 (Three)	03 (Three)
Board Risk and Compliance Committee (BRCC)	02 (Two)	01 (One)
Board Audit Committee (BAC)	02 (Two)	02 (Two)
Board Nomination and Remuneration Committee (BNRC)	03 (Three)	01 (One)

SIGNIFICANT BOARD DECISIONS

- Reviewed and approved the Business Continuity Plan & Disaster Recovery Plan of the Bank.
- Reviewed and approved the amendments to the Policy for Appointment of Directors.
- Reviewed and approved the Quarterly Report of the Bank for the Second Quarter of 2021.
- Reviewed and approved the amendments to the Articles of Association of the Bank.
- Reviewed and approved the Conflict of Interest Policy for the Board of Directors of the Bank.
- Approved the appointment of new Independent Directors of the Bank. The appointment is to be confirmed at the next Shareholders meeting of the Bank subject to Fit & Proper clearance from MMA.

PENALTIES IMPOSED BY THE REGULATOR

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

MATERIAL TRANSACTIONS WITH THE DIRECTORS/SUBSTANTIAL SHAREHOLDERS

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

CORPORATE SOCIAL RESPONSIBILITY

No activities and events were conducted under the umbrella of Corporate Social Responsibility by the Bank during Q3 of 2021.

FINANCIAL HIGHLIGHTS

(All amounts in MVR'000 unless otherwise stated)

	Jul - Sep 2021	Apr - Jun 2021	Jul - Sep 2020
Total Revenue	67,865	63,406	61,381
Total Expenses	(35,836)	(34,444)	(36,268)
Net Profit	24,022	21,721	18,835
Earnings Per Share	1.07	0.97	0.84
Nets Assets per Share	29.32	28.26	26.44
Cash Flow per Share	57.31	56.73	42.88

FINANCIAL STATEMENTS

Income Statement (Unaudited) - Quarter ended 30 September 2021

(All amounts in MVR'000 unless otherwise stated)

	Jul - Sep 2021	Apr - Jun 2021	Jul - Sep 2020
Gross Income			
Income from Financing and Similar Income	73,410	72,688	67,735
Profit Paid on Customer Accounts and Similar Charges	(14,056)	(16,169)	(12,235)
Net Fund based Income	59,354	56,519	55,500
Fee and Commission Income	8,849	7,153	5,837
Fee and Commission Expense	(645)	(418)	(126)
Net Fee and Commission Income	8,204	6,735	5,711
Other Operating Income	307	152	170
Total Operating Income	67,865	63,406	61,381
Loss on Fair Valuation of Financial Instruments Mandatorily Measured at FVTPL	-	-	-
Personnel Expenses	(18,589)	(18,367)	(16,639)
General and Administrative Expenses	(9,432)	(8,565)	(8,979)
Depreciation and Amortization	(6,671)	(6,763)	(5,643)
Total Operating Expenses excluding Provision	(34,692)	(33,695)	(31,261)
			-
Operating Profit (Profit before Provisions)	33,173	29,711	30,120
Net Impairment Losses on Financial Assets	(1,144)	(749)	(5,007)
Profit Before Tax	32,029	28,962	25,113
Income Tax Expense	(8,007)	(7,241)	(6,278)
Net Profit for Quarter	24,022	21,721	18,835
Basic Earnings Per Share	1.07	0.97	0.84

Statement of Financial Position (Unaudited) - As at 30 September 2021

(All amounts in MVR'000 unless otherwise stated)

	30-Sep-21	30-Jun-21	31-Mar-21
Assets			
Cash, Short Term Funds & Balances with MMA	1,289,400	1,276,325	1,361,027
Minimum Reserve Requirement with MMA	362,085	352,121	239,633
Investments in Equity Securities	64,200	64,200	64,200
Investments in Other Financial Instruments	906,435	906,409	479,743
Net Receivables from Financing Activities	2,315,242	2,245,894	2,199,969
Property, Plant and Equipment	63,664	63,158	62,628
Right-of-Use Assets	82,319	84,633	87,053
Other Assets	100,539	90,116	74,388
Total Assets	5,183,884	5,082,856	4,568,641
Liabilities			
Customers' Accounts	4,122,485	4,004,401	3,596,161
Lease Liabilities	85,083	86,730	88,481
Other liabilities	316,507	355,938	242,370
Total Liabilities	4,524,075	4,447,069	3,927,012
Equity			
Share Capital	337,500	337,500	337,500
Retained Earnings	114,108	97,242	111,895
Statutory Reserve	150,000	144,818	139,388
Other Reserves	58,201	56,227	52,847
Total Equity	659,809	635,787	641,629
Total Liabilities and Equity	5,183,884	5,082,856	4,568,641



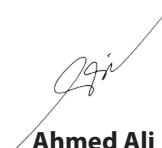
Ali Wasif

Chief Financial Officer



A.E.A. Muhaimen

Managing Director & CEO



Ahmed Ali

Chairman / BAC

Statement of changes in Equity (Unaudited) - Quarter ended 30 September 2021

(All amounts in MVR'000 unless otherwise stated)

	Share Capital	Retained Earnings	Statutory Reserve	Other Reserves	Total Equity
Balances as at 1 January 2021	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
Net profit for the quarter	-	21,721	-	-	21,721
Dividends to equity holders	-	(27,563)	-	-	(27,563)
Transferred to reserves	-	(5,430)	5,430	-	-
Transferred to Non-Distributable Capital Reserve	-	(3,380)	-	3,380	-
Issue of Shares	-	-	-	-	-
Balance as at 30 June 2021	337,500	97,242	144,818	56,227	635,787
Net profit for the quarter	-	24,022	-	-	24,022
Dividends to equity holders	-	-	-	-	-
Transferred to reserves	-	(5,182)	5,182	-	-
Transferred to Non-Distributable Capital Reserve	-	(1,974)	-	1,974	-
Issue of Shares	-	-	-	-	-
Balance as at 30 September 2021	337,500	114,108	150,000	58,201	659,809

Statement of Cash Flows (Unaudited) - Quarter ended 30 September 2021

(All amounts in MVR'000 unless otherwise stated)

	Jul - Sep 2021	Apr - Jun 2021	Jul - Sep 2020
Cash Flows from Operating Activities	32,195	29,128	25,636
Changes in Operating Assets and Liabilities	10,543	443,957	(150,649)
Cash Flows from Investing Activities	(9,913)	(539,101)	5,232
Cash Flows from Financing Activities	(19,750)	(18,686)	-
Net increase/ (used) in Cash and Cash Equivalents	13,075	(84,702)	(119,781)
Cash and Cash Equivalents at beginning of Quarter	1,276,325	1,361,027	1,084,661
Cash and Cash Equivalents at end of Quarter	1,289,400	1,276,325	964,880

INVESTOR INFORMATION

Highest Traded Price	MVR 40.00
Lowest Traded Price	MVR 31.00
Last Traded Price	(on 28 th Sep 2021) MVR 33.00
Weighted Average Traded Price	MVR 32.93
Number of Securities Traded	14,480
Value of Securities Traded	MVR 476,895.00
Market Capitalization	MVR 740,925,230.51
Dividend Yield	3.72%
Price Earnings Ratio	7.69
Total No. of Shareholders at the end of Quarter	16,159

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 02 of 2021.

EXTERNAL AUDITOR'S LIMITED REVIEW

The financials stated above for Quarter 03 of 2021 are management accounts (unaudited) and are subject to changes after full year audit by the External Auditor.

