



MALDIVES ISLAMIC BANK

ANNUAL 20 REPORT 24

Photo by Hussain Hassan, MIB Staff

Fishing Life: Fishermen gather over a deep reef pool, where the ocean reveals its abundance.

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MALDIVES ISLAMIC BANK

Maldives Islamic Bank PLC., the first and fully Shariáh 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 Shariáh. We opened our doors to the public 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 centers of the nation. We have been listed on Maldives Stock Exchange as the only full-fledged Islamic bank in Maldives since November 2019. Today, 20% of our share capital is owned by the general public, in line with our principle of increasing public participation in the Bank's ownership.

Incorporated as a Private Limited Company, MIB was brought to inception with the intention of providing 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. We are an active participant in the development and promotion of a viable Islamic economics and financial system in the Maldives which adheres to the highest ethical standards and values.

We provide full range of Shariáh compliant deposit products and financing solutions catering to the general public, both individuals and businesses. From a humble beginning, we currently provide our services through branch and sales center network of 06 branches, 06 sales centers, 42 ECRMs/ATMs across 12 atolls to meet the growing demand and to facilitate Islamic banking convenience throughout the country. In our continuous effort to provide better access and convenience to our customers, we have expanded our alternative distribution channels through Automated Teller Machines (ATM) network, Point of Sale (POS) terminals, Kiosk terminals, and via our online banking service, FaisaNet and FaisaMobile. We constantly strive to exceed customers' expectations by proactively developing long-term relationships and through constantly introducing modern banking services.

CORPORATE INFORMATION

Name

Maldives Islamic Bank PLC.

Country of Incorporation

Republic of Maldives

Date of Registration

01 April 2010 - Incorporated as a Private Limited Company under the Companies Act 10/1996 and governed by the Banking Act 24/2010

19 June 2019 - Converted to a Public Limited Company under the Companies Act 10/1996

Registration No

C-0255/2010

Listed Instrument, Date of Listing

17 November 2019 - Shares of MIB PLC. listed on the Maldives Stock Exchange which opened at MVR 35.00 per share.

Managing Director & Chief Executive Officer

Mr. Mufaddal Idris Khumri

Chief Financial Officer

Mr. Ali Wasif

Company Secretary

Mr. Hussain Ali Habeeb

External Legal Counsel to the Bank

Premier Chambers
Barristers and Attorneys
6th Floor, Kaneeru Villa, Maafannu, 20212, Orchid Magu, Malé
Republic of Maldives
Tel: +960 3314377

Mazlan & Murad Law Associates
6th Floor, Unit-A
Faamudheyriye Building, Orchid Magu, Malé
Republic of Maldives
Tel: +960 3344720

External Legal Counsel to the Board

SHC Law & Tax LLP
6th Floor, H. Aagé, Boduthakurufaanu Magu, Malé, 20094
Republic of Maldives
Phone: (+960) 3333644

External Auditors

M/s Deloitte Partners
H. Thandiraiymaage, Roashanee Magu
Republic of Maldives
Tel: +960 3318342

Head Office

Maldives Islamic Bank Public Limited Company
H. Medhuziyaaraydhoshuge
20097, Medhuziyaaraiy Magu
Malé City
Republic of Maldives
Tel: +960 3325555
Email: info@mib.com.mv



Photo by: Aishath Ali, MIB Staff
Tranquil Coastal: Shallow waters and soft sand meet in flowing patterns shaped by tide and time.

VISION

To be recognized as the leader and preferred partner in Shari'ah banking and an active player in the promotion and development of Islamic banking in Maldives.

MISSION

Serve as a trusted provider of Islamic financial products and services by focusing on its key objectives.

KEY OBJECTIVES

MIB attempts to achieve its mission to serve as a trusted provider of Islamic financial products and services by focusing on the following key objectives:

- Raising public awareness of Shari'ah financial services.
- Creating value for customers, shareholders, employees and other stakeholders.
- Meeting the Bank's financial goals.
- Attracting, training and retaining staff that are best able to accomplish the mission of MIB.
- Creating a rewarding, challenging, supportive and trusting work environment.
- Constantly exceeding customer's expectations.
- Proactively growing and developing valuable long-term customer relationships.

MIB PHILOSOPHY

Serve as a trusted provider of Islamic financial products and services by focusing on its key objectives.



Strict compliance
with Shari'ah



Islamic economic
& financial system



Highest ethical
standard & values

CORE COMPETENCIES

Pioneer in Islamic Banking

Maldives Islamic Bank PLC is the first Islamic bank in the Maldives, revolutionizing the way Maldivians engage with banking and access financial services. By introducing the concept of Islamic banking to the country, it has transformed the financial landscape and provided a new approach to banking that aligns with Islamic principles. As a pioneer in Islamic banking in the Maldives, MIB has played a key role in shaping the country's financial landscape. Until MIB started its operation, Islamic Banking was new to the country and most of its citizens. The launching of MIB brought to reality the long and cherished pursuit of the people of the Maldives for access to Islamic banking service in the country.

Since its inception, the Bank has been at the forefront of introducing Shariah-compliant financial products and services, catering to the evolving needs of its diverse clientele. With a deep commitment to ethical banking practices, MIB ensures that its offerings strictly adhere to Islamic principles, fostering trust and financial inclusion across the nation. Over the course of the past 14 years, MIB has successfully contributed towards developing and promoting an Islamic economic and financial system in the Maldives which runs in parallel to the existing conventional banking system in the country. Great reception and continuous demand pave the way for MIB to be the leader for preferred Shari'ah banking partner in Maldives.

Full-fledged Islamic Banking Products

MIB takes great pride in developing and offering a comprehensive range of full-fledged Islamic banking products, designed to meet the diverse financial needs of its customers while adhering to Shariah principles. MIB's product suite includes savings and investment accounts with attractive profit-sharing rates. Additionally, MIB offers financing solutions based on the concepts of Murabahah, Diminishing Musharakah and Ijarah among others.

MIB's product offerings also extend to trade finance, working capital financing, and personal financing, all structured in full compliance with Islamic principles. With a commitment to financial inclusion and ethical banking, MIB strives to provide innovative, customer-centric solutions that empower individuals, SMEs and corporates. Whilst MIB remains as a leading retail bank in Maldives, it is gaining significant momentum in the areas of corporate and SME banking, trade and project financing and general asset financing amongst many. The Bank strives to diversify and enhance its product portfolio further to meet the varied requirements of its diverse clientele.

Reliable Digital Infrastructure

The Bank's operations are underpinned by a robust and modern digital infrastructure designed to provide a secure and efficient banking experience to its customers. Since its inception, the Bank has prioritized creating a safe, resilient, and secure digital ecosystem, enabling customers to bank with confidence. With a strong focus on enhancing the security and safeguarding customer privacy, the Bank continues to offer a wide array of advanced digital tools across both front-end and back-end systems.

On the front-end, the Bank's digital services include revamped and secure platforms for internet and mobile banking, offering customers enhanced features to manage their accounts and financings at their fingertips. The Bank also provides reliable self-service tools such as ECRMs, ATMs, POS machines, and instant personalized cards, along with multiple payment gateways, award winning customer application portal ApplyNow, digital help center and AI assistance. Customers benefit from multiple channels of secure OTP authentication and quick security alerts, in addition to having eFaas integration enabled for MIB services.

MIB has also revolutionized the way customers open their bank accounts by being the first bank in Maldives to offer instant account opening and automation of card issuance process. Businesses can also open their accounts fully digitally. MIB is also among the first few banks in Maldives to have integrated Favara IPS Routing in its FaisaNet and FaisaMobile. Additionally, MIB has also digitalized much of its Ujaalaa financing front-end processes with the launch of UjaalaaNow Portal in 2023 and continues to further enhance its digital offer.

On the back-end, the Bank continues to build on operational efficiencies on its digital systems, including core banking, ApplyNow Portal, UjaalaaNow Portal, contact center management, document archiving and retrieval processes, risk management and internal controls, risk rating and assessment of creditworthiness of customers.

Prioritizing Customer Centricity & Convenience

At MIB, customer centricity remains a core value proposition, integral to delivering a comprehensive and exceptional service to its clientele. Over time, the Bank has made significant strides in refining its customer service, continuously enhancing processes to ensure that the services offered by the Bank consistently align with customer expectations. The Bank's value-added services are increasingly driven by new technologies and digital solutions, reinforcing the Bank's commitment to security, reliability, and convenience. Personalized care and dedicated customer support continue to be fundamental elements of MIB's service culture, where building long-term relationships takes precedence over one-time transactions.

The Bank remains readily accessible to its customers through its 24/7 helpline and ticketing systems, both of which are consistently monitored by dedicated customer service teams to ensure quick turnaround times. Continuous service improvements are implemented across all customer touchpoints and communication channels. A dedicated Relationship Managers team provides customers with a seamless and convenient banking experience while, for more affluent clients, premium banking services are offered to cater to their specific needs. Over the years, MIB has introduced more convenient communication channels for easier interactions with the Bank, including AI-driven support, live agent-based chat and calls, social media engagement, email, and direct communication with Bank staff, all which are dedicated to build customer centricity and convenience.

Competent Human Capital

MIB's success is largely attributed to its highly skilled workforce, characterized by motivation, exceptional performance, diverse experience, and specialized knowledge. The Bank places a strong emphasis on continuous staff development, ensuring that employees have access to effective training and promotion opportunities to support their growth. The dedication and expertise of MIB's employees play a pivotal role in driving the Bank's performance and are fundamental to its sustained growth and resilience in the face of evolving challenges.

The Bank proudly adopts a result-oriented culture which resonates well with its diverse team of over 350 employees, over 97% of whom are Maldivians. Complementing this local workforce are foreign professionals with technical expertise in risk management, compliance, auditing, technology, and Shari'ah financing. This blend enables the Bank to embrace both local and global best practices while introducing fresh perspectives to issues at hand. The performance-based reward system adopted at MIB ensures fair and equitable recognition of staff contributions in alignment with their achievements and performance. MIB empowers its team through delegated authorities and accountability. It also celebrates individual differences by supporting the personal and skills development of individual employees.

FULL FLEDGED SHARIÁH BANKING PRODUCTS

MIB offers a comprehensive range of fully Shariáh-compliant Deposit & Investment Products as well as diverse Financing Solutions to cater to individuals and businesses seeking financial services aligned with Shariáh principles. Committed to delivering exceptional service, the Bank ensures that both retail and corporate customers have seamless access to its well-rounded suite of banking solutions, carefully designed to align with their preferences and requirements.

Over MVR 09 BILLION in Deposits!

MIB's Deposit portfolio recorded a growth of 33.48% last year, as it reached MVR 9.13 Billion as at 31st December 2024. This is achieved through a comprehensive line of deposit products which are available both in MVR and USD. The Bank's deposit product portfolio at the end of 2024 included:

Current Account

Positioned for day-to-day usage, MIB's current account is a convenient and simple product which can be bundled up with other banking solutions that allow our customers to manage their daily finances swiftly. This Shariáh compliant banking account is based on the concept of Qard and does not provide additional return on the deposit.

Savings Account

MIB's savings account provides a Shariáh compliant investment opportunity to the customers on profit sharing basis. The Bank invests the saving deposit funds in profitable investments under the Islamic finance concept of Mudarabah. The profits are shared with the depositors based on pre-agreed profit-sharing ratio.

Children Account

The Children accounts are saving accounts in nature and are specific for minors below the age of eighteen. The deposits in the children accounts are Mudarabah based investment funds with pre-agreed profit-sharing ratio. MIB offers two types of children accounts, namely Kids Account and Kaamiyaabu Kids Account. Our children accounts are specifically designed to help grow the depositor's savings for their future needs.

General Investment Account

This account offers its customers an investment avenue for pre-determined maturity periods. This Mudarabah based deposits will be invested by the Bank in Shariáh compliant investment avenues and the profits will be shared with the account holders based on pre-agreed ratios. The account provides extremely flexible maturities, ranging from 3 months to 5 years.

Hajj Savings Account

MIB offers the first ever Hajj Savings Account in Maldives offered by a Bank. MIB Hajj Savings Account is a debit freeze Savings Account tailor made to cater to individuals who are intending to save money to fulfill the Hajj pilgrimage. With this account, the beneficiary is bound to gain one of the highest profit-sharing rates in the market, starting from an initial deposit as low as MVR 5,000.00.

Wakala Deposit Account

This account operates as a structured financial instrument offering stability and predictability in investment returns. When the customer appoints the Bank as a wakeel (agent), it functions akin to a fixed deposit account, distinguished by the assurance of a predetermined return rate. This unique feature caters specifically to depositors seeking a secure avenue for their substantial funds, ensuring a fixed profit margin over the investment tenure.

Non-Resident Foreign Account

Offered to Non-Resident foreigners, this account can be set up either as a Current Account or a Savings Account in USD. This account is based on the Islamic finance concept of Mudarabah for Saving account and the concept of Qard for Current account. Profit for saving account holders will be distributed bi-annually. This account comes with competitive and affordable annual maintenance fee, digital and on-premises onboarding, visa platinum card which offers enhanced features and benefits in addition to global acceptance.

Bingaa Accounts

The Bingaa Accounts are part of a dedicated portfolio designed for children, featuring Bingaa TRX, Bingaa Save, and Bingaa Invest. Based on the Shari'ah principle of Mudarabah, these accounts offer not only annual returns but also foster practical financial education. Bingaa TRX facilitates everyday transactions with a debit card and internet banking access, teaching budgeting skills. Bingaa Save, managed by parents, encourages disciplined saving and goal-setting. Bingaa Invest focuses on long-term growth with higher returns, cultivating investment understanding. This portfolio is crafted to equip children with essential money management skills under the careful guidance of their guardians, setting the stage for a future of financial literacy and independence.

Over MVR 5.74 BILLION in Net Financing!

By the end of 2024, MIB's Net Financing stood at MVR 5.74 Billion, following an annual growth of 39.91%. This was attained with the help of its comprehensive range of financing solutions, offered under the Shari'ah concepts of Murabahah, Istisnaa and Diminishing Musharakah. The financing solutions offered by the Bank as at the end of 2024 include;

Ujaalaa Financing Facility a limit offered to individual customers to address their financing needs. Under the umbrella of Ujaalaa limit, 02 sub-products are offered

Ujaalaa Dhiriulhun – Consumer Goods Financing

MIB's Shari'ah compliant consumer goods financing is designed to assist individuals to purchase lifestyle consumer goods conveniently. This Shari'ah compliant facility is based on the concept of Murabahah, where both the cost price and profit are disclosed and agreed by both the parties. Under Ujaalaa Dhiriulhun scheme, the Bank purchases customer's desired products from third party merchants and sell to the customer on a deferred payment basis. A range of items including furniture, electronics, home appliances, motorcycles, mobile phones, outboard engines, construction materials, and Solar Panels are financed under this facility.

Ujaalaa Cash

This product addresses the dire need of customers through Tawarruq based transactions facilitated through the buying and selling of a commodity. This facility can only be availed for specific needs that have been pre-approved by the Shari'ah Committee of the Bank. Therefore, this facility can only be used when there is no other option available, and the customer's need can only be fulfilled through obtaining cash.

Ujaalaa Ulhandhu – Car Financing

The Bank's car financing facility is based on the Islamic finance concept of Murabahah. This facility helps customers purchase their dream cars and enjoy it with a "P" board as the car is registered under the customer's name. Under the facility, we purchase the customer's desired car from a third-party and sells to the customer at a pre-determined price.

Home Financing Facility under the concept of

Diminishing Musharakah

This renowned financing solution of MIB allows customers to purchase a completed housing unit from any Seller or an under-construction housing unit from a Developer whose project has been endorsed by the Bank. Both Customer and the Bank invests in the purchase of a housing unit desired by the customer based on a partnership contract. Customer will then periodically purchase the shares owned by the Bank in the property until complete ownership is acquired.

Home Construction / Real Estate / Project Financing

This is a facility in which the Bank finances entrepreneurship and business ventures to develop real estate, either for sale or for rental. The financing structure is based on two distinct Shari'ah concepts; Istisna'a and Diminishing Musharakah. Under this Shari'ah compliant financing, MIB oversees the construction of the project and track its progress together with the Contractors and Customers. This facility allows customers to complete their properties with deferred payment terms on an instalment basis.

Vessel Financing

MIB's vessel financing facility helps customers to acquire vessels for fishing, cargo or passenger transport businesses. Based on the shariah concept of Murabahah and Diminishing Musharakah, this facility allows customers to acquire the vessel with deferred payment terms on instalment basis.

Trade Financing

This is a facility designed to facilitate the working capital requirements of the businesses. Offered under the concept of Murabahah, the Bank purchases the assets, or the stock requested by the customer from suppliers chosen by the customer. These items are then sold to the customer on a deferred payment basis.

General Asset Financing

MIB's General Asset Financing is a solution offered to individuals and businesses to acquire the assets needed for the operation of their businesses. This facility is offered under the Islamic finance concept of Murabahah and Musharakah. This facility allows customers to acquire the assets with deferred payment terms on instalment basis.

Asset Refinancing

MIB's Asset Refinancing or Sale and Lease Back Financing (SLBF) facility is based on the Islamic financing concept of Diminishing Musharakah. It allows our customers to transfer an existing conventional loan facility to a Shari'ah compliant Islamic financing facility and helps customers to unlock the equity already invested in an asset or project and create liquidity to be used for planned future projects.

SME Financing:

MIB's SME Financing is available to all businesses classified as SMEs by the Ministry of Economic Development. Through this facility, SMEs can finance their operational needs and acquire the assets needed for the operation of their businesses. This facility is offered under the Islamic finance concept of Murabahah.

Wakalah Overdraft Financing:

MIB's Wakalah Overdraft provides funding to meet the short-term operational needs of businesses by offering working capital. This product enables companies to manage their day-to-day operational expenses, including payroll, rent, and debt repayments. The facility is structured in accordance with the Shari'ah concept of Wakalah Bi al-Istithmar.

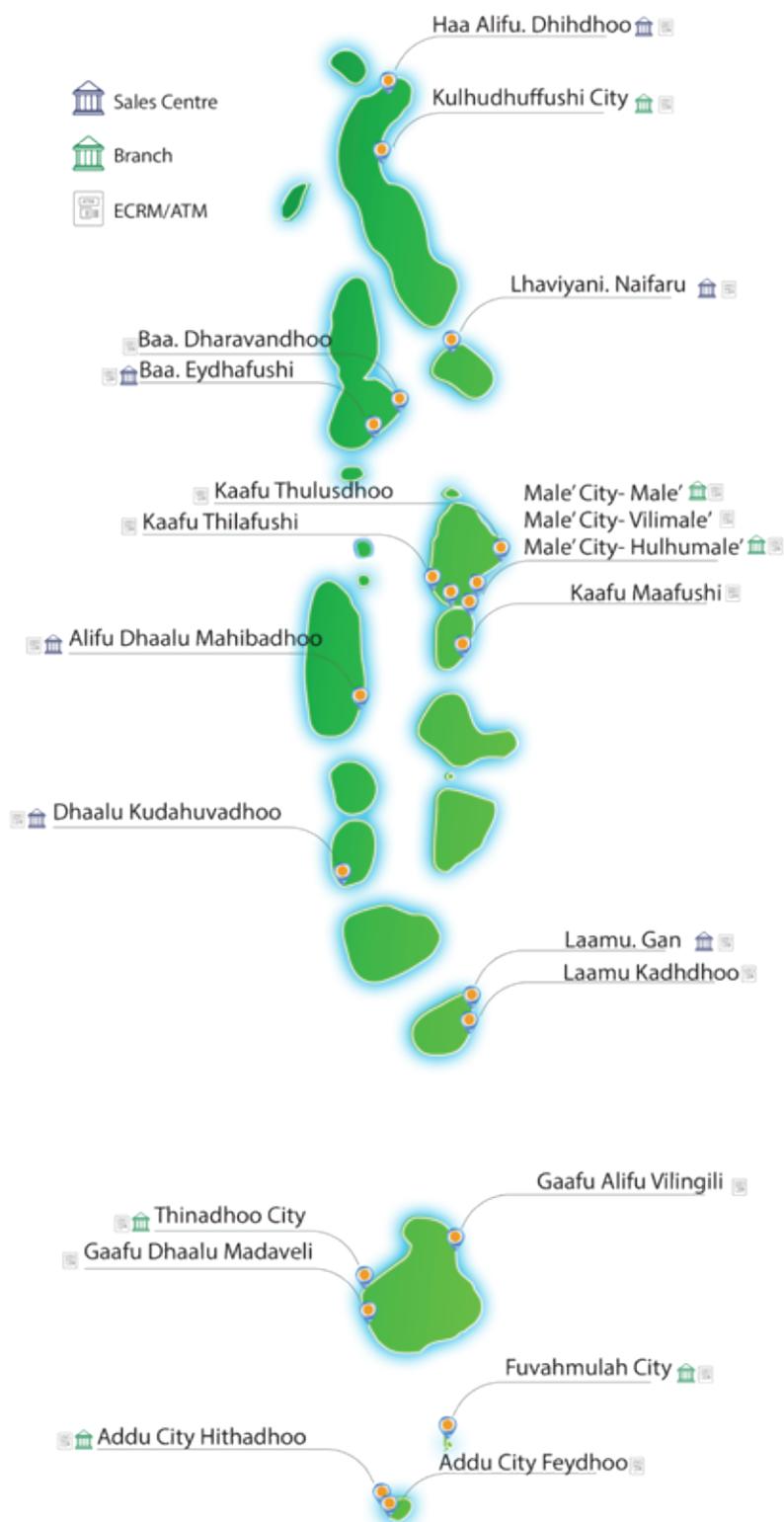
PRESENCE ACROSS MALDIVES

MIB prioritizes financial inclusion, striving to make Islamic banking and finance accessible across the country. This commitment is validated by the presence of strategically located branches, designed to provide convenience and accessibility to a broader community.

The Bank has established its presence in key urban centers and remote islands beyond Malé City, bringing Islamic banking services closer to all Maldivians.

The Bank extends its reach beyond the physical branches located at strategic locations of the country, by digitalizing its services and via its alternative distribution channels, digital financing portal, digital onboarding portal, ECRM/ATM network, Point of Sale (POS) terminals, and Mobile and Internet Banking. MIB focuses on enhancing its accessibility and convenience for customers nationwide.

Last year, the Bank focused on further enhancing its physical as well as digital presence across the Maldives.



Haa Alif Dhidhdhoo

01 Sales Centre and 01 ECRM/ATM

Haa Dhaalu Kulhudhuffushi

01 Branch and 01 ECRM/ATM

Baa Eydhafushi

01 Sales Centre and 01 ECRM/ATM

Baa Dharavandhoo

01 ECRM/ATM

Lhaviyani Naifaru

01 Sales Centre and 01 ECRM/ATM

Male' City – Male'

01 Branch, Head Office and 05 ECRM/ATMs
 01 ECRM/ATM - IGMH
 04 ECRM/ATMs - Faamudheyriye
 03 ECRM/ATMs - Business Center at Marine Dream
 01 ECRM/ATM - Majeedhee Magu

Male' City – Vilimale'

01 ECRM/ATM

Male' City – Hulhumale'

01 Branch and 03 ECRM/ATMs
 01 ECRM/ATM – RASHU Maarukeytu
 01 ECRM/ATM – Centro Mall
 02 ECRM/ATM – Phase ii, Vinares Towers

Kaafu Thilafushi

01 ECRM/ATM

Kaafu Maafushi

01 ECRM/ATM

Kaafu Thulusdhoo

01 ECRM/ATM

Alif Dhaalu Mahibadhoo

01 Sales Centre and 01 ECRM/ATM

Dhaalu Kudahuvadhoo

01 Sales Centre and 01 ECRM/ATM

Laamu Gan

01 Sales Centre and 01 ECRM/ATM

Laamu Kahdhoo

01 ECRM/ATM

Gaafu Alifu Vilingili

01 ECRM/ATM

Gaafu Dhaalu Thinadhoo

01 Branch and 02 ECRM/ATMs

Gaafu Dhaalu Madaveli

01 ECRM/ATM

Gnaviyani Fuvahmulah

01 Branch and 02 ECRM/ATMs

Addu City Hithadhoo

01 Branch and 01 ECRM/ATM

Addu City Feydhoo

01 ECRM/ATM

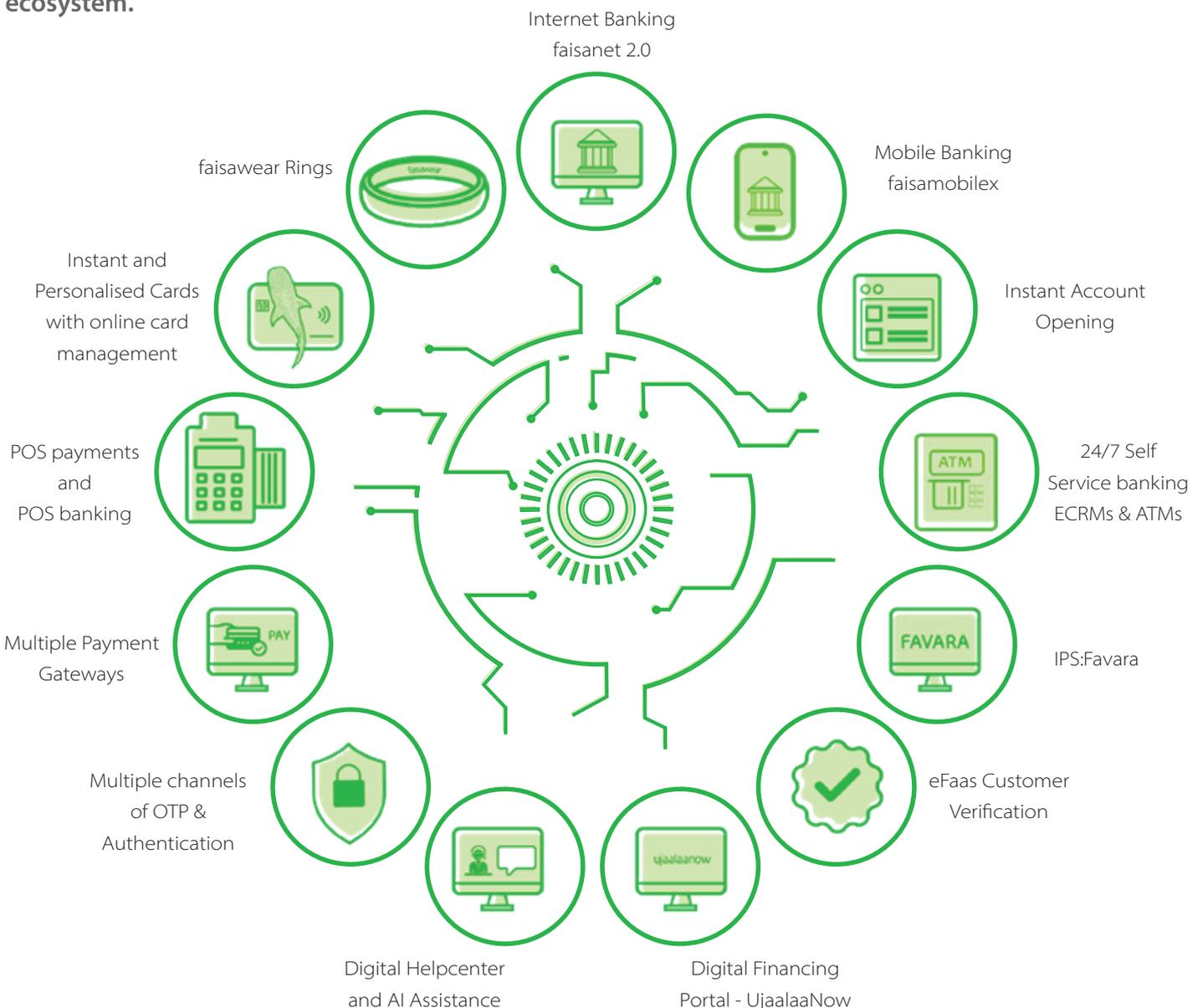


Photo by Hussain Niyaz, MIB Staff
Turquoise Lagoon and White Sandy Beaches: A stretch of clear lagoon and white shoreline, capturing the essence of timeless allure and serenity.

TOWARDS DIGITAL

MIB has been at the forefront of digital transformation in the Maldivian banking sector, by being the first Bank in the Maldives to offer online account opening, instant account opening, instant debit cards and Form Factor payment solutions. The Bank rolled out digital solutions in all its major service offerings back in 2023, starting from onboarding of customers, offering an array of advanced and new payment solutions, new internet banking capabilities enhancing the convenience of trade and business customers, to managing the financing facilities of customers online and digitally.

Digital Banking is one of the most prominent components of MIB's expansion and distribution strategy. By strategically investing in digital banking capabilities, the Bank ensures that its customers, both domestic and international, benefit from enhanced access to MIB's services at their convenience. Through its commitment to digital banking solutions and cutting-edge infrastructure, MIB actively contributes to enhancing service accessibility and promoting financial inclusion within the financial ecosystem.



MILESTONES

2011



Incorporation of Maldives Islamic Bank



Introduction of Shari'ah compliant banking products to Maldives

2012



Launching of Faisa ATM and Faisa Card as part of digitalization strategy



2013



Launching of Faisa POS (Point of Sale) services

2014



First Outstation Branch established in Addu city Hithadhoo



2015



Introduction of Internet Banking services with the launch of FaisaNet

2016



New Branches opened in GDh. Thinadhoo, HDh. Kulhudhuffushi and Hulhumale'



2017



Opening of the sixth branch in Gn. Fuvahmulah

2018

Launching of Mobile Banking service FaisaMobile



2019



Opening of the Bank's new Head Office and Main Branch



Baazaar Customer Service Centre established in Male'



Listed as a Public Limited Company on the Maldives Stock Exchange with one of the Most successful IPOs

2020

Introduction of ECRMs with card less deposit and cheque deposit through ATMs



Shari'ah compliant Interbank product innovation to support MVR liquidity



New Card Payment processing system established



2021



Launch of Visa Debit Card providing global connectivity and reach



Introduction of a new Payment Gateway MIB Global Pay



Launch of online application submission portal ApplyNow

2022

Haji Savings Account launched as a new deposit and investment solution



First Bank in Maldives to offer low-cost financing for Hakathari Labelled Products



Visa Platinum Card, Visa Instant Card and Visa Supplementary Card Launched



Wakala & Commodity Murabahah Overnight Placement with MMA



Launch of revamped internet banking platform FaisaNet 2.0



Opening of the new Hulhumale' Branch and office



2023



First bank in Maldives to launch Instant Account Opening



Integration of Efaas for customer onboarding & KYC authentication



Integration of Favara IPS Platform



Implemented mastercard acquiring



Launch of Ujaalaa Cash



Launch of UjaalaaNow Portal with online offer and acceptance



Inauguration of Sales Centre banking concept



First bank in Maldives to waive ATM charges for all domestic cardholders



Launch of Non-Resident Foreign Account and Wakala Deposits as new deposit solutions



Deployment of first USD ECRM



Opening of first Business Centre in Male'



Launched Visa Business Debit Card

2024



Introduction of Expense Card to manage petty cash requirements of businesses



Deployment of first USD ECRM at Hulhumale'



Automation of card issuance process



Launch of new mobile banking app FaisaMobile X with enhanced user experience



Launch of Fully Digital Business Account Opening



Introduction of Customer Self-Service Kiosks



Launch of Bingaa Portfolio of Accounts



First Bank in Maldives to launch FaisaWear Ring, a form factor payment solution



Launch of Overdraft Facility to Business customers



Partnered with Government of Maldives to expand ATM services in Maldives



Introduced Samuga Card as a testament to fishermen





Photo by Mohamed Shabhaan Ali, MIB Staff
Beach: A shark glides along the shoreline where reef meets sand—a glimpse of island marine life.

AWARD WINNING BANK

MIB's accomplishments are recognized both locally and internationally. The Bank values these acknowledgments with humility, appreciating the recognition for its innovative financial solutions from both the market and its peers. These honors reflect the strength of MIB as the leader of Islamic Finance in Maldives, the dedication of its diverse team, and the trust the market has consistently placed in the Bank.



2011

"Best New Bank"

award at Islamic Business and Finance Awards



2014

"Best Managed Islamic Bank"

Merit Award at Asia Islamic Banking Excellence Awards organized by CMO Asia



2016

"Islamic Bank of the Year Maldives"

Gold Award at IFFSA Awards organised by Islamic Finance Forum of South Asia



2017

"Corporate Maldives Gold 100 Award"



2018

"Bank of the Year"

at Islamic Finance Forum of South Asia Awards, 2018



2019

"Product of the Year 2019"

Silver Award at IFFSA Awards organised by Islamic Finance Forum of South Asia for MIB's mobile banking application, FaisaMobile

IFFSA Honorary Award in recognition of the contribution to the industry at the 4th Islamic Finance Forum of South Asia



2020

"Islamic Finance Entity of the Year – IFFSA Awards"

(Small category) – Gold Award



2021

"Winner of Global Finnovation Award 2020"

for Ujaalaa Dhiriulhun financing as the innovating Shari'ah compliant lifestyle financing awarded by ICD



2022

"Best Islamic Bank of the Year (Small Category)"

IFFSA Silver Award

"Corporate Maldives Gold 100 Award"



2023

"IBRA Cambridge IFA Excellence Award for Islamic Retail Banking in Maldives "

Islamic Bank of the Year 2022-2023 at 8th IFFSA Awards

Best Business Bank - Indian Ocean 2023 Award

at Capital Finance International Banking Awards

Best Shariah Compliant Bank Maldives 2023

International Business Magazine Awards 2023



2024

"Commercial Solutions Excellence Awards 2024 at VISA Leadership Conclave "

Pinnacle Award at 10th MIBFI Conference organized by UTO Edu Consult

GIFA Excellence Award for Digital Transformation at 14th Global Islamic Finance Awards

Most Innovative Digital Onboarding Rollout award by IBS Intelligence for MIB ApplyNow Portal

Islamic Finance Entity of the Year at 9th IFFSA Awards



2020

"Islamic Finance Product of the Year – IFFSA Awards"

Gold Award for MIB's Consumer Goods Financing Ujaalaa Dhiriulhun

"Islamic Bank of the Year – IFFSA Awards"

(Small category) – Gold Award





Photo by Abdulla Shafeeu, MIB Staff
Noonu Atoll View: Noonu Atoll seen from afar—quiet, remote, and surrounded by endless blue.

SHAREHOLDING STRUCTURE

The Bank's shareholding composition remained unchanged in 2024 compared to 2023. The shareholding structure of the Bank as at 31st December 2024 is as follows:

Name of the shareholder	No. of shares	% of shareholding
Islamic Corporation for the Development of the Private Sector (ICD)	7,425,000	33.00%
Government of Maldives	6,300,000	28.00%
Amana Takaful (Maldives) PLC.	1,806,572	8.03%
Maldives Pension Administration Office	2,369,370	10.53%
Other Public Shareholders	4,599,065	20.44%
Total	22,500,007	100%



The Islamic Corporation for the Development of the Private Sector (ICD)

The Islamic Corporation for the Development of the Private Sector (ICD) is a multilateral development financial institution established in 1999, as part of the Islamic Development Bank Group (IsDB Group). Its shareholders comprise of IsDB, more than 55 Islamic countries including Maldives, and participating public financial institutions from member countries. ICD was established to support the economic development of its member countries through provision of finance to private sector projects and promoting private sector development in accordance with the principles of Shari'ah. ICD also provides advice to governments and private organizations in addition to encouraging cross border investments.

Projects financed by ICD are selected on the basis of their contribution to the economic development considering factors such as creation of employment opportunities, Islamic finance development and contribution to exports. ICD also attracts co-financiers for its projects and provides advice to governments and private sector groups on policies to encourage development of capital markets, best management practices and enhance the role of market economy. ICD operates to complement the activities of IsDB in member countries and also that of national financial institutions.



Government of Maldives

The Government of the Republic of Maldives was instrumental in the establishment of Maldives Islamic Bank in collaboration with the Islamic Corporation for the Development of the Private Sector (ICD). The agreement for the establishment of the first fully Shari'ah compliant bank in the Maldives was signed during 2009 between the Government of Maldives and ICD. The government's interest in the Bank is represented by the Ministry of Finance. Government holds 28% of the Bank's issued share capital at the date. The government remains a prominent and founding shareholder of the Bank, ensuring the Bank provides a comparative and competitive alternative to the public and businesses who wish to avail themselves to banking transactions in compliance with Islamic finance principles.



Maldives Pension Administration Office ("MPAO" or "Pension Office")

Maldives Pension Administration Office (MPAO) is an independent legal entity established under the Maldives Pension Act (Pension Act). Since its incorporation during 2009, Pension Office has been administering and managing the pension schemes established under the Pension Act of Maldives. Pension Office has been playing a pivotal role in the development and enhancement of the social security system in the country. Maldives Pension Administration Office acquired 10.53% of the Bank's issued share capital through the Bank's IPO.



Amana Takaful (Maldives) PLC

Amana Takaful (Maldives) PLC started its operations in 2003. It is currently the only full-fledged Shari'ah-compliant general insurance company in the Maldives and is a pioneer for introducing Takaful solutions in the Maldives. Currently, Amana Takaful (Maldives) PLC is also the only publicly listed insurance provider in Maldives Stock Exchange (MSE). On 24 November 2016, the Board of Directors of Maldives Islamic Bank resolved the transfer of 5% out of the issued share capital of the Bank, owned by ICD, to the Amana Takaful (Maldives) PLC. The company has remained an important institutional shareholder of the Bank since then. Amana Takaful (Maldives) PLC currently owns 8.03% of the Bank's issued shares acquired through open market trading.



Public

In line with the Bank's principle of increasing public participation in the Bank's ownership, MIB offered 31% of its share capital to the public via its IPO held during 2019. Out of this, 20.44% of the Bank's issued share capital is owned by more than 16,100 public shareholders. Of this, over 99% are individual shareholders. Since 17th November 2019, MIB's shares are listed on Maldives Stock Exchange (MSE) for secondary market trading by the public.

CHAIRMAN'S STATEMENT



Mr. Kazi Abu Muhammad Majedur Rahman

Chairman and Non-Executive Independent Director

Dear Shareholders,

On behalf of the Board of Directors of the Bank, I am pleased to present our Annual Report for the financial year ended 31 December 2024.

Last year, we demonstrated resilience and adaptability amidst a dynamic economic landscape, achieving a commendable financial and strategic performance. Our commitment to innovation, customer-centric solutions, and consistency has been pivotal in navigating challenges and seizing new opportunities, whilst retaining our position as the leading Shariah compliant bank in Maldives.

In 2024, MIB sustained its commendable growth, achieving a profit before tax of MVR 368.88 million, a 57.82% increase from the previous year. Total assets grew by 39.19% to MVR 11.46 billion, driven by the robust growth in net financing activities and other investments. Customer deposits grew significantly to MVR 9.13 billion, affirming public trust in the Bank's deposit and investment propositions.

The Bank recorded a Profit after Tax of MVR 277.92 million for 2024,

“Last year, we demonstrated resilience and adaptability amidst a dynamic economic landscape, achieving a commendable financial and strategic performance.”

Profit before Tax

MVR 368.88 million

Total Assets

MVR 11.46 billion

Profit after Tax

MVR 277.92 million

marking an impressive 57.44% increase from the previous year's MVR 176.53 million. Total operating income rose to MVR 709.26 million, up from MVR 475.56 million in 2023, achieved by a strong performance in financing and investment portfolios. Shareholders' equity also reached MVR 1.15 billion, reflecting prudent financial management and value creation for stakeholders.

In light of our exceptional performance in 2024, the Board is pleased to have proposed the highest ever dividend this year, MVR 4.58 per share. This represents a meaningful step up from the MVR 2.90 per share distributed for 2023. Additionally, this year also marks the first time since our listing that we are proposing to issue the dividend in a blended form, part cash, part Bonus Shares. This thoughtful approach reflects a careful balance between maintaining a strong capital base and sharing the success of what has truly been a landmark year for MIB.

In 2024, we placed strong emphasis on strengthening the Bank's internal controls and laying the groundwork for long-term stability. Several important measures were introduced to enhance oversight, reduce risk, and ensure that our operations continue to run with integrity and resilience. We initiated critical projects

aimed toward building smarter, more secure processes across the Bank. We also initiated a back-office process automation exercise, to improve efficiency and reduce manual handling in sensitive areas. These efforts, supported by stronger audit practices and closer alignment with regulatory expectations, reflect our continued focus on doing things right, staying prepared, and growing responsibly.

Throughout 2024, we embraced new opportunities to strengthen our connection with customers and deliver more meaningful banking experiences. From the outset, our focus was clear, to bring our services closer to customers and meet their evolving needs with greater convenience and flexibility. To this end, we made significant progress in expanding our reach by strategically deploying new sales centres, and enhancing our digital platforms to provide seamless, round-the-clock access. We also placed considerable emphasis on supporting our growing base of business clients, introducing enhanced business banking solutions tailored to their specific financial goals and operational needs. In tandem with these efforts, the Bank launched innovative new products like FaisaWear, a wearable payment ring, which instantly resonated well with our customers. We also revamped existing offerings to deliver more value and simplicity. These actions reaffirm our belief in innovation, accessibility, and customer-centricity, values that remain at the heart of everything we do.

On the governance front, we implemented important updates to our Articles of Association in line with the new Companies Act. This allowed us to carefully comply with the regulatory requirements and implement measures to prevent untoward incidents. The changes introduced were thoughtfully made to ensure our governance structure remains responsive to the evolving legal landscape. We believe these updates strengthen the Bank's position to serve our stakeholders with integrity and clarity, while ensuring our growth remains grounded in robust governance and long-term responsibility.

Last year marked a period of renewal for the Board as well, with new appointments succeeding retiring directors who had dedicatedly served MIB over the years. Ms. Mausooma Yoosuf and Mr. Ahmed Siraj joined as Nominees of Government of Maldives, while Ms. Aminath Irthiyasha came on board representing Maldives Pension Administration Office. We also welcomed Mr. Iyaz Waheed, a new Independent Director, to represent public shareholders, bringing fresh energy and perspective to the Board. Each of our new directors adds something unique to the table, with backgrounds in finance, law, public finance, fund and investment management, HR, and hospitality. Their diverse knowledge and experience are already proving to be valuable as we shape the future of the Bank together.

Additionally, our shareholders decided to re-appoint Mr. Rajiv Nandlal Dvivedi and me, as Independent Directors of the Bank for one additional year, to ensure continuity of oversight, preserve institutional knowledge, and support a smooth leadership transition during this important phase of the Bank's journey.

As we close the year, I want to offer my heartfelt thanks to all those who make up the MIB community. To our customers, partners, and shareholders, your trust and support continue to inspire us. To our incredible team of employees and management, thank you for showing up each day with dedication, resilience, and commitment. And to our Board of Directors and Shari'ah Committee, your steady guidance and thoughtful leadership have been invaluable. Together, you've helped shape a year we can all be proud of.

As we progress and grow, we will also continue to contribute meaningfully to the country's progress through sound and responsible banking. While the Maldivian economy is poised for steady growth in 2025, particularly with continued momentum in tourism and infrastructure, external vulnerabilities and fiscal pressures call for careful navigation. We shall remain vigilant and responsive, balancing growth with caution, and ensuring we continue to serve our customers with stability, confidence, and foresight.

As I conclude this message, I do so with great confidence that the Bank, grounded in its strong values, dedicated leadership, and resilient operations, will continue to grow, evolve, and lead with purpose under the capable stewardship of the Board of Directors and the Executive Management.



Mr. Kazi Abu Muhammad Majedur Rahman

Chairman and Non-Executive Independent Director

MD & CEO'S STATEMENT



Mr. Mufaddal Idris Khumri

Managing Director & Chief Executive Officer

Dear Shareholders,

As time elapses so does change become imminent. Maldives Islamic Bank (MIB) has evolved as an institution over the last three years. The balancing act between growing business, investing in technology and maintaining the right equilibrium between risk and rewards has not been an easy journey.

Having said so, there is much reason for optimism, when you consider the positive evolution MIB has undergone over the past 36 months. The profitability and stability we have achieved, while further strengthening risk management practices, has placed us in a good position, not only to reward investors, but also to take advantage of this significant moment.

Disruption. Regulations. Cost. These are three key themes that link the many challenges banks face in today's rapidly evolving financial services industry. From implementing new technologies, such as artificial intelligence (AI), robotics and blockchain, through to transitioning to new low-cost structures while driving value creation, banks are under pressure from several fronts. The last ten years of the financial industry has been framed by a backdrop of

“2024 showcased the potential of what MIB can accomplish, and I am confident that 2025 will bring even greater opportunities for innovation, growth, and meaningful impact. Here is to an exciting year ahead.”

Return on Equity (ROE)

27%

Growth in Balance Sheet

40 %

Net profit

**MVR 277.92 million,
an increase of 58%**

Deposits

33 % growth

Financing

40 % growth

volatility and change, from a global pandemic to surging inflation and the rise of AI.

In the face of such pressures, we must remain steadfast about the need to invest in our future. It calls for more resilience, agility and innovative than ever before. As an institution we should set bold strategies over the next decade to adapt to our fast-changing world and invest in the right technologies and talent so that we can deliver sustainable, long-term growth.

Global GDP growth came in at a 3.1% in 2024, slightly lower than 2023, and below the pre-pandemic norm of 3.6%. In 2025, forecast for GDP growth depends heavily on the pace of US tariffs and whether we see a full-blown trade war erupt.

Most major central banks have initiated rate-cutting cycles. Global inflation cooled in response to higher rates, slower growth, excess supply, and a drop in energy prices. Delays in the effects of monetary policy will push the influence of rate cuts into the second half of 2025 and 2026. Fiscal policy may be more stimulative.

However, geopolitical risk remains elevated. Inflationary trade and immigration policies are expected to slow the pace of credit easing. Bond yields have already moved up in response to fears of mounting global debt and higher inflation.

The Maldives GDP grew by 5.5% in 2024, an upward revision from the 4.9% forecasted earlier in the year. The Maldivian economy continues to show resilience, with strong tourism performance and steady GDP growth, though challenges remain in inflationary pressures, rising public debt, increased cost of subsidies, decline in government revenues, increased expenses, and a widening trade deficit. The government's fiscal strategy and monetary policies will play a critical role in balancing economic growth and financial stability in the coming months.

The banking industry witnessed a phase of optimism and opportunity, driven by improving macroeconomic conditions that have spurred investment in innovation. Against this backdrop, one trend we see growing is banks increasingly seeking an acceleration in innovation to meet the expectations of customers & stakeholders to remain highly competitive in the financial ecosystem. For MIB, these new market dynamics and renewed focus on innovation create opportunities to capitalize on its growth ambitions with new and existing customers, drive efficiencies, reduce complexity and embrace modernisation with confidence.

Our achievements in 2024

In my last year's statement, I stated that we would make 2024 as a "Carpe Diem" moment for us. And we did so. 2024 was an exciting and transformative year for MIB. As we step into 2025, I want to take a moment to reflect on our accomplishments over the past year and share insights on how we continued to grow and adapt alongside the ever-evolving banking industry.

We unified, refocused, and galvanised our team around one single vision, strategy, and culture. We restored trust and empowerment in our people. We simplified and streamlined our organisation, people, processes, and ways of working, transforming our efficiency while also investing in our people, digital and data, product factories, and distribution channels to offer more to our clients.

I am glad to report that MIB continued to make progress on its priorities in 2024. We remained focused on businesses where we generated appropriate risk adjusted returns, continued to strengthen our leadership team, whilst executing our strategic objectives and moved ahead with our risk control and regulatory agenda.

Harnessing the power of unification for deposits and financing was a primary focus for MIB in 2024, highlighted by the progress of our onboarding Platform. This marked a pivotal moment in our journey, allowing us to offer end-to-end solutions for our clients with one platform. With this addition, MIB now seamlessly combines deposit and financing capabilities.

Record-breaking results

The Bank generated record revenue in each of our lines of business. We earned net operating revenue in 2024 of MVR 709.25 million, an increase of nearly 50% compared to 2023 and net profit of MVR 277.92 million, an increase of 58% to the bottom-line compared to 2023. Our return on equity (ROE) of 27% 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 deposits have increased by more than 33 %, financing has increased by 40 % and the overall balance sheet has grown by 40 % to touch MVR 11.46 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 more than 30 % as we have onboarded new to bank retail & corporate customers. Our revenues have shot up by nearly 50 % and costs have been maintained at reasonable levels with delinquency under control. We have opened 4 sales and service centers and deployed 17 ECRMs across the country. On the product front we have launched new consumer and corporate financing and payment options to facilitate account access.

At MIB, we have worked as a cohesive team and brought about a massive change across all our business verticals. This has happened primarily by listening to our customers and improving our processes with the use of technology. Our journey continues unabated each day as we keep evolving as an institution. We keep challenging ourselves incessantly to learn from our mistakes and to develop a customer centric approach for creating service excellence. Our indomitable human spirit backed by our ambitious agenda to be seen as an innovator is what drives and differentiates Maldives Islamic Bank.

In 2024, we executed more than 150 initiatives across multiple businesses and support verticals. A few of these encompassed, upgrading our technology stack, improving our penetration in acceptance business by deploying more than 1,000 POS terminals, launching our new Faisanet and mobile banking platform, automating back-office processing, launching the Bingaa investment proposition for children and enhancing customer experience at our Male main branch. Our contact center was

upgraded to address increasing customer queries, the payroll proposition was enhanced and many initiatives carried out to enhance customer awareness about cyber security. We organized the annual guest house symposium with many industry players in attendance and launched our overdraft facility for corporates whilst business day events were carried out throughout the year to engage with corporate and SME customers. We also did much work on the CSR front by working with institutions engaged in social, environmental and philanthropic work across the Maldives.

Calendar theme

I wish to dwell a little about the theme for the two calendars we came out with in 2024 & 2025. As an Islamic Bank we reach out to our customers and stakeholders to elucidate and bring forth the enriching legacy of the Islamic world and its contribution towards promoting a scientific temperament and an acumen of logic and intellectualism amongst the adherents of its faith. Notwithstanding, the civilisational finesse achieved through its cultural and artistic heritage.

For the year 2024, we dwelt upon the theme of Islamic philosophy, logic and science explained through the achievements and lives of twelve scholars and philosophers who influenced a universal cultural and scientific dominion. Islamic philosophers and men of science wrote many treatises and translated ancient texts, thereby enriching, and advancing a comprehensive understanding across multiple fields like mathematics, astronomy, scientific technology, geography, economic, humanities, law and medicine. This knowledge exchange was facilitated by extensive trade networks, like the Silk Road and ocean routes, fostering a cross-pollination of ideas and innovations that laid foundations for the renaissance, scientific & industrial revolution.

For 2025, the theme rested upon the contribution of 12 Islamic empires that donned different regions and eras of our world. The legacy of these Islamic Empire's continues to be reflected in our modern world. They have left an incredible mark on globalization and world history. From the early caliphates to the last Ottoman Empire, all have contributed significantly to the landscapes of different eras. This scientific and cultural exchange along with their military exploits seems obvious to our modern sensibilities, but at the time, it was an entirely new way of thinking about the world.

The adherents of Islam are in all continents across the world. They coexist and mingle with people of other faiths and continuously exchange ideas and philosophy that have enriched our world. Out of this confluence has emerged a syncretic civilization that encapsulates the good of all that humanity has to offer.

Annual Report design

Coming to the design for our annual report. In 2023, we had commissioned a Maldivian artist "Shimha Shakeeb" to sketch out the stunning natural landscape of the country and a few historical monuments that dot the Maldives. These were then reproduced in the cover and inside pages of the annual report. This was our attempt to highlight the beauty and heritage of Maldives. These hand-crafted sketches now adorn the walls of our Head Office in Male.

At Maldives Islamic Bank, we believe that patronage for the artist community inspires them and imparts to them the freedom to develop their creative ideas. Moreover, any recognition of their status as persons actively engaged in cultural work should in no way compromise their freedom of creativity, expression, and communication. A curated selection of artworks by Maldivian artists adorns our offices, you are most welcome to appreciate them by visiting us.

For this year's annual report, we decided on a photography theme that would display the talent of our team. Staff members were asked to submit photographs they would have clicked over the years. Twenty of these curated photographs have been reproduced in the annual report with credits given to the photographer. We believe that annual reports are not merely a record of the financial and business achievements of institutions rather they reflect the persona and character of the institution along with the values it stands for.

MIB in 2025

I am excited for the road ahead and what 2025 has in store. I know that all of us at MIB remain eager to continue growing and supporting our clients in every endeavour. 2024 showcased the potential of what MIB can accomplish, and I am confident that 2025 will bring even greater opportunities for innovation, growth, and meaningful impact. Here is to an exciting year ahead.

The last three years have laid a firm foundation for our next phase of quality growth. We have prepared ourselves to take the essential next step towards acceleration. We will redouble our commitment to unlock more value from our Bank and go beyond the benchmarks we have set. In summary, we are now moving to the second phase of acceleration. I list below a few critical measures that we would be working to largely reinforce our operational control by focusing on risk and technology.

- Be highly disciplined in considering today's real map of risks, and consider diverse perspectives from the board, leadership, specialists and advisors.
- Build strong internal control across our operations and technology teams to minimise operational losses and remain agile to internal and external frauds
- Focus on traditional industry risks and new unfolding risks. The perils resulting from evolving markets, business and operating models would have to be dealt with alacrity by strengthening the speed and agility of organizational risk management programs.
- 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 proactive measures to safeguard our financing and deposit business.
- Finding the right balance or confluence between automation and personalization is the riddle-du-jour for today's bankers, and it requires a much more nuanced approach to decision making. By embracing AI and digital technology, whilst keeping the human touch at the forefront, we can provide a digital banking experience that is both efficient and personalized. We will strive to earn stakeholder confidence and acceptance by transparently communicate the responsible principles at the heart of disruptive technology development. We will not build digital assets without compassion and empathy ingrained in them. We strongly believe that there is no place for arrogance in technology.
- Remain focused on "Customer engagement ". For MIB it is the customers financial journey and lifestyle that results in increased loyalty, advocacy, and customer lifetime value. Engagement helps deliver more personalized service during a customer's financial journey and helps curates those experiences for them. It is no longer a "nice-to-have" for the thriving bank of today, it is increasingly become table stakes. Knowledge and data about your customer are power. We will use Business Intelligence and Data Analytics as a tool to deeply ingratiate and embed ourselves with the customer's financial journey.
- Implement an enhanced CRM module, a more vigilant fraud management system, upgrade our AML and sanction monitoring tools, automate our reconciliation process, increase back-office process automation, implement Enterprise-Wide Risk Management System, have a dedicated Project Management Office and implement a revamped core banking system are some of the critical tasks we have at hand in 2025.
- Focus on creating an enterprise-wide, cyber security-focused culture, and embed this approach across all levels and stages of product development and customer service.
- A banking relationship is built on a foundation of trust, hence prioritizing security and privacy is critical. Anything that diminishes that trust erodes the level of engagement a customer has with the Bank. It is essential that we understand the importance of maniacally protecting security and data privacy and that appropriate tools are in place to isolate and mitigate risks.
- Encourage employee exploration with Gen AI with appropriate training, rules and guidelines to help build internal understanding and workforce skill sets in preparation for an AI-induced shift in workplaces and functions.
- Develop a unique employee value proposition, tailored to the values and expectations of varying employee segments. Strive to ensure transparent and consistent delivery to help meet employee expectations and retain this talent.
- Develop a compelling and accurate narrative to better help attract younger and discerning prospective talent.
- Consider intensifying both traditional training and developing out-of-the-box tactics to help meet next-generation employee demand for development. Help facilitate knowledge transfer and bake flexibility into programs to better engage diverse employee segments.
- Continue to make the necessary investments in specialized technologies, systems and talent to comply with rising compliance obligations and help drive underlying business and culture change.

In Conclusion

I wish to express my earnest gratitude to our customers, all staff of MIB, 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 unwavering support and belief in our abilities to deliver.

On a closing note, I chose to share some philosophical truths from the works of Khalil Gibran and Rumi. These maxims resonate with our daily lives. I hope that you take a moment to read and contemplate upon them.

- When you reach the end of what you should know, you will reach the beginning of what you should sense - Gibran
- Raise your words, not voice. It is rain that grows flowers, not thunder - Rumi
- I have learned silence from the talkative, Toleration from the intolerant, Kindness from the unkind, Yet, strange, I am ungrateful to those teachers - Gibran
- What you seek; is seeking you - Rumi
- I used hate as a weapon to defend myself; had I been strong, I would have never needed that kind of a weapon - Gibran

It is indeed astounding, the intensity you can create with words! But are people interpreting them? Is somebody listening! May the divine grant us equanimity and sagacity.



Mr. Mufaddal Idris Khumri

Managing Director & Chief Executive Officer



Photo by Hussain Niyaz, MIB Staff
One of the Largest Surf Spots in the Maldives: A powerful wave builds beneath Sinamalé Bridge, an iconic surf spot known for its consistent swells.

THE BOARD OF DIRECTORS



Mr. Kazi Abu Muhammad Majedur Rahman

Chairman and Non-Executive Independent Director

Mr. Kazi Abu Muhammad Majedur Rahman is a seasoned banker and an experienced capital market professional. Spanning over four decades Mr. Rahman worked extensively in strategic business transformation, operational and credit risk management, consumer banking, trade finance, treasury, audit, fintech, HR, governance and stakeholder relations in Bangladesh, Middle East, Africa and Australia.

He has valuable experience in Risk management, Business Process Reengineering, and Information Technology in the financial sector.

Mr. Rahman served as the Managing Director of Dhaka Stock Exchange Limited, Managing Director & CEO of Premier Bank Limited, Country Head of Bank Alfalah Limited, Chief Risk Officer & Additional Managing Director of AB bank Limited and Deputy Managing Director of IPDC Finance in Bangladesh.

Currently, he is engaged as the Chief Executive Officer of Bangladesh International Arbitration Centre. Earlier, he was the Group Chief Executive Officer of A.K. Khan & Company Limited, one of the oldest conglomerates in Bangladesh. He had served the group as a Director on the holding company's board and in its subsidiaries and associate companies. Mr. Rahman has also served as an Independent Director of Shahjalal Islami Bank Limited and was the Chairman of the Bank's Board Audit Committee.

During his banking career, Mr. Rahman has led key strategic initiatives including implementation of the Standard Chartered's consumer banking platform in Bangladesh, core banking system of Dhaka Bank Limited, introduction of Bank Alfalah Limited as

a new bank in Bangladesh. He had performed a key role in the transformation of 'Bank of Oman Limited' to Mashreq Bank, UAE. One of Mr. Rahman's most prominent achievements in the capital market includes the landmark induction of Shanghai and Shenzhen Stock Exchanges as strategic investors in Dhaka Stock Exchange Limited.

Mr. Rahman obtained Bachelor and Master's degree from Dhaka University. He has also attended senior management development programme at Said Business School, Oxford; London Business School and Securities Institute at the US Securities and Exchange Commission. He has also completed special training on Risk Management at the Institute of Risk Management, UK

Other Directorships Held

Financial Excellence Limited – Shareholding Director

Valor of Bangladesh – Trustee and Vice Chairman

Ghashful (Microcredit Financial Institution) - Treasurer



Mr. Nasser M. Al-Thekair

Non-Executive Director

Nasser Al Thekair is a seasoned leader in Islamic finance, trade development, and corporate governance. He has been a Board Member of the Maldives Islamic Bank (MIB) since 2019. Currently he serves as the General Manager of the Trade & Business Development Department at The International Islamic Trade Finance Corporation (ITFC), a member of the Islamic Development Bank (IsDB) Group. Since assuming this role in 2017, he has spearheaded ITFC’s trade promotion and facilitation efforts, expanded intra-OIC trade, and enhanced the organization’s development impact. He also leads ITFC’s strategic initiatives, focusing on business innovation, new market development, and fostering partnerships to mobilize resources for trade development programs. As of July, 2024 Nasser has assumed the additional responsibility of being Acting General Manager of the Strategy Department in ITFC.

Nasser joined the IsDB in 2000 and previously served as Assistant General Manager of the Corporate & Structured Finance Department, where he oversaw ITFC’s trade finance operations across the Middle East and North Africa. Under his leadership, the business portfolio grew 4 folds to exceed \$2.2 billion.

His contributions to Islamic finance have earned international recognition, with several of his structured transactions receiving awards from Islamic Finance News, Euromoney, and Global Trade Review.

Academically, Nasser holds a Bachelor’s degree in Engineering from King AbdulAziz University in Jeddah, Saudi Arabia, and an MBA from the University of Leicester School of Management, United Kingdom. He has also completed executive education programs in Leadership and Leading Digital Business Transformation at IMD, Lausanne, Switzerland, and earned a Corporate Director Certification from Harvard Business School, Boston, USA. His commitment to leadership excellence was further recognized with the prestigious Leaders 2030 designation from Misk Leadership.

Other Directorships Held

Saudi Gelatin and Capsules Company – Board Member (2023 – 2024)

Hawkamah Institute for Corporate Governance -

Board Member (2025 – present)

Trade Development Fund – Board Member

Executive Committee Arab Africa Trade Bridges Program - Member

Board of Aid for Trade Initiative for the Arab States (AfTIAS) and Board of Governors of the AATB Program – ITFC Representative



Mr. Rajiv Nandlal Dvivedi

Non-Executive Independent Director

Mr. Rajiv Nandlal Dvivedi is a financial professional with more than 35 years of experience in Commercial Banking, Corporate Finance & Investment Banking in the Middle East, with particular strength in Strategy, Business Development and Risk Management. He is currently serving as the CEO of Eagle Proprietary Investments Limited, Dubai since 2010.

As the CEO of Eagle Proprietary Investments Limited, Mr. Dvivedi is responsible for establishing an investment arm for the conglomerate, in addition to managing venture capital and private equity investments for the group and assisting in Islamic Finance and Structuring. Mr. Dvivedi is also CEO and a Director of Eagle Investments Limited, a regulated firm in Dubai International Financial Centre.

Mr. Dvivedi's career in banking started with Citibank New York and has served the group for more than 35 years in various senior capacities at New York, U.S.A., Middle East, North Africa and Gulf region. His tenure at Citibank Kuwait, was a defining time for the group as he helped them to instill strong risk management processes and control culture with focus on regulatory compliance. As the CEO of the Citibank Kuwait, he also played a pivotal role in growing Islamic relationships in the region. He was also instrumental in concluding the largest financing transaction in the region worth USD1 billion, for one of their key relationships.

He served as the Senior Independent Director of Amana Bank PLC, the first commercial bank in Sri Lanka to conduct all its operations under the principles of Islamic banking.

Currently he is a director in the following companies: Eagle Investments Limited as Non-Executive Director, Eagle India Sharia

Fund I Ltd. as Non- Executive Director and Eagle India Equities Ltd. as Non-Executive Director.

Mr. Dvivedi has earned Master of Business Administration in Finance from the Long Island University, New York. During his Citibank career, he has attended numerous in-house courses offered by the bank covering Credit, Operations, Financial Management, Budgeting, People Management, Risk Management, Corporate Finance, Investment banking and Trade Finance.

Other Directorships Held

Eagle Investments Limited - Non-Executive Director

Eagle India Sharia Fund I Ltd - Non-Executive Director

Eagle India Equities Ltd - Non-Executive Director



Mr. Moez Baccar

Non-Executive Director

Mr. Baccar is a financial sector professional with extensive global engagements and nearly two decades of work experience. Since 2022, he has served as a Non-Executive member of the Board of Directors of MIB.

Throughout his career, Mr. Baccar has built a robust analytical foundation and an extensive front-line expertise in investments and banking. He has held a variety of roles at prominent financial institutions across the UK, Europe, and the Middle East, gaining deep knowledge of multiple regions and various areas within the financial industry.

Since joining the Islamic Corporation for the Development of the Private Sector (ICD) in 2016, Mr. Baccar has been instrumental in structuring and executing several banking equity transactions. He played an important role in the formulation and execution of strategic initiatives and in optimizing ICD's equity portfolio therefore contributing to enhancing its long-term value. In 2023, Mr. Baccar joined ICD's Line of Finance Division, where he now serves as Lead Principal. In this role, Mr. Baccar leads the efforts of developing the organization's Line of Finance operations across North Africa, the Middle East, and South Asia regions.

Mr. Baccar holds a Master's degree in Management Sciences from the University of Nice-Sophia Antipolis in France and a Bachelor's degree in Business Studies from IHEC Business School in Tunisia. He is fluent in English, Arabic, and French.

Other Directorships Held

Banque Islamique de Guinee - Non-Executive Director

Tamweel Africa Holding S.A. (Senegal) - Non-Executive Director

Al Akhdar Bank (Morocco) – Non-Executive Director



Mr. Osman Kassim

Non-Executive Director

Mr. Osman Kassim is the Nominee Director appointed to the Board of Maldives Islamic Bank PLC., to represent Amana Takaful (Maldives) PLC.

Mr. Osman Kassim is a renowned and highly respected entrepreneur in Sri Lanka. He is regarded as the pioneer of Islamic finance in Sri Lanka for having introduced Islamic banking and insurance and counts over 40 years of senior management experience in these fields.

He is the Founder Chairman of Amana Bank PLC, Sri Lanka's first and only licensed commercial bank to conduct all its operations under the principles of Islamic banking. He has travelled extensively and is fully conversant with Islamic banking practice and methodology in most countries, where Islamic banking is available.

Mr. Osman Kassim was formerly the Chairman of the Expolanka Group. He is also the Chairman of Vidullanka PLC, The Goodness Foundation and Rokfam (Pvt) Ltd. He concurrently holds directorships in Amana Takaful Life PLC and Amana Takaful (Maldives) PLC.

Mr. Osman Kassim previously served as a member of the Board of Directors of Maldives Islamic Bank PLC. from 2017 until July 2020.

In recognition of his achievements as both a global entrepreneur and visionary educationalist, Mr. Osman Kassim was conferred an Honorary Doctorate by the Staffordshire University, United Kingdom.

Other Directorships Held

Aberdeen Holdings (Pvt) Ltd – Chairman Emeritus

Vidullanka PLC – Chairman

Rokfam (Pvt) Ltd – Chairman

Amana Takaful Life PLC – Chairman

Vidul Biomass (Pvt) Ltd – Chairman

Vidul Energia (Pte) Ltd – Chairman

Moroto Solar (Pvt) Ltd – Chairman

The Goodness Foundation – Chairman

Crescentrating (Pte) Ltd – Chairman

Amana Takaful (Maldives) PLC - Non-Executive Director

CJSC "Ijara Company Kyrgyzstan"



She has acquired Master of Business Administration from International College of Business and Technology, Sri Lanka and completed Diploma in Information Technology with e-commerce from Colombo University. Ms. Mausooma has also completed Certified Accounting Technician (CAT) programme from Maldives Center for Management and Administration.

Other Directorships Held

Nil

Ms. Mausooma Yoosuf

Non-Executive Director

Ms. Mausooma Yoosuf is a Director appointed to the Board of Maldives Islamic Bank PLC., to represent the Government of the Republic of Maldives.

Ms. Mausooma brings a strong financial expertise to the table, having held the role of Chief Financial Officer at Public Service Media for over seven years, spanning from 2013 to 2020. Additionally, she fulfilled the position of Assistant Financial Controller at FALIM Groups Pvt Ltd from 2009 to 2010.

She is presently the Chief Internal Auditor of Public Service Media ("PSM"). Prior to that, she served as the Director of Legal at Public Service Media since May 2021. She also served as the Director of Internal Audit at PSM prior to her appointment as the Director of Legal, where she was tasked with providing independent and objective evaluations of the Company's financial and operational business activities.

In the early stages of her career, Ms. Mausooma held positions as an Accounts Officer at the Auditor General's Office and as a Purchasing Manager at Island Aviation Services Ltd.

Additionally, she held the role of Non-Executive Board Director at Male' Water and Sewerage Company Ltd from 2014 to 2019. Furthermore, she was appointed as a member of the Commission on State Asset Recovery in 2018.



Mr. Ahmed Siraj

Non-Executive Director

Mr. Ahmed Siraj is a Director appointed to the Board of Maldives Islamic Bank PLC., to represent the Government of the Republic of Maldives.

Mr. Siraj is a seasoned public finance specialist, currently serving as the Permanent Secretary at the Ministry of Finance since May 2022. Mr. Siraj brings with him a wealth of expertise in financial management, strategic planning, and policy implementation to his role in MIB as a Board Member.

Prior to his current position, Mr. Siraj served as the Secretary General of Privatization and Corporatization Board (“PCB”) of Ministry of Finance for nearly a decade, from August 2013 to May 2022. His involvement in this capacity played a pivotal role in fostering efficient governance of State-Owned Enterprises (SOEs), earning him widespread recognition and respect within the industry.

During his career, Mr. Siraj has held several board membership positions, including serving as a Board Member of the Capital Market Development Authority since August 2018. Furthermore, he has been a Council Member of the Islamic University of Maldives since 2014. He has also served on the Boards of SME Development Finance Corporation (SDFC), Maldives Hajj Corporation Limited and Hazana Maldives Limited earlier.

In recognition of his leadership and contributions, Mr. Siraj has received various awards and accolades, including the Youth Award of Maldives in 2008 awarded by the President of Maldives. Mr. Siraj has completed numerous workshops and trainings related to public finance, corporate governance, and board directorship.

Mr. Siraj holds a Master of Business Administration with a major in Project Management from the University of Southern Queensland, Australia, and a Bachelor of Business Management from the University of Sunderland, UK. He is currently pursuing a Ph.D. in Economics and Muamalat Administration at the University of Sains Islamic Malaysia.

Other Directorships Held

Nil



Ms. Aminath Irthiyasha

Non-Executive Director

Ms. Aminath Irthiyasha is the Nominee Director appointed to the Board of Maldives Islamic Bank PLC., to represent Maldives Pension Administration Office (Pension Office).

Ms. Irthiyasha currently serves at Pension Office as the Director, Investment and Research since May 2024 and is responsible for overseeing the investment and research functions, including the development and implementation of investment and risk strategies for the Maldives Retirement Pension Scheme, and providing recommendations to the Investment Committee and the Board.

She began her career at Pension Office in April 2018 as Research Associate and has served Pension Office for more than 6 years. Prior to taking up her current role, she was entrusted with the role of Head of Investment and Advisory Services.

Ms. Irthiyasha also served as Assistant Manager at Maldives Monetary Authority ("MMA"), where she was responsible for assisting in works relating to the implementation of monetary policy and reserve management. She served MMA for more than 4 years.

Ms. Irthiyasha has completed Graduate Diploma in Education and Bachelor of Economics both from University of Western Australia.

Other Directorships Held

Nil



Mr. Iyaz Waheed

Non - Executive Independent Director

Mr. Iyaz Waheed is a Chartered Management Accountant by profession, who also holds a post graduate diploma in Business Management. He is currently serving as the Assistant Director Statutory Compliance at Universal Enterprises Pvt Ltd. He is a highly reputed figure in the hospitality industry, with a notable service track record spanning over two decades.

He started his career in the industry as Assistant Chief Accountant of Velassaru Maldives during February 2002 after completing his studies and working as a trainee at KMPG Sri Lanka. He continued to serve the hotel as Chief Accountant and later as Assistant Manager until September 2006. Following this, he served as the Acting Financial Controller of Labriz Silhouette Seychelles currently managed by Hilton, during the pre-opening phase, until he joined the corporate office of Universal Enterprises as the Assistant Financial Controller in May 2007. Since then, Mr. Iyaz has contributed significantly to the growth of Universal Enterprises. Over the past 17 years, he has served as Assistant Financial Controller, Group Manager – Finance and HR as well as General Manager – Statutory Compliance prior to taking over his current role, overseeing and leading the Risk Management and Compliance function of the entire group and 8 resorts.

Additionally, Mr. Iyaz continues to serve as the President of Universal Foundation, a charitable organization, since May 2014. He is also a prominent professional speaker who is the appointed Founding President of the Maldives Professional Speakers Association (MPSA) since April 2023.

Mr. Iyaz Waheed is also serving as an Executive Board Member of the Maldives Association of Tourism Industries (MATI) since February 2018 and has represented the industry at different forums. He has also held the role of Private Sector Board Director (for 3 years) and Chairperson (for 2 years) at the Maldives Pension Administration Office (MPAO) from 2009 to 2014.

Mr. Iyaz holds 05 MIB shares.

Other Directorships Held

Maldives Association of Tourism Industry (MATI) - Board member

Universal Foundation - Board member and President

Maldives Professional Speakers Association - Board member

and President



Mr. Mufaddal Idris Khumri

Managing Director & Chief Executive Officer

Mufaddal Khumri is a seasoned Islamic Banker with more than 25 years of commercial banking experience that covers Business Strategy, Digital & Technology, Corporate Banking, Retail Banking and Wealth Management, Payments, Treasury and Risk functions. He has established and headed two Islamic Banking Windows in United Arab Emirates (UAE) for Abu Dhabi Commercial Bank (UAE's third largest commercial bank) and for National Bank of Ras Al Khaimah (UAE's leading SME and payments bank). He started his career with ICICI Bank Ltd, India's second largest private sector Bank as Management Trainee in 1997. Prior to becoming a Banker, he was a columnist for Business Standard, a financial newspaper in India.

During his work tenure in UAE, he also launched two Islamic Finance Companies in UAE, with a combined capital base of USD 162 million. Among these companies, he served as Managing Director of Abu Dhabi Commercial Islamic Finance (ADCIF). Whilst at ADCB, he has handled the India Millennium Deposit portfolio of USD 1 Billion. Additionally, he has worked extensively for the IPO Business in UAE handling more than 20 large IPOs wherein ADCB collected more than AED Billions of subscriptions including leverage investments. The Islamic business at ADCB was more than USD 6 Billion.

Prior to joining MIB, Mufaddal was the Head of Retail Business in UAE for Saudi National Bank, Saudi Arabia's largest Bank, based out of Dubai, UAE. In National Bank of Ras Al Khaimah, he also served as Director of Retail Banking & Payments Business, which was in addition to his responsibility as Head of Islamic Banking which included the SME and Corporate Banking portfolio. The Retail business in National Bank of Ras Al Khaimah had a gross revenue of more than USD 700 Million.

Whilst at ICICI Bank played a key role in furthering the Non-Resident Indian Business. He was deputed to the Middle East in early 2000 where he worked with banking partners across all GCC countries for remittances, payments, and investments. He was instrumental in setting up money2india remittance portal and creating alliances with banks and exchange houses across GCC to facilitate staff deputation and strategic alliances.

Mufaddal has obtained master's in management studies and Bachelor of Commerce from the University of Mumbai. He has also completed Fintech course from University of Oxford, UK and attended various Islamic Finance seminars and forums as a speaker.

Mufaddal held representations in the UAE Banking Federation (UBF), Islamic & Retail Banking Committee. He also held membership status in Islamic Finance Advisory Council at Dubai International Finance Centre. He regularly speaks at Banking forums and seminars across various verticals. He regularly writes for Islamic Finance publications and has co-authored a book "Assassinations that altered the course of history" published by Magna Publishing Company. He occasionally posts his thoughts on mkhumri.com, albeit not regularly.

He is an enthusiastic extrovert and loves being amongst people. A team player to the core, he is a strong proponent for inclusivity at work and loves working with a cross section of people across various ethnicities, nationalities, and skill sets. He has an intrinsic love for gastronomy and the culinary arts. He is a bibliophile at heart, overtly dedicated to books and enjoys being immersed in classical music and Urdu poetry.

Other Directorships Held

Nil



Mr. Ali Wasif

Executive Director / Chief Financial Officer

Mr. Ali Wasif was appointed to the Board of the Bank as an Executive Director in 2019. He commenced his journey at MIB as a Planning and Development Officer in January 2011. Prior to his tenure at MIB, he worked in the Maldives Monetary Authority in the Banking, Payment, and Settlement Division, actively engaging in pivotal projects such as the Maldives RTGS System and ACH system. Assuming the role of Head of Finance and Accounts at MIB from September 2011 onwards, he has been holding the position of Chief Financial Officer of the Bank since November 2016.

Mr. Wasif's profound expertise and knowledge have been paramount in shaping the landscape of the Islamic Finance industry. His pivotal involvement has been a cornerstone in advancing the sector.

In addition to his professional achievements, Mr. Wasif is a member of the Association of Chartered Certified Accountants (ACCA). He obtained his bachelor's degree in Accounting from Multimedia University, Malaysia, and furthered his academic pursuits by earning a Master's Degree in Islamic Finance through the Masters in Islamic Finance Practice (MIFP) program at the International Centre for Islamic Finance (INCIEF).

Other Directorships Held

Nil



Mr. Hussain Ali Habeeb

Company Secretary / Head of Investor Relations

Mr. Hussain Ali Habeeb joined Maldives Islamic Bank in October 2011. He is currently the Company Secretary and Head of Investor Relations of the Bank. His exemplary work ethic has earned him the position of company secretary since October 2012.

He served as the Head of Operations of the Bank from 1st December 2017 to 31st August 2021. As the Head of Operations Department, Mr. Habeeb was primarily responsible for the efficient and sound operation of all branches and alternative delivery channels. Starting as a Senior Officer in the finance and accounting department, Mr. Habeeb had been appointed to undertake core functions such as administration, marketing and finance at various times.

Prior to MIB, he worked as an Accounts Manager in Fuel Supplies Maldives involved in undertaking core accounting tasks.

Mr. Habeeb is a professional accountant registered as a Permanent Affiliate member of the ACCA since 2007. He also holds a Bachelor of Science in Applied Accounting Degree from Oxford Brookes University; with a first class honours.



MALDIVES ISLAMIC BANK



THE EXECUTIVE TEAM



Mr. Mufaddal Idris Khumri

Managing Director & Chief Executive Officer

Mufaddal Khumri is a seasoned Islamic Banker with more than 25 years of commercial banking experience that covers Business Strategy, Digital & Technology, Corporate Banking, Retail Banking and Wealth Management, Payments, Treasury and Risk functions. He has established and headed two Islamic Banking Windows in United Arab Emirates (UAE) for Abu Dhabi Commercial Bank (UAE's third largest commercial bank) and for National Bank of Ras Al Khaimah (UAE's leading SME and payments bank). He started his career with ICICI Bank Ltd, India's second largest private sector Bank as Management Trainee in 1997. Prior to becoming a Banker, he was a columnist for Business Standard, a financial newspaper in India.

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Mufaddal has obtained master's in management studies and Bachelor of Commerce from the University of Mumbai. He has also completed Fintech course from University of Oxford, UK and attended various Islamic Finance seminars and forums as a speaker.

Mufaddal held representations in the UAE Banking Federation (UBF), Islamic & Retail Banking Committee. He also held membership status in Islamic Finance Advisory Council at Dubai International Finance Centre. He regularly speaks at Banking forums and seminars across various verticals. He regularly writes for Islamic Finance publications and has co-authored a book "Assassinations that altered the course of history" published by Magna Publishing Company. He occasionally posts his thoughts on mkhumri.com, albeit not regularly.

He is an enthusiastic extrovert and loves being amongst people. A team player to the core, he is a strong proponent for inclusivity at work and loves working with a cross section of people across various ethnicities, nationalities, and skill sets. He has an intrinsic love for gastronomy and the culinary arts. He is a bibliophile at heart, overtly dedicated to books and enjoys being immersed in classical music and Urdu poetry.



Mr. Ahmed Riza

Deputy Chief Executive Officer

Mr. Ahmed Riza is a pioneer staff member of the Bank and has been with Maldives Islamic Bank since the Bank's inception in 2010. He has played a pivotal role in establishing the Bank and developing it. Mr. Riza's passion is in utilizing the power of technology to improve access to finance for those who live on outer islands and remote locations. His proudest achievements include the endeavours undertaken to meet these goals, including the digital banking platforms at MIB. Mr. Riza combines his passion together with his scholarly work in Fintech to achieve his lifelong quest of improving access to finance, ease of trade and a more comprehensive access to banking services to those who are disconnected from urban centers.

Before being promoted to the position of Chief Operating Officer, Mr. Riza served as the Head of Operations, Head of Cards and the Head of Technology of MIB. Mr. Riza spearheaded the formulation and establishment of the card center, e-banking services, technology infrastructure and information systems during his twelve years of dedicated service to the Bank. Mr. Riza was also entrusted with the role of Acting CEO from April 2018 till January 2019 and from November 2021 to October 2022.

Mr. Riza has completed the Oxford Fintech Programme conducted by the University of Oxford. He has a Bachelor of Computer Science Degree and a Master of Computer Science Degree from University Science Malaysia and University Malaya respectively. He has also completed Management Development Programme (a mini-MBA) at the Asian Institute of Management, Philippines and Project Management Professional (PMP) course at Koenig, India.



Mr. Ali Wasif

Chief Financial Officer

Mr. Ali Wasif was appointed to the Board of the Bank as an Executive Director in 2019. He commenced his journey at MIB as a Planning and Development Officer in January 2011. Prior to his tenure at MIB, he made significant contributions at the Maldives Monetary Authority in the Banking, Payment, and Settlement Division, actively engaging in pivotal projects such as the Maldives RTGS System and ACH system. Assuming the role of Head of Finance and Accounts at MIB from September 2011 onwards, he has admirably held the position of Chief Financial Officer of the Bank since November 2016.

Mr. Wasif's profound expertise and knowledge have been paramount in shaping the landscape of the Islamic Finance industry. His pivotal involvement has been a cornerstone in advancing the sector.

In addition to his professional achievements, Mr. Wasif is a distinguished member of the Association of Chartered Certified Accountants (ACCA). He obtained his bachelor's degree in Accounting from Multimedia University, Malaysia, and furthered his academic pursuits by earning a Master's Degree in Islamic Finance through the esteemed Masters in Islamic Finance Practice (MIFP) program at the International Centre for Islamic Finance (INCIEF).



Mr. Muhammad Amir Atiq

Chief Risk Officer

Mr. Muhammad Amir Atiq joined MIB in 2013 and is a seasoned Islamic banker. During his banking career spanning over more than 25 years, he has accumulated a diverse working experience both in conventional and Shariah compliant banking.

Mr. Amir began his career in 1995 as Business Relationship Manager at MCB Bank Pakistan. He shone as a great performer in his job while growing and managing the loan portfolio and successfully managing high profile business relationships with companies such as Shell, Siemens, Suzuki Motors, Singer, Novartis, Syngenta, GlaxoSmithKline, Hutchison Whampoa.

In 2003, he moved to accept the new challenging role of credit risk management at Bank Al Habib Pakistan where he was entrusted the charge to handle, analyse and process retail and SME business propositions of 100+ branches of the zone and present the proposals to the zonal credit committee for approvals. His ensuing 14 years' experience of working in Islamic banking first at Burj Bank Pakistan and then at MIB Maldives as Head of Risk has added another distinction in his eventful career.

In his role as Compliance Officer at MIB, he has been instrumental in ensuring that Maldives Islamic Bank meets compliance standards as set in international protocols and local regulations.

Mr. Muhammad Amir Atiq is a business graduate with specialization in Banking and Finance. He also holds professional certification in Islamic Finance.



Mr. Fisol Amri Bin Mansor

Chief Shari'ah Officer

Mr. Fisol Amri bin Mansor joined MIB in 2015. He is an experienced Islamic finance banker from Malaysia. Mr. Fisol Amri has over 15 years of working experience in local and foreign Islamic banks, especially in Malaysia. His passion is spreading Islamic banking to the world and is keen to further improve Islamic banking system to be more acceptable.

Mr. Fisol Amri started his banking career in 2005 as Executive, Product Development at Hong Leong Islamic Bank (Malaysia), where he was engaged in conducting product research and development. In 2009, he joined Mizuho Bank (Malaysia) where he has assisted in the establishment of Islamic banking operations for one of the biggest Japanese banks.

As Chief Shari'ah Officer at Maldives Islamic Bank, Mr. Fisol Amri is in charge of managing the Shari'ah governance aspect of the Bank under the guidance of the Shari'ah Committee, to ensure the Bank's transactions and activities are in compliance with Shari'ah.

Mr. Fisol Amri holds a Bachelor of Economics and Islamic Revealed Knowledge from International Islamic University, Malaysia. He also holds a Chartered Islamic Finance professional qualification, equivalent to master's degree, from INCEIF University, Malaysia.



Mr. Rakitha Chandrasekara

Chief Internal Auditor

Mr. Rakitha Chandrasekara joined Maldives Islamic Bank in August 2017 and currently serves as the Chief Internal Auditor of the Bank. Mr. Rakitha is a Sri Lankan national with more than 22 years of banking experience covering the areas of banking operations and internal audit. He is a career internal auditor who is also well conversant with the fast-moving changes in the internal audit profession.

Mr. Rakitha started his career at Nations Trust Bank Plc., Sri Lanka in year 2002 as a Trainee. At Nations Trust Bank he served in the centralised operations department in various capacities in the first four years of his career. In 2006 he moved to the Internal Audit Department. At the time of his move to MIB, Mr. Rakitha has moved through the ranks to reach the position of Branch Audit and Investigations Manager at Nations Trust Bank Plc. At MIB, Mr. Rakitha reports directly to the Board Audit Committee and holds the overall responsibility for the internal audit function of the Bank.

Mr. Rakitha has obtained a Bachelor of Business Management Degree from University of Kelaniya in Sri Lanka.



Ms. Fathimath Ula

Chief People Officer

Ms. Fathimath Ula is the Chief People Officer at Maldives Islamic Bank, leading the Bank's HR strategy, including talent management, employee engagement, performance management, and HR operations. She has over 15 years of experience in the aviation industry, specializing in strategic human resource management and corporate finance.

Before joining Maldives Islamic Bank, Ms. Ula spent 15 years at Island Aviation Services Ltd., the national airline of Maldives, where she held leadership roles in both finance and human resources, demonstrating her versatility across key business functions. She began her career in the Commercial Department, focusing on sales and customer relations, before transitioning into corporate finance and revenue management. In these roles, she was responsible for financial reporting, revenue analysis, and policy development.

From May 2019 to May 2023, Ms. Ula led the Human Resources Department, first as Deputy Head of Human Resources and later as General Manager of Human Resources. During this period, she played a pivotal role in shaping HR strategies, improving employee relations, overseeing talent acquisition, and leveraging HR analytics. Additionally, she oversaw the Corporate Administration Department, ensuring its alignment with the airline's strategic objectives.

Beyond her departmental responsibilities, Ms. Ula made significant contributions to corporate governance and strategic projects at Island Aviation, serving on various governance committees and upholding ethical and regulatory standards.

Ms. Ula is an Associate Member of The Chartered Institute of Personnel and Development (CIPD) and holds a Master's in Business Administration (Strategic Management) as well as a Bachelor's Degree in Commerce. She is also a member of the Advisory Committee of the Maldives Association of Human Resource Professionals (MAHRP), where she contributes to advancing HR practices and professional development in the Maldives.



Mr. Hussain Ali Habeeb

Company Secretary / Head of Investor Relations

Mr. Hussain Ali Habeeb joined Maldives Islamic Bank in October 2011. He is currently the Company Secretary and Head of Investor Relations of the Bank. His exemplary work ethic has earned him the position of company secretary since October 2012.

He served as the Head of Operations of the Bank from 1st December 2017 to 31st August 2021. As the Head of Operations Department, Mr. Habeeb was primarily responsible for the efficient and sound operation of all branches and alternative delivery channels. Starting as a Senior Officer in the finance and accounting department, Mr. Habeeb had been appointed to undertake core functions such as administration, marketing and finance at various times.

Prior to MIB, he worked as an Accounts Manager in Fuel Supplies Maldives involved in undertaking core accounting tasks.

Mr. Habeeb is a professional accountant registered as a Permanent Affiliate member of the ACCA since 2007. He also holds a Bachelor of Science in Applied Accounting Degree from Oxford Brookes University; with a first class honours.



Ms. Fathimath Azmath Ali

Chief Credit Officer

Ms. Fathimath Azmath Ali, with a distinguished 15-year career in banking, serves as the Chief Credit Officer at Maldives Islamic Bank (MIB). Beginning her journey in the banking sector in 2007 at the State Bank of India, Male' Branch, she joined MIB in 2013.

Ms. Azmath Ali has served in various prominent managerial roles during her tenor at the Bank, including Head of Business Support overseeing credit operations, trade, remittances, and card operations. Her ascent through various managerial roles, culminating in her current position, is a testament to her exceptional expertise.

Ms. Azmath Ali holds a Bachelor's degree in Banking and International Finance from Flinders University, Australia and a Master's in Economics from the University of Sydney, Australia.

In her role as Chief Credit Officer, she leverages her extensive experience to drive strategic credit management and risk assessment at MIB, playing a pivotal role in the bank's sustained growth and risk mitigation.



Mr. Hussain Alim Shakoor

Chief Retail Banking Officer

Mr. Hussain Alim Shakoor has been serving as the Chief Retail Banking Officer at Maldives Islamic Bank since February 2019, playing a pivotal role in steering the Bank's growth and innovation. With a strategic vision for excellence, he oversees the Bank's physical and digital distribution strategies, which have been instrumental in driving its rapid expansion and solidifying its position in the market. His leadership directly impacts the Bank's funding book, ensuring robust and sustainable growth.

A proud graduate of the National University of Singapore, Mr. Shakoor holds dual Master's Degrees in Business Administration and Public Administration. His diverse educational background complements his extensive experience, equipping him with a unique blend of analytical and managerial acumen.

Before joining Maldives Islamic Bank, Mr. Shakoor enriched his professional journey through international roles in Malaysia and Sri Lanka, particularly in the education sector. These experiences honed his cross-cultural communication skills and broadened his perspective on global best practices.

An avid reader and a lifelong learner, Mr. Shakoor has a profound interest in exploring scientific advancements and social sciences. At Maldives Islamic Bank, he is a passionate advocate for continuous professional development, inspiring his team to push boundaries, embrace innovation, and delve into new areas of knowledge. His commitment to fostering a culture of learning and personal growth has left an indelible mark on the organization.

Beyond his professional achievements, Mr. Shakoor is known for his direct leadership style and his dedication to mentoring emerging talent. He believes that the key to sustained success lies in empowering individuals and nurturing a dynamic, knowledge-driven workforce.



Mr. Mohammed Arefur Rahman Chowdhury

Chief Digital Officer

Mr. Mohammed Arefur Rahman Chowdhury joined Maldives Islamic Bank in November 2020 as the Head of Cards and Digital Banking, bringing with him over 17 years of experience in the banking industry. A seasoned professional, Mr. Chowdhury's expertise spans a wide range of domains, including Branch Banking, Retail Banking, Cards & Payments, Customer Experience, Product Development, Business Automation, Process Reengineering, and Project Management.

Before joining MIB, Mr. Chowdhury served as the Head of e-Payments at Dutch-Bangla Bank, one of the largest banks in Bangladesh. In this role, he was instrumental in leading Merchant Services, formulating Payments Strategy, and overseeing Product and Business Development within the e-Business Division. His tenure at Dutch-Bangla Bank was marked by innovative contributions to the digital payments landscape. Prior to this, he played a pivotal role at BRAC Bank as the Process Re-engineering Lead and a key member of the Core Banking Migration Team, where he was responsible for streamlining operations and aligning system capabilities with customer requirements.

At Maldives Islamic Bank, Mr. Chowdhury leads the Cards and Payments business and driving the bank's digital transformation initiatives and pioneering innovative solutions to enhance customer experience. His leadership has been vital in introducing cutting-edge products cementing MIB's position as a leader in the nation's digital banking landscape.

Mr. Chowdhury holds an MBA in Finance from the Institute of Business Administration, University of Dhaka, and a BBA in Finance from North South University, Bangladesh.



Mr. Hammad Rasheed Hussain

Chief Business Officer

Mr. Hammad Rasheed Hussain has been an active member of the Maldivian banking industry for over 15 years. He started his banking career with Bank of Maldives Plc (BML) during 2006 where he developed his understanding of the practical aspects of credit and lending. Due to his passion to promote Islamic Banking in the Maldives, Mr. Hammad joined Maldives Islamic Bank Plc (MIB), soon after its inception, in February 2012.

Mr. Hammad has acquired invaluable knowledge of Islamic finance and corporate banking throughout his career at MIB and has served in different roles in the Business Department. He is currently serving as the Chief Business Officer and is responsible for the development and growth of Corporate as well as the Retail Asset portfolio of the Bank.

Mr. Hammad holds a Bachelor's Degree in Business Administration from Open University Malaysia (OUM).



Uza. Mariyam Sunaina

Chief Legal Officer

Uza. Mariyam Sunaina started her tenure at Maldives Islamic Bank Plc in 2016. Leading the Legal Department of the Maldives Islamic Bank Plc., Uza Maryam Sunaina is an experienced Lawyer responsible for overseeing the litigation, recovery and legal documentation of the Bank. She holds a Bachelor of Law degree from the University of London, along with several other professional and technical qualifications.

Armed with more than two decades worth of experience in Banking, Uza Mariyam Sunaina began her career in 1999, at the Bank of Maldives Plc. (BML), where she filled various roles. Her dedication and work ethic had earned her the preeminent managerial post at the Legal Affairs & Documentation at BML in 2008.

Today, Uza Mariyam Sunaina manages a team of qualified lawyers and dedicated staff who attend to all legal matters of the Bank.



Mr. Mohamed Ismath

Chief Information Officer

Mr. Mohamed Ismath is an accomplished IT professional with a background in Information and Communication Technology, having over 20 years of industry experience. His association with Maldives Islamic Bank commenced in 2015, starting as an Information Security Officer, and he currently holds the position of Chief Information Officer at the Bank.

He is a certified professional in the industry, encompassing expertise in Cyber Security and the IT Governance domain. His certifications include ITIL v3, CEH, CPSA, CPSP, among others.

Mr. Mohamed Zulaal Zaeem

Chief Administrative Officer

Mr. Mohamed Zulaal Zaeem currently serves as the Chief Administrative Officer at Maldives Islamic Bank PLC. He joined MIB in July 2018 as a Project Coordinator, where he took charge of the Bank's Business Continuity Planning and Disaster Recovery processes while also coordinating various new projects.

Since May 2019, Mr. Zulaal has been leading the Bank's Administrative and Procurement functions. In his role as Chief Administrative Officer, he is also responsible for managing major projects within the Bank.

Prior to joining MIB, Mr. Zulaal worked at UNDP Maldives for over six years as an Operations Manager and previously served as an ICT Associate for seven years. He also has experience as a Planning Officer at the Ministry of Planning and National Development, demonstrating a strong background in administration and strategic planning.

Mr. Mohamed Zulaal Zaeem holds a Diploma in Computing and Information Technology. He has also obtained various certifications in Information Technology and Public Procurement, along with multiple UNDP certifications acquired over the years.



Mr. Abdulla Umar

Chief Banking Operations Officer

Mr. Abdulla Umar is the Chief Banking Operations Officer at Maldives Islamic Bank PLC. He joined MIB as Unit Head of Credit Administration during September 2017, managing disbursements and administration of all financing facilities of the Bank. He was also acting as deputy to the Head of Business Support Department.

Since May 2023, Mr. Umar has been appointed as Head of Operations overseeing all banking operations. His portfolio includes Supervision of Credit Administration, Liability Operations, Trade & Remittance, and Card Operations of the Bank.

Before joining MIB, Mr. Umar worked in both the private and public sector, bringing in a diverse experience from multiple fields. His resume includes working as a Lecturer & Coordinator at Villa College, Assistant Director at Secretariate of North Nilandhe Atoll Council, and Leading Teacher & Head of Business Department at Faafu Atoll Education Centre.

Mr. Abdulla Umar has completed Chartered Institute of Management Accountant (CIMA). He has further earned several work-related certifications over the years.



Photo by Mohamed Raif, MIB Staff
Sunset: The sky burns orange as the sea turns to glass, reflecting every colour of dusk.

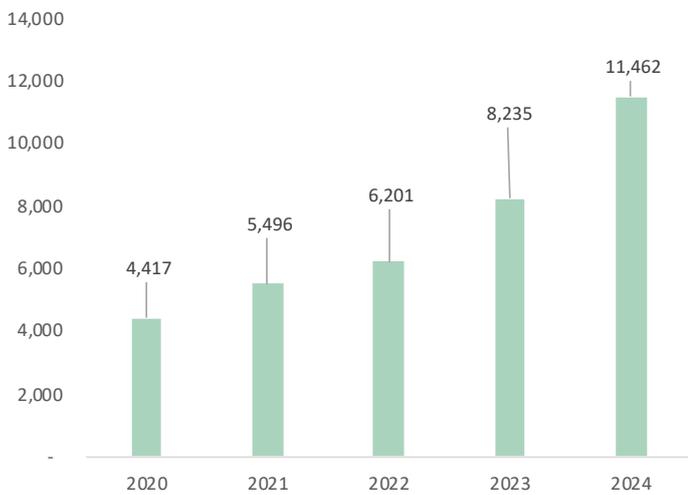
BUSINESS REVIEW

CORE BUSINESS ACTIVITY

The principal activities of the Bank are Islamic banking business and the provision of related financial services. The Bank provides a full range of banking services based on Shari'ah principles including accepting deposits, granting of financing facilities and other ancillary services. There were no significant changes in these activities during the financial year.

FINANCIAL KPIs

Total Assets



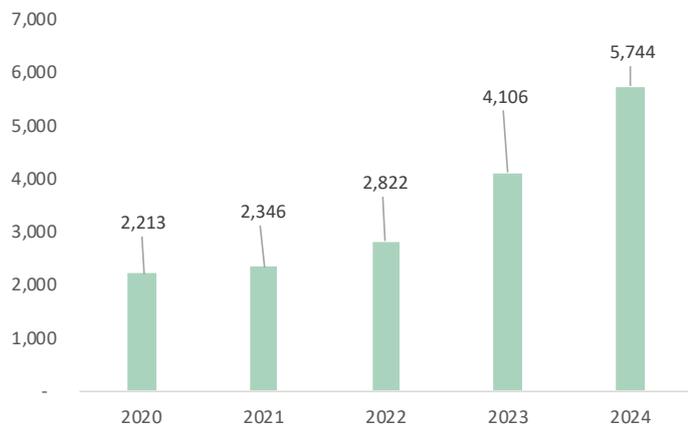
Total Assets (MVR)

11,462 Million

(8,235 Million in 2023)



Financing Assets



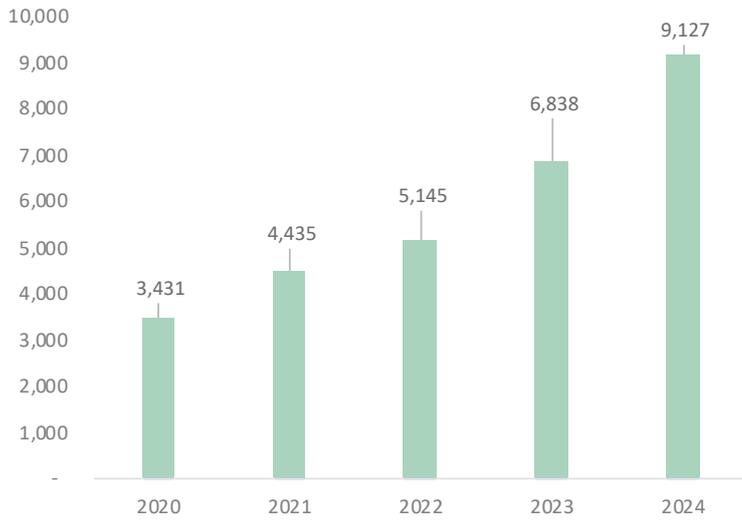
Total Assets (MVR)

5,744 Million

(4,106 Million in 2023)



Customers' Deposits



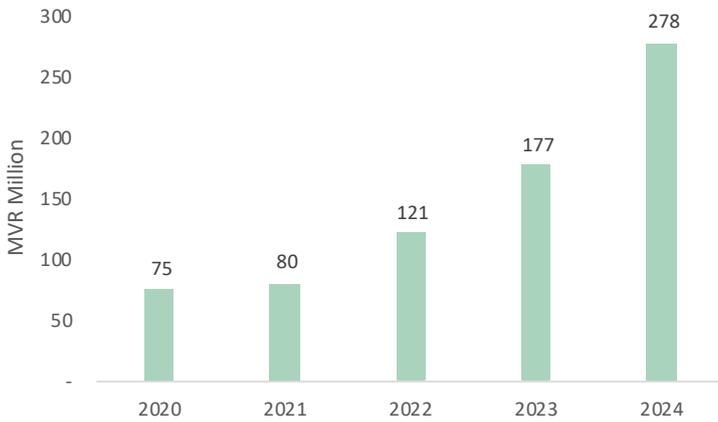
Customers' Deposits (MVR)

9,127 Million

(6,838 Million in 2023)



Profit after Tax



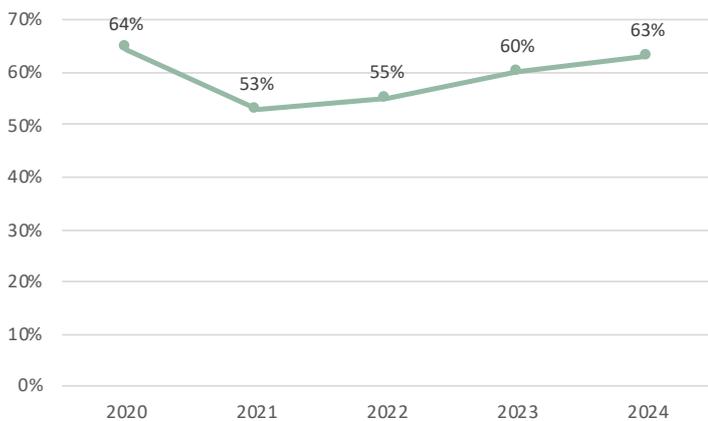
Profit After Tax (MVR)

278 Million

(177 Million in 2023)



Financing Assets to Deposit Ratio



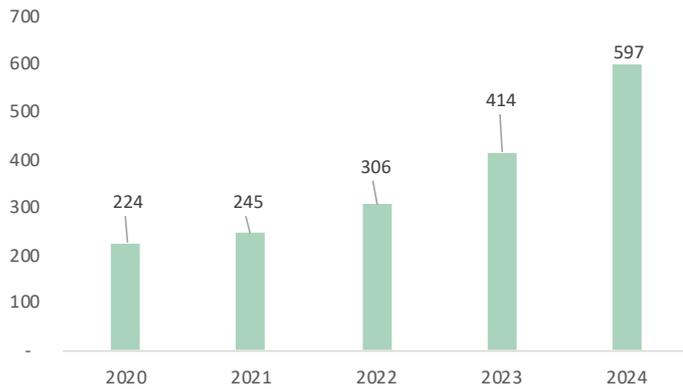
Financing Assets to Deposit Ratio

63%

(60% in 2023)



Net Income from Financing & Investment



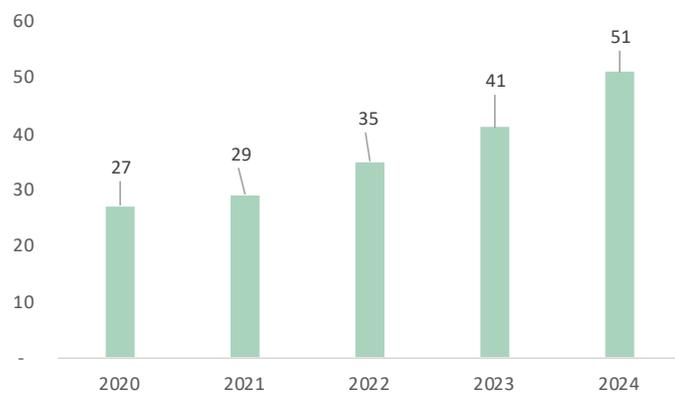
Net Income from Financing & Investment (MVR)

597 Million

(414 Million in 2023)



Net Asset Value per Share (MVR)



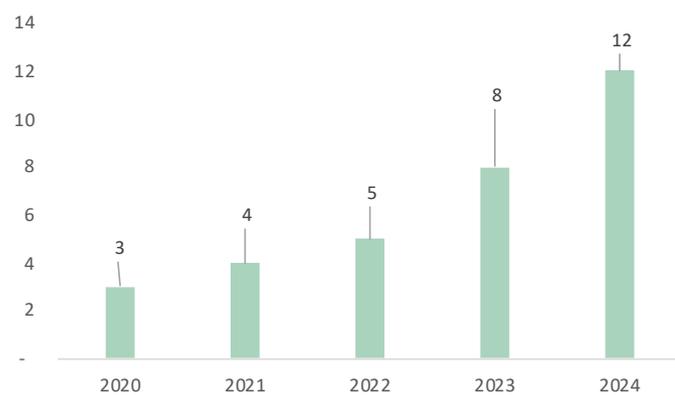
Net Asset Value Per Share

MVR 51

(MVR 41 in 2023)



Earnings per Share - Post Tax (MVR)



Earnings Per Share – Post Tax

MVR 12

(MVR 8 in 2023)



Profit Before Tax (MVR)

368,884,396

(233,740,805 in 2023)



Total Operating Income (MVR)

709,256,683

(475,560,266 in 2023)





Photo by Abdulla Shafeeu, MIB Staff
Laamu Hithadhoo: Mangroves scattered like islands on still water, capturing nature in its calmest form.

NON-FINANCIAL RESULTS

POS Transactions



2024 Number
6,749,000+

2023 Number
1,700,000+

Growth **3.97x**

POS Terminals



2024 Number
1,600+

2023 Number
800+

Growth **2x**

POS Merchants



2024 Number
1,200+

2023 Number
700+

Growth **1.71x**

ECRM/ATM Transactions



2024 Number
1,098,000+

2023 Number
780,000+

Growth **40%**

No. of new cards issued



2024 Number

42,900+

2023 Number

32,000+

Growth **1.34x**

Card Transactions



2024 Number

5,230,000+

2023 Number

2,300,000+

Growth **2.27x**

Internet and Mobile Banking Transactions



2024 Number

14,368,000+

2023 Number

922,000+

Growth **14.48x**

Mobile Banking Logins



2024 Number

6,371,000+

2023 Number

3,108,000+

Growth **2.05x**

Internet Banking Logins



2024 Number

267,000+

2023 Number

122,000+

Growth **2.18x**

KEY FINANCIAL RESULTS

	2020	2021	2022	2023	2024	Change (MVR)	Change (%)
Operating Results for the Year – MVR Millions							
Total Financing & Investment Income	274	303	360	491	727	236	48.07%
Net Income from Financing & Investment	224	245	306	414	597	183	44.20%
Total Operating Expenses before impairment	127	146	167	219	309	90	41.10%
Profit before Tax	107	95	161	234	369	135	57.69%
Tax Expenses	32	15	40	57	91	34	59.65%
Profit after Tax	75	80	121	177	278	101	57.06%

Assets and Liabilities - MVR Millions

Financing Assets	2,213	2,346	2,822	4,106	5,744	1,639	39.91%
Total Assets	4,417	5,496	6,201	8,235	11,462	3,228	39.19%
Customers' Deposits	3,431	4,435	5,145	6,838	9,127	2,289	33.48%
Total Liabilities	3,802	4,837	5,418	7,307	10,311	3,004	41.11%
Total Equity	615	659	783	928	1,152	224	24.09%
Financing Assets to Deposit Ratio	0.64	0.53	0.55	0.60	0.63		

Profitability - %

Net Financing Margin	10.61%	11.39%	11.58%	11.27%	11.86%		
Return on Assets	1.83%	1.61%	2.07%	2.45%	2.82%		
Return on Equity (After Tax)	12.70%	12.50%	16.80%	20.63%	26.73%		
Gross Non Performing Advance Ratio	4.97%	7.10%	5.54%	4.13%	4.41%		
Net Non Performing Advance Ratio	5.08%	7.34%	5.72%	4.24%	4.52%		
Povision Cover	40.2%	47.1%	57.4%	64.3%	56.5%		

Investor Information - MVR

Net Asset Value per Share (MVR)	27	29	35	41	51		
Earnings per Share - Post Tax (MVR)	3	4	5	8	12		
Net Asset Value per Share (MVR) - Adjusted for Share Split	27	29	35	41	51		
Earnings per Share - Post Tax (MVR) - Adjusted for Share Split	3	4	5	8	12		

* Share split at a ratio of 1:100 was effective from 26th March 2019 and an additional 4,500,000 were issued to the public through the IPO

Capital Adequacy Ratios - %

Tier 1 Risk Based Capital Ratio (Minimum 6%)	18%	17%	15%	11%	10%		
Total Risk Based Capital Ratio (Minimum 12%)	22%	20%	19%	15%	15%		



Photo by Abdulla Shafeeu, MIB Staff
Noonu Kendhikulhudhoo Kulhi: A wooden hut reaches out into the mangrove,
blending into the stillness of the kulhi.

STRATEGIC DRIVERS

In 2024, MIB focused on expanding its customer reach and enhancing its distribution channels while strengthening its digital banking capabilities. This dual approach allowed the Bank to provide more personalized services and accessible banking solutions, effectively broadening its retail and corporate customer base on both assets and liabilities front.

Additional projects were implemented to expand the Bank's distribution channels and explore new market segments. In 2024, customer experience and convenience remained key priorities. The Bank introduced convenient payment mechanisms for both retail and corporate customers, while further enhancing its Alternative Distribution Channels. Strategic initiatives focused on driving fee revenue and strengthening cross-selling efforts were also prioritized to support growth and customer engagement.

These initiatives contributed to MIB's strong financial performance in 2024, surpassing budgeted targets and achieving record growth in its balance sheet. The Bank's focus on operational efficiency, strategic expansion, and customer-centric solutions ensured its continued success and growth in a competitive market.

The primary strategic drivers for 2024 stems from four areas:



Leveraging Digital Transformation & Innovation

At MIB, digital transformation is more than a technological shift—it is a catalyst for re-imagining the future of banking. In pursuit of this narrative, the Bank continued its investment in digital infrastructure last year, striving to create seamless, inclusive, and forward-looking financial experiences for all segments of society. By embracing innovation as a driver of change, MIB ensures that it meets the evolving expectations of its customers.

In line with its strategic vision, MIB continued to make significant progress in its digital transformation journey during 2024. With a strong focus on delivering innovative and customer-centric digital solutions, the Bank introduced several breakthrough technologies during the year. Notably, MIB became the first bank in the Maldives to launch a wearable payment solution, redefining convenience in everyday banking.

Last year, the Bank completed a Technology Roadmap and Consultancy project, to identify the most significant and prominent areas that the Bank urgently needed to focus its attention on. Following this project, a clear roadmap for technology revamp of the Bank was laid out, critical projects were identified, and resource allocation and effort estimation exercises for these individual projects began.

Following the success of the FaisaNet 2.0 platform launched during 2023, MIB brought a major upgrade to its mobile banking app with the launch of FaisaMobile X. This new and improved app for mobile banking comes with all the features available on FaisaNet 2.0 platform, offering seamless and convenient banking right at the fingertips of customers. Users can effortlessly switch between profile and manage cards, while advanced security features, including two-factor authentication has been put in place to ensure safe transactions anytime, anywhere.

Alternative Distribution Channels (ADCs) remain a significant component of MIB's digital strategy. In 2024, the Bank intensified efforts to expand its ADC footprint across the nation. In this regard, the Bank continued to deploy additional POS machines across diverse merchant segments, supporting greater digital adoption at the grassroots level. The launch of the Visa Business Expense Card marked a strategic step forward in addressing longstanding challenges in corporate expense management. MIB continued to promote the use of its Instant Cards given the flexibility and convenience it offers to its customers.

Last year, MIB continued to roll out more Electronic Cash Recycler Machines (ECRMs) at different regions in Maldives and committed to deploy machines at new 19 centers within the coming year. Additionally, during 2024, the Bank enhanced the way Favara has been integrated into FaisaMobile and FaisaNet, with an upgrade of transaction limits and completing the full deployment of Favara for Corporates.

MIB is actively progressing toward achieving PCI DSS compliance, reinforcing its commitment to the highest standards of payment security. This initiative underscores the Bank's dedication to safeguarding customer data, enhancing trust, and aligning with global best practices in secure card payment processing across all digital and physical transaction channels.

Throughout the year, the Bank prioritized upskilling its workforce through ongoing training and awareness sessions focused on cybersecurity and information security, ensuring employees are equipped to support and sustain secure digital growth.

Last year, more technological initiatives were successfully executed, including upgrade of network switches, backup storage, blade server capacity, implementation of web application firewall, UEBA implementation, HSM secondary implementation among others. Work of Security Operation Center was continued, while first phase of IT Operations Centre was successfully completed. Additionally, the Bank continued to optimize and enhance its back-end processes through advanced digital technologies, resulting in greater operational efficiency and improved internal workflows.

Strengthening Retail Position through Diversified Assets, Enhanced Distribution and Concentration on CASA Deposits:

In 2024, MIB successfully maintained its position as the second-largest retail bank in the Maldives, reflecting sustained growth, market resilience, and continued trust among its expanding customer base. As a trusted retail bank, MIB leverages on providing a range of specifically tailored banking and financing solutions that directly match the needs of its consumers.

MIB9, the Bank's exclusive benefits club for customers who deposit their monthly salary with MIB, continued to gain strong traction in 2024. In response to its growing popularity and positive customer feedback, the Bank revamped the MIB9 benefits to offer even greater value, enhancing customer loyalty and engagement. MIB9 club offers exclusive benefits including the allocation of USD limits to their MVR Everyday Cards and reduced financing rates.

Last year, the Bank launched a major upgrade on its kids account portfolio, as the entire portfolio was re-branded to Bingaa with enhanced benefits to account holders. Bingaa portfolio comes with three different accounts, Bingaa TRX, Bingaa Save and Bingaa Invest, all designed to allow young children to develop healthy financial habits. The accounts which come with full parental oversight empowers children to conduct internet banking and card transactions on their own within set limits, thereby enabling the formation of good money management skills. The Bank

also continued to offer other deposit and investment solutions, which offer some of the highest profit-sharing rates in the market. Schedule of fees and profit rates were reviewed and updated to reflect the best practices and market conditions.

The distribution strategy adopted by the Bank during 2024 enabled the Bank to further complement its status as a retail banking leader in Maldives. Strategic locations which lacked the physical presence of MIB were identified, and new Sales Centers were established in these locations, equipped with self-service banking, ECRMs and dedicated teams to assist customers. Three new sales centers established within the year including at HA. Dhidhdhoo, L. Gan and Lh. Naifaru. Moreover, dedicated ATM centers were established in additional islands before the end of the year. Details on these were covered in more detail under Key Events of 2024.

In 2024, MIB maintained a strategic focus on asset diversification to strengthen portfolio resilience. The Bank continued to prudently allocate its financing across retail, corporate, and SME segments, ensuring a more balanced and diversified exposure of its portfolio thereby allowing for risk mitigation. This approach not only supported a broader customer base but also enhanced the Bank's ability to respond effectively to shifting market demands and economic conditions. During 2024, the Bank's Asset Book comprising of a portfolio of retail, corporate and SME financing products recorded a growth of 39.9% compared to 2023, while retail financing solution of Ujaalaa recorded a growth of 59.5% during the year. MIB's retail portfolio continues to contribute the highest share of the Bank's Asset book.

Deepen Customer-Centric Approach

MIB remains dedicated to prioritizing the needs and satisfaction of its customers, ensuring that every decision and service is designed to ultimately deliver reliable and satisfactory banking experience.

In 2024, MIB continued to build on its customer-centric approach. A key focus was given to reorienting the branch banking services to create more personalized and efficient experience for both retail and business clients. Acknowledging that the majority of individual banking services were made available online, branch reorientations were made to deliver a more personalized experience to business customers and for those who still require assistance of a branch Agent. Through these service re-orientations, MIB was able to streamline in-branch processes, and anticipated reducing waiting times and enhancing service delivery, ensuring that each customer interaction is both efficient and meaningful.

To further improve accessibility, MIB further trained its communication channels to better serve the customers with the launch of IVR on Call Centre. In addition to this, connecting with the Bank was made easier for customers through multiple platforms, including mobile apps, chatbots, and direct communication lines.

These channels are deployed to ensure that customer queries are addressed promptly whilst remaining accessible, regardless of time or location.

Additionally, the Bank has adopted a more proactive approach in dealing with its customers. Through targeted marketing and outreach programs, MIB ensured that its customers, both existing and potential, are informed of new products, services, and personalized offers tailored to their needs.

Expanding the role of Relationship Managers was another significant improvement adopted in MIB's customer-centric strategy last year. Relationship Managers are now more actively involved in understanding the unique needs of bigger clients and offering bespoke solutions to meet those needs. This expansion allows for a more holistic approach to customer service, ensuring that the Bank builds stronger, long-lasting relationships while offering tailored solutions that align with individual customer's financial goals.

As part of further enhancing the customer-centric approach adopted by the Bank, MIB continued to roll out innovative, convenient and cutting-edge digital banking solutions both on asset and liability front, which are aligned with the evolving needs of customers. Additionally, the Bank's dedicated Cards and Digital Payment teams remained focused on continuously improving service delivery, optimizing the efficiency and effectiveness of these channels to meet customer demands more effectively.

MIB also maintained a strong focus on actively monitoring customer feedback through its customer care ticketing systems, working diligently to reduce response times and improve the resolution of inquiries. MIB further enhanced its customer interactions by offering comprehensive financial planning advice, detailed product knowledge, and clear explanations of product features and associated risks. These efforts reflect the Bank's ongoing dedication to providing exceptional service while ensuring customers are well-informed and empowered in their financial decisions.

STAFF DEVELOPMENT

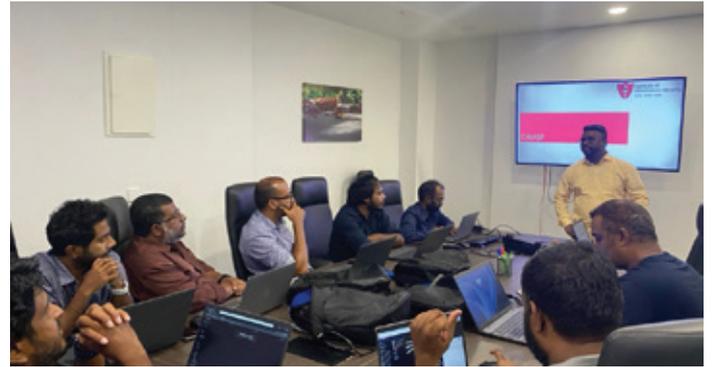
Agile & Robust Team:

At MIB, its employees are at the heart of everything that the Bank does. As in the past, last year, MIB staff showed tremendous dedication, talent, and commitment to the Bank and all initiatives undertaken. Their contributions have been instrumental in driving the Bank's success. In an ever-evolving financial landscape, MIB recognizes the significance of investing in its workforce and supporting professional development at all levels.

This segment of the annual report highlights MIB's ongoing efforts to enhance employee engagement, attract top talent, and strengthen the organizational capabilities. With a focus on innovation, collaboration, and well-being, MIB continues to empower its people to thrive, ensuring that they remain at the forefront of delivering exceptional service to customers and stakeholders.

During 2024, significant achievements in the Bank's People management were achieved. All phases of the independent HR Review and Consultancy initiated during the earlier year were concluded in 2024, with a revamp of salary structure for the whole Bank. The new organizational structure implemented with more precise definition of job roles and functions proved to better align with the functions of individual units and departments. Following these changes, the Bank's staff retention rate for the year 2024 improved significantly compared to 2023.





Additionally, the Bank also continued to offer attractive remuneration and benefits packages to all staff, in such a way that it commensurate with the contribution of individual staff members. Further, the compensation paid to all employees of the Bank was aligned with the growth strategy of the Bank during the year.

Regular motivational events and Staff Town Hall meetings were held which also served as avenues to further strengthen the corporate culture.

In the past year, MIB implemented a new HR policy and revised the existing ones to align with the evolving needs of its workforce and the dynamic banking environment. These updates aim to foster a more supportive and performance-driven workplace. The Bank also has in place significant HR policies that safeguard the staff and their rights, such as the Whistleblowing Policy, Prevention of Sexual Harassment Policy, Employees Code of Conduct and Conflict of Interest Policy.

As a successful new initiative, MIB launched Tamkeen during 2024, an enhanced employee wellness program designed to prioritize mental and physical well-being of all employees.

During 2024, the Bank conducted all mandatory training including AML training, Shariah training and Information Security Awareness training for all staff. Furthermore, employees who pursued higher education were duly acknowledged and rewarded accordingly. Acknowledging the importance of a skilled and resilient workforce, the Bank continued to support individual and collective learning and development of the Bank's workforce. Last year, more than 390 staff were trained by the Bank through internal and external trainings, which consisted of 6,176.88 learning hours and employees used on average 15.83 hours of learning and development on various subjects including Technology

and Cybersecurity, Banking, Governance, Risk and Compliance, Product Awareness, Professional Development and other Industry Conferences and Networking sessions.

Additionally, the following are some of the note-worthy staff development activities that took place during the year.

- **Introduction of Employee Assistance Program Tamkeen:** Last year, MIB launched Tamkeen, a dedicated Employee Assistance Program focused on enhancing employee mental health and well-being. The program offers a range of services aimed at promoting mental wellness, and work-life balance. Through Tamkeen, employees have access to confidential counseling services, stress management workshops, and wellness initiatives, as well as resources to support personal and professional challenges. Tamkeen plays a vital role in ensuring that MIB's employees are equipped with the tools and support they need to maintain their well-being, ultimately contributing to a more engaged, productive, and resilient workforce.
- **Team Building Activities:** During the year, various team building activities were organized and conducted by MIB focused on enhancing the teamwork, communication, and morale of the workforce. These include internal events as well as events which were organized in conjunction with other partner organizations.

The Bank's Staff Association MIBSA is an integral part of developing and fostering a unified corporate culture within the Bank. Last year, MIBSA organized and conducted various activities that were designed to promote a healthy and friendly working environment where staff could engage in friendly fun activities beyond their regular work. MIBSA also took part in multiple inter-office sports competitions and represented the Bank. Similar to previous years, MIBSA also played a pivotal role in organizing the Staff Night 2024 and took an active role in various CSR and customer activities that the Bank undertook during the year.





Photo by Ahmed Juman, MIB Staff
Island Bird's Eye View: An island surrounded by reef and sea, captured in its most natural, untouched form.

KEY EVENTS OF 2024

In 2024, the Bank's concerted efforts primarily centered on augmenting customer reach and its distribution channels whilst delivering robust enhancement of existing and digital banking channels. This dual approach allowed the Bank to provide more personalized services to customers while simultaneously offering convenient, accessible banking solutions through digital platforms. By prioritizing these areas, MIB was able to successfully broaden its customer base, both retail as well as corporate, and improve overall customer satisfaction.

During the first half of the year, the Bank focused on enhancing its distribution and reach. This objective was realized through the strategic deployment of additional self-service banking machines and the integration and enhancement of digital banking solutions. As the year went along, MIB also invested in enhancing its business banking solutions, aimed at delivering tailored financial services to support the growth and success of the growing business clientele. These dual priorities reflect the Bank's strategic approach to meeting the evolving needs of both business and retail customers.

Last year, the Bank made significant strides towards advancing its strategic priorities. This included the launch of innovative new products, as well as revamped and enhanced versions of the existing products which are designed to cater to evolving customer needs, setting new standards in the market. These efforts underscore the Bank's dedication to growth, innovation, and delivering exceptional value to its customers and stakeholders.

The overall performance of the Bank last year stems from its operational efficiency and proactive stance in implementing better suited initiatives and executing a focused strategy for distribution and expansion. MIB's financial performance for 2024 surpassed budgeted numbers as the Bank's financial health remained healthy, and its Balance Sheet grew to a record high in its history.

In 2024, MIB achieved resilient and sustainable growth, all the while prioritizing value creation to its stakeholders. During the year, the following key initiatives were implemented:

AUTOMATION OF CARD ISSUANCE PROCESS

During the year, the Bank automated its card issuance process, providing its customers with convenience and ease of transacting with the cards. With this enhancement, customers were able to obtain Visa Everyday card from any branch or distribution centers of the Bank. The welcome letter accompanying the card now comes with a QR Code which can be scanned by the customers to link the card to their accounts. This update goes beyond streamlining instant card issuance as it also automates the personalized card issuance process, enhancing efficiency and improving the journey of customer experience.

MALE' BRANCH SERVICE ENHANCEMENT AND EXPANSION

As part of continued efforts to enhance the services offered by the Bank, new service enhancements were implemented at Male' branch during the first quarter of 2024. Following these changes, the branch became a dedicated business banking center, with specialized customer service counters, extended hours of service and more self-service banking machines. Service hours were extended till 4:00pm in order to align with the normal working hours of the Bank's business customers.

More cash counters were added to the branch with dedicated counters for bulk cash, retail cash and a premier lane to reduce the waiting time of customers. Additionally, business service desks were established to facilitate customers with over-the-counter non-cash services. The ground floor of the main branch has since been dedicated as a self-service banking lobby with additional ECRMs providing cash deposit, cash withdrawal, cheque deposit and other services.



MIB9 MEMBERSHIP BENEFITS UPGRADED

As part of the Bank's continuous efforts to elevate the exclusivity of MIB9 membership, the benefits of the MIB9 Club were upgraded with additional benefits last year. One of the most prominent enhancements was the increase in monthly foreign transaction limit on MIB9 member's Visa Everyday Card from USD 100 to USD250. Additionally, MIB9 customers employed with an employer graded A and B can access Ujaalaa financing facility at discounted profit rates following 3 consecutive months of salary deposit into their MIB accounts.

FAVARA LIMIT UPGRADE

After the successful implementation of Favara IPS services in 2023, MIB upgraded the per transaction transfer limits of Favara as allowed by MMA. With these enhanced limits, MIB customers can transfer up to MVR 200,000 per transaction and make Favara requests up to MVR 10,000. Favara was also integrated into MIB's FaisaNet and FaisaMobile platforms thereby allowing customers to route their transfers seamlessly.

LAUNCH OF USD ECRM AT HULHUMALE'

On 04th February 2024, MIB launched its first USD ECRM of Hulhumale'. This machine is located at the ATM lobby of MIB Hulhumale' branch, situated at One Avenue building of Hulhumale' Phase I. The successful launch of MIB's first USD ECRM marks a key milestone in its journey to enhance banking convenience, providing customers with greater accessibility to foreign currency services.



NEW ATM SERVICES AT ISLANDS

Last year, MIB further enhanced the services of its sales centers by introducing ATM services at two of these sales center locations during the first quarter of the year. ATM services were inaugurated at Dh. Kudahuvadhoo and ADh. Mahibadhoo towards the end of the first quarter. Along with the ATM services, dedicated mobile sales teams are in action at these centers, actively connecting with the community to ensure the banking services provided to our customers are both accessible and convenient.

The Bank continued to deploy additional ATMs as new ATM centers were inaugurated at B. Dharavandhoo, GA Villingili and GDh. Madaveli during the second quarter. The inauguration of MIB ATM services at new island locations is backed with MIB's strategic priority of enhancing customer experience and fulfilling the mandate of providing ease of access to banking solutions for customers. All the machines unveiled during the second quarter come equipped with automated cash and cheque deposit functionality among others, allowing customers to conduct deposit and withdrawals using an OTP sent to their mobile phones, without using their cards.



INTRODUCTION OF VISA BUSINESS EXPENSE CARD

On 12th May 2024, the Bank launched its Visa Business Expense card, the digital solution for the age-old problem of petty cash management of corporate customers. Designed to eliminate the need for handling physical cash, this expense card comes with real-time transaction tracking, ensuring greater transparency and accountability. MIB's Visa Business Expense card comes with flexible limits and the ability to top-up using FaisaNet. Customers can request as many cards as the business needs, either in MVR or USD.

FIRST ATM CENTRE OF LAAMU

On 25th June 2024, MIB launched its first ATM kiosk on Laamu atoll, established at L. Kadhdhoo. This machine is located at the Kadhdhoo airport, keeping in mind customer convenience and to facilitate MIB's cash services from a convenient location to all travelers. The launch of ATM services in Laamu Kadhdhoo was much awaited by the local community of the region.



INTRODUCTION OF CUSTOMER SELF-SERVICE KIOSKS

Last year, MIB introduced new self-service kiosks, dedicated towards enhancing customer convenience with direct access to ApplyNow services. These kiosks were set up at key locations of MIB including Head Office, Business Centre, and Hulhumale' Branch. Notably, these kiosks provide full access to ApplyNow services even in cases where eFaas access or verification is unavailable. This initiative marks a significant addition in MIB's digital transformation efforts as it complements MIB's status of being the first bank in the Maldives to offer online account opening, online finance applications, and various other digital banking services.



LAUNCH OF FULLY DIGITAL BUSINESS ACCOUNT OPENING

As a significant component of the Bank's business banking solutions, MIB launched a fully digital business account opening service during the quarter. This service was unveiled at the 'Breaking Barriers in Business Banking' event held at Meerumaa Hall on 18th July 2024. Along with the online business account opening, MIB also introduced overdraft facilities which are structured in compliance with Shariah principles. The launch was officiated by Minister of Economic Development and Trade Mr. Mohamed Saeed, and the event saw participation from numerous businesses across the Maldives.



COLLABORATION WITH BAJAJ CAPITAL

Last year, MIB entered into a strategic MOU with Bajaj Capital of India, marking a significant step towards mutual cooperation and market expansion. This collaboration aims to leverage Bajaj Capital's extensive network and expertise to source new business opportunities and explore the vast potential of the Indian market.

This partnership initiates a focused marketing effort to introduce MIB's innovative banking solutions to India. One of the first products to be promoted through this channel is the Non-Resident Foreign Account. This collaboration with Bajaj Capital positions MIB to make impactful strides in India, offering tailored financial products while expanding its footprint in the global Islamic banking sector.



COLLABORATION WITH GIYAASUDHEEN INTERNATIONAL SCHOOL

In a significant development for educational and financial advancement, MIB signed an MOU with Giyaasudheen International School during third quarter of 2024. This partnership marked a commitment to enhancing students' financial literacy and providing valuable resources for their academic growth. As part of this MOU, MIB introduced Ailaa cards to the students of Giyaasudheen International School. These cards are designed to aid customers in financial management, offering practical tools for young learners to understand and manage their finances effectively. Additionally, MIB was also instrumental in delivering educational programs focused on financial literacy.

FAISAMOBILE X

On 1st November 2024, the Bank celebrated an important milestone as it launched a revamped Internet Banking App “FaisaMobile X”, designed to deliver a seamless and secure banking experience to customers. Equipped with all the features available in its Internet banking platform FaisaNet, this enhanced mobile banking app reflects MIB’s commitment to leveraging technology to provide innovative financial solutions while prioritizing user convenience and security.

With the latest updates, users can now easily switch between accounts, profiles, approve transactions on the go, and automatically check beneficiary details when making transfers. These features aim to enhance security and convenience, allowing customers to manage their finances with greater ease.

INTRODUCTION OF FAISAWEAR

Last year, MIB launched “FaisaWear” in an event held at Hulhumale’ Central Park. FaisaWear is an innovative smart ring that allows customers to perform banking transactions with unparalleled ease and style. This waterproof ring can be used anytime, anywhere, making it the perfect companion for both everyday purchases and special occasions. With Faisawear, MIB customers can make both local and international transactions with just a tap, eliminating the hassle of digging through a wallet for a cash card. A market first by MIB, FaisaWear rings are aimed at revolutionizing the way customers think about payments, as this ring combines functionality with fashion, providing a secure and trendy way to manage the transactions.



BINGAA PORTFOLIO OF ACCOUNTS

MIB announced the launch of its new “Bingaa” Kids Account portfolio, unveiled during a lively event held at Central Park on 01st November 2024. This innovative bundle is specifically designed to introduce children to the world of finance and empower them with essential money management skills. The “Bingaa” package includes three accounts: Bingaa TRX, Bingaa Save and Bingaa Invest. “Bingaa” accounts feature a perpetual account number, ensuring that children do not have to change their account number when they turn 18. This feature fosters continuity and helps maintain a seamless banking experience as they transition into adulthood.



INTRODUCTION OF SAMUGAA CARD

Launched on 10th December 2024 to mark the occasion of Fishermen’s Day of Maldives, MIB Samugaa Card is a nod of appreciation towards the hardworking fishermen of the Maldives. Tailored to simplify the financial needs of its customers, this limited-edition debit card offers enhanced benefits to its holders, including instant issuance, access to MIB’s premium digital banking services and flexible internet banking limits for boat owners.



INTRODUCTION OF ECRM SERVICES AT K. MAAFUSHI

During the last quarter of 2024, MIB opened a new ECRM center on K. Maafushi, a move anticipated to benefit both local residents and tourists. The inauguration ceremony was graced by the President of the Maafushi Council. The new center supports both USD and MVR transactions and is expected to improve financial accessibility for residents, allowing them to manage their finances and conduct transactions with greater ease.



PARTNERED WITH GOVERNMENT TO EXPAND ATM SERVICES ACROSS MALDIVES

Last year, MIB proudly partnered with the Government of Maldives to establish additional 19 ATM centers across the country. An MOU was signed between the Government of Maldives and MIB during fourth quarter of the year. The MoU was signed by Mohamed Saeed, Minister of Economic Development and Trade, and Mufaddal Idris Khumri, Managing Director and CEO of MIB.

This initiative of establishing ATM centers in new locations of Maldives is aligned with the President's pledge to expand ATM services to all inhabited islands, ensuring that banking services are accessible to every Maldivian, regardless of their location.

NEW ECRM AT K. THULUSDHOO

On 25th December 2024, a new ATM center was opened at K. Thulusdhoo, providing residents and visitors with 24/7 access to essential banking services. The inauguration ceremony was graced by the President and the Vice President of K.Thulusdhoo island Council. The ECRM offers both cash deposit and withdrawal functions and is compatible with Visa and Mastercard, allowing seamless banking experience for both locals and tourists. MIB's continued expansion of its ATM network across the country reflects the Bank's commitment to promoting financial inclusion and making banking services more accessible for everyone.



GUESTHOUSE SYMPOSIUM

MIB's Guesthouse Symposium was conducted on 10th October 2024, attracting more than 150 participants from guesthouses, associations, supporting businesses, and liveboards. The event took place at Crossroads Maldives and aimed to foster collaboration and innovation within the hospitality industry. The symposium featured three engaging panel discussions, with industry experts sharing their insights and experiences. The event proved to be a significant opportunity for networking and exchanging ideas, further strengthening the relationship among industry stakeholders. MIB looks forward to building on this success in future symposiums.



NEW SALES CENTERS

Building on the success of the sales center banking concept introduced in 2023, the Bank expanded its sales center network in 2024 by establishing additional sales centers in key locations across the Maldives. Three new sales centers were inaugurated during the year in three key regions of the country, strategically positioned to address the significant demand for MIB's presence.

LH. NAIFARU SALES CENTER

Driven by the success of MIB's sales center banking concept, the Bank opened its sixth sales centre at Lh. Naifaru during the last quarter of 2024. Introduction of sales centers across strategic locations of the country is a significant component of the Bank's distribution strategy. These sales centers aim to provide accessible and efficient banking services for both individuals and businesses in the local community and the region. The event was graced by the Chief Guest, Mr. Mohamed Rasheed, President of Naifaru Council, who led the inauguration ceremony.

LAAMU GAN SALES CENTER

As a significant component of the Bank's distribution strategy, the Bank launched its fourth sales center at Laamu Atoll during the second quarter of 2024. The establishment of sales center in Laamu Gan aims to provide accessible and efficient services tailored for both individuals and businesses. Together with 24/7 cash deposit machines, a dedicated mobile sales team is deployed at the center, reaching out to the community to make banking services more accessible and convenient for our customers. Laamu Gan sales center continues to be MIB's banking hub for the region.



HA. DHIDHDHOO SALES CENTER

During the last quarter of 2024, MIB expanded its presence in the north region of the country with the opening of a sales center at HA. Dhidhdhoo. The sales center was inaugurated by the MD and CEO of MIB along with the President and the Vice President of the Dhidhdhoo Council. This center offers full range of MIB services, ensuring that customers in the region have convenient access to modern, Shariah-compliant banking solutions. The center also features an ECRM machine, providing cash deposit and withdrawal services. With the launch of this center, MIB continues to solidify its commitment to providing financial services across the Maldives.



REACH AND CONVENIENCE

While the Bank continued to strengthen its digital ecosystem to enhance accessibility and customer convenience, it also remained committed to optimizing Over The Counter (OTC) services. As more banking services became available through digital channels, OTC services were strategically redefined to focus primarily on transactions that require in-person assistance. This approach ensured a more efficient allocation of resources while enhancing service quality for customers who genuinely require OTC support. Throughout the year, various service-level enhancements were implemented to further streamline and improve the in-branch banking experience.

Building on the previous year's efforts, MIB continued to offer extended banking hours across its branches. This adjustment provided customers with greater flexibility and accessibility, while also supporting the Bank's commitment to delivering customer-centric solutions. To further enhance service, the Bank remained open during all 10 days of Ramadan, typically considered government holidays, to facilitate quick and easy banking. Additionally, the roles of the Bank's Relationship Manager (RM) pool were strengthened to ensure direct and prompt resolutions to customer queries and service needs, ensuring seamless and efficient banking experience.





Photo by Hussain Hameez, MIB Staff
Masjid Mohamed Ali: Intricate Arabic calligraphy and stunning architecture capture the mosque's spiritual essence.

MARKET POSITION OVERVIEW

Pioneering Market Leader for Shari’ah Banking

Following its inception 14 years ago, MIB has quickly ascended to a prominent position within the Maldivian banking sector, outpacing its competitors and earning the trust of local communities. After its entrance into the banking sector, MIB in all senses has revolutionized the local banking landscape, setting new standards in the industry. MIB is not just the largest full-fledged Islamic bank in the Maldives but also the pioneering market leader in Shari’ah-compliant banking. As the first bank in the country to offer most of its banking services digitally, MIB provides a complete suite of digital banking solutions that cover every aspect of banking—from account opening and customer onboarding, managing finances and financing solutions to processing of payments and transactions.

Currently, MIB holds the title of the second-largest retail bank in the Maldives and is widely recognized for its market-first solutions in Shari’ah-compliant banking. MIB is the Pioneering Market Leader for Shari’ah Compliant banking in Maldives.

Guided by the Bank’s philosophy of developing an Islamic economic and financial system within the Maldives, MIB offers credible and complete range of Shari’ah compliant banking solutions which run at par with the long-standing conventional banking products that are available in the market. The Bank continued to grow its product and service offerings during 2024, with addition of new deposit solutions, payment solutions and financing solutions added to the product portfolio.

In 2024, MIB pursued a strategically laid-out growth strategy that not only reinforced its position as the Pioneering Market Leader but also enhanced its focus on customer centricity. Last year, particular attention was given to advancing the Bank’s distribution strategy, ensuring a wider reach through expanded digital services and a growing network of branches. By the end of 2024, MIB demonstrated financial and operational resilience, bolstered by a loyal and expanding customer base along with a healthy financial position. With this solid foundation, the Bank is well-equipped to continue implementing its strategic plan in 2025 and beyond.

MIB’s predominant Ujaalaa suite of retail financing solutions continued to be the most well received product offered by the Bank. In 2024, the Bank’s Ujaalaa line of financing reached to MVR 2.25 Billion, while the Net Financing reached to over MVR 5.7 Billion. This is a strong reflection of the trust customers have in MIB’s product offerings, which are widely known for their competitive advantages and reliability. The Bank’s dedication to providing safe and secure banking has been affirmed by its customers, who have entrusted over MVR 9.1 Billion in Deposits.



Photo by Hussain Hassan, MIB Staff
Kulhudhuffushi Mashikulhi: A vivid contrast of mangrove, mud, and open ocean seen in one striking frame.

BRAND ENGAGEMENTS

Over the course of the year, the Bank leveraged its industry expertise and dominant position as the largest and leading Shariah bank in the country to strengthen its deposit base and enhance asset utilization. A variety of brand engagement initiatives, aligned with MIB's strategic goals for 2024, were conducted, aiming to further solidify its status as the preferred partner for Shariah banking in Maldives.

Throughout the year, the Bank implemented a targeted and strategic media approach, prioritizing high-impact digital channels to engage with its audience. These brand engagement initiatives were critical in strengthening relationships with customers and local communities, fostering deeper connections and trust. The Bank remained focused on providing clear, timely, and accurate information about its services, products, and operations to all stakeholders. Additionally, the Bank continued its commitment to educating the public about Islamic banking and financing, promoting greater understanding of Shariah-compliant financial solutions.

Significant Brand Engagement campaigns that were run during the year include:

MIB SPECIAL EVENT

On 1st November 2024, MIB hosted two back-to-back special events at Hulhumale' Central Park. An "Evening with MIB" was held from 16:30 to 18:00 with engaging games for children, food stalls and a family friendly atmosphere. At 20:30 of the same day, "MIB Special Event" was held to unveil the new products of MIB including FaisaWear, FaisaMobile X and Bingaa Accounts. The event was concluded with a spectacular fireworks display.





BANKING DAYS

During the year, numerous Banking Day events were held across the country, focused towards enhancing public understanding towards the accessibility of Shariah-compliant banking and financing solutions in Maldives. These Banking Day events were held during different times of the year across the Greater Male' area, as well as other islands and resorts, facilitating consultation sessions, spreading awareness, and providing convenient access to MIB services.

Special banking day events were conducted for multiple SOEs, private companies and the public, in addition to educating resort islands regarding the benefits of Islamic finance and banking with MIB. These sessions were oriented towards customer onboarding and awareness towards Islamic banking products.



DEPOSIT CAMPAIGNS

SAVE WITH MIB 2024 PROMOTION

Last year's Save with MIB campaign was launched during February 2024 and was run until the end of the year. This campaign was targeted towards customers who newly opened their accounts with MIB and for customers who re-activated their accounts during the promotion period. Customers could either open or re-activate Savings Account, Retail GIA, Kids Savings Account, Kaamiyaabu Kids Account and Hajj Savings Account to be eligible for the monthly prizes. Maldivians who maintained a minimum of MVR 5,000 or USD equivalent in their newly opened or re-activated accounts were eligible for the lucky draw of that respective month.

MIB's annual "Save with MIB" campaign is a regular promotion that has gained popularity amongst the Bank's deposit customers.



VILLA COLLEGE BUSINESS FESTIVAL

This was an event held at Villa College QI Campus on 29th January 2024. MIB's participation in this event was oriented towards customer onboarding and raising awareness towards banking products offered by the Bank. Additionally, customers were offered the chance to open their accounts and get their cards instantly and register to MIB's FaisaNet. Moreover, customers who opened their accounts during the festival were eligible for a lucky draw to win a cash prize.

MIB9 NUVAYAKAH CAMPAIGN

MIB9 Campaign 2024 "Nuvayakah" Promotion was offered to all active MIB9 club members who routed their salary to MIB account for at least one month. The promotion was run for two rounds and the first round was run from 14th February 2024 until 30th June 2024. The second round was run from 01st July 2024 until the end of 2024. All active MIB9 members at the end of each round would enter into a draw and the lucky winners were gifted a Honda Airblade 160 Special Edition motorcycle.



MIB RAMADAN FEST 2024

MIB was the title sponsor for Ramadan Fest 2024 held at Hulhumale' Central Park from 21st February 2024 till 24th February 2024. This festival was dedicated towards fostering the community spirit and providing an avenue for people to explore different ventures as people prepare for Ramadan. MIB actively participated in this festival and offered visitors a chance to win exciting prizes. MIB's Vaguthun Account Challenge run during the festival was a huge success as customers who opened their MIB account fastest each day during the festival were offered a cash prize of MVR 5,000.



BINGAA FESTIVAL

MIB's Bingaa Festival was held on 20th December 2024 at Kalaafaanu School. The event was aimed at educating children about smart finance in a fun and playful way as they took part in various games and fun activities at the festival. With rewards up for grabs, it provided an avenue for children to discover the importance of saving, spending and earning rewards.



BUSINESS BANKING OPEN DAY

On 18th July 2024, a Business Banking Open Day was held at Meeruma. This event provided a platform for business owners to explore financing options, network with stakeholders, and learn about the latest banking products and services. Attendees received personalized consultations from relevant teams. The open day was a success, generating new leads, and strengthening relationships with existing clients, aligning with the goal of supporting business growth in the community.



CARD CAMPAIGNS

CARDUN KANDAALAA CAMPAIGN

During the year, MIB's recurring Cardun Kandaalaa Promotion was initiated, offering a range of exclusive discounts to cardholders at various partner outlets. The promotion featured a 10% discount at Meat Street, El Estreno, Gloria Jeans, Achas and ChickKing. Additionally, Eyecare Optical partnered to offer a 10% discount from 16th July 2024 till 30th June 30th, 2025.

MIB's Cardun Kandaalaa promotion contributes to increasing customer engagement and strengthens relationships with partner businesses, further enhancing the value of MIB's Visa Everyday Card.



BACK TO SCHOOL PROMOTION

During the school holidays, MIB ran its Back-to-School promotion in association with several retail stores relating to school and children's supplies. Stores that partnered with MIB in this promotion included Children's Choice, Round One Bookshop, Sonee Sports and Vision Bookshop from Baa Eydhafushi. This initiative was aimed to support families by offering special discount rates on purchases made using MIB cards, in addition to the cashback opportunities offered. The promotion was successfully run from 16th May 2024 until 30th May 2024.

CARDUN KANDAALAA RAMADAN CAMPAIGN

The Cardun Kandaalaa Ramadan campaign was launched on 01st February 2024 and was run until 13th April 2024. This campaign was applicable for retail transactions made using an MIB VISA card and customers who made a minimum of 20 transactions were eligible for the grand prize of an Umrah trip for 4 winners. Additionally, this promotion offered weekly iftar packages for 2 pax for the weekly winner who conducted the highest number of transactions during the week.



EVERYDAY BENEFITS

Everyday Benefits is a scheme which gives exclusive discounts and special offers to MIB Card holders. MIB's Everyday Benefits discount scheme offers exclusive discounts from affiliated partners for customers who pay from their MIB cards through MIB POS machines. With this scheme, customers are eligible for discounts of up to 25%.

TEACHERS DAY PROMOTION

On the occasion of Teacher's Day 2024, a special promotion was run from 01st to 10th October 2024 in collaboration with partnering vendors. Under this promotion, discounts up to 20% were offered when purchases were made using MIB Visa Everyday Cards.

PLATINUM OFFERS

Agoda: Launched on 15th April 2024, MIB Visa platinum card holders who make payments to their Agoda bookings will be eligible for a discount of 5% for bookings made between 01st January 2024 till 31 December 2025.



Qatar Airways: Under this promotion, MIB Visa Platinum card holders could enjoy discounts up to 10% from Qatar Airways fares when the payment was made using Platinum cards. The booking period for this offer was until 31st December 2024.



EID HOLIDAY PROMOTION

On the occasion of Eid holidays, MIB launched a special Eid Holiday Promotion from 14th June till 30th June 2024, in partnership with multiple guest houses. Guest houses including Whale Shark Beach Hotel, Heron Beach Maldives, Aasna Inn and Arena Beach Hotel offered discounts between 15% - 30% when bookings were paid for using MIB Visa Debit cards.



YEAR END CAMPAIGN

Last year's Year End Campaign was run from 15th December 2024 until 15th January 2025. Open for all MIB Visa Debit cardholders who met the terms and conditions set for the campaign, all customers who completed a minimum of 30 transactions were eligible for a lucky draw. The prize allocated for this campaign was Ramadan Umrah Trips for two lucky winners.



PARTNER EVENTS

The Bank took part in multiple road shows and special events with strategic partners during 2024, including

MALDIVES RUNNING EXPO

MIB was a proud partner of this year's Maldives Running Expo held on 11th July 2024 at Hulhumale' Central Park. This Expo was held at the sidelines of Maldives Half Marathon 2024. The Expo provided an avenue for the Bank's potential customers to open their accounts, become a MIB9 club member, apply for and receive their instant cards, apply for internet banking and receive information on personal financing.



CYBER EXPO 2024

Last year, MIB proudly collaborated with Maldives Police Service to host the Cyber Expo 2024, the premier cybersecurity event in the Maldives. MIB was the Official Banking Partner for the event which was held from 11th December 2024 to 13th December 2024 at Hulhumale' Central Park..



MALDIVES LIVING EXPO

This year's Living Expo was held at Hulhumale' Central Park from 8th August 2024 till 10th August 2024. MIB's stall at this year's Expo was dedicated towards providing potential customers with information about MIB's Ujaalaa line of financing.



KALAAFAANU SCHOOL FUN FAIR

MIB was proud to have been a part of last year's Kalaafaanu School Fun Fair held on 14th November 2024. This Expo allowed the Bank to educate young children on the significance of early financial literacy and the Islamic Banking, while also providing an avenue for potential customers to open their accounts with ease.



BAACHY'S 100 SOLO EXHIBITION

MIB was proud to have been a part of Baachy's remarkable 100 Solo Exhibition, an exhibition by one of the local artists. Baachy's 100 Working Clock paintings beautifully blend art and time. MIB is proud to support local talent and celebrate their creativity.





Photo by Abdulla Shafeeu, MIB Staff
Laamu Gan Mukurimagu View: A striking coastal view where the island's lush greenery meets the power of ocean waves.

ESG & SUSTAINABILITY REVIEW

MIB believes in embedding sustainability and responsibility into all its practices where possible and is currently on track to incorporate ESG principles into its corporate strategy. The Bank has committed itself to adopting the Maldives Sustainability Reporting Framework issued by CMDA. This framework is the first of its kind in Maldives and provides extensive coverage to most pressing sustainability issues in the context of Maldives. From this year on, MIB has integrated this Framework into its ESG Report and annual reporting. This integrated reporting in a more standardized format will enable the investors and other stakeholders to easily assess the position of the Bank in relation to different material topics.

At MIB, sustainability is regarded as the creation of present as well as long-term value for all stakeholders in financial, operational, environmental, social and governance fronts. This is delivered through responsible governance practices, more sustainable financing initiatives, CSR practices, contribution to development priorities of the Maldives and the United National Sustainable Development Goals (SDGs), and by advancing Islamic finance and its knowledge within the country.

RESPONSIBLE GOVERNANCE PRACTICES:

The Board of Directors of the Bank acts as the governing body of the Bank, responsible for formulating the Bank's overall strategy and providing strategic guidance and direction to the management. The Bank's Management Committee led by MD & CEO is the highest operational level committee. Responsibilities relating to financing and investment, assets and liabilities, IT and Technology and Projects are cascaded to sub-committees to ensure due attention and focus is given to each area.

MIB ensures compliance at large with all relevant laws, regulations and codes applicable to banks and listed companies of Maldives. The Bank places significant emphasis on maintaining high standards of ethical conduct across all levels, as well as on providing accurate and transparent information to internal and external stakeholders of the Bank. While the governance and operation of the Bank are segregated between the Board and the management, both the Bank and its Board follow their own Codes of Conduct that prioritize ethics and the interests of all stakeholders.

The Bank has in place an extensive set of policies and procedures that define the parameters within which its employees could act and the ways in which it safeguards the interests of its customers, employees and other stakeholders. These include policies and

procedures designed to protect customers, their deposits, finances and other data, policies to govern the workplace responsibly, including Policy on Prevention of Harassment and Sexual Harassment, Whistleblowing and grievance mechanisms among many. Last year, the Bank continued to thoroughly review and update these policies and SOPs to better align them with the changes in operational environment and the associated risks, as well as to align them with the changes in laws and regulations and the new working conditions.

Workplace and worker safety and protection of employee rights are among the highest priorities of the Bank. As such, MIB provides an extensive Health Benefits scheme to all employees of the Bank without exception. Last year, the Bank also announced Tamkeen, a new Employee Assistance Program, an initiative designed to support the mental health and overall well-being of its employees.

Whistle Blowing Committee and Anti-Sexual Harassment Committee continued to their work during the year and undertook various programs to increase the awareness of staff on whistleblowing and anti-sexual harassment laws. In 2024, no cases of harassment against a staff member were reported, and no issues were investigated by the Whistleblowing Committee. With female staff members close to 49%, MIB continues to maintain its position of being a champion for Gender Equality and maintains Pay Parity. Further details on sustainable Human Resource practices are covered under Alignment with Maldives Sustainability Reporting Framework.

Further to this, MIB adopts well defined data protection mechanisms as part of safeguarding its customers and their assets. The policies and procedures for document archiving and retention are clearly defined and closely followed. These practices are regularly refined and updated to reflect the changes within its operating landscape. In MIB's narrative of becoming a sustainably driven and governed organization, the Bank ensures to embed Shari'ah values and principles into its daily operations and extend help beyond its normal course of business.

SUSTAINABLE FINANCING INITIATIVES:

MIB recognizes the pivotal role sustainable financing can play in shaping a more resilient and environmentally responsible future. Despite the challenges associated with advancing sustainable financing initiatives in the market in which it operates in, MIB was committed to supporting projects that drive positive environmental and social impact, while also ensuring long-term financial stability.

Last year, MIB continued to expand its efforts in providing sustainable financing options that align with global sustainability goals, including renewable energy, greener and more sustainable infrastructure. During 2024, MIB continued to offer Low-Cost Financing to Hakathari Labelled Products. This is one of the lowest cost financing schemes in the country offered for Hakathari Labelled Products. Hakathari Program is an energy efficiency labelling program introduced by the Ministry of Environment, Climate Change and Technology, aimed towards promoting the use of energy-efficient appliances and equipment. Under this scheme, customers can purchase any of the Hakathari labelled products at the profit rate of 10% per annum.

By integrating an element of sustainability into its financing initiatives, MIB aims to empower clients and foster sustainable and resilient growth for future generations. MIB will further continue to pursue new avenues of greener financing solutions, including reducing the emissions financed by the Bank and offering exclusive benefits to sustainable and green ventures.

CORPORATE SOCIAL RESPONSIBILITY (CSR):

At MIB, all members of the Bank are committed to creating long-term value not only for its stakeholders but also for the communities in which the Bank operates in. MIB's CSR initiatives reflect this commitment, focusing on environmental sustainability, financial inclusion, and social empowerment. Through a diverse range of programs, partnerships, and engagements, MIB strives to make a positive impact that fosters growth, equality, and resilience. Last year, MIB committed to addressing pressing social challenges through its CSR, whilst contributing to a more sustainable and equitable future for all.

Last year, MIB hosted a Blood Donation Camp in collaboration with Maldives Blood Services. Through this camp conducted on 21st August 2024, the Bank was proud to have provided much needed support to patients in need. This initiative was selected due to its alignment with MIB's corporate social responsibility (CSR) goals, fostering community impact and employee engagement.

Additionally, the Bank also partnered with Clean Maldives during the year, in a shared mission to make a lasting impact on the environment by planting 1,000 trees across the country. As an initial project, the Bank hosted a tree plantation event on the newly reclaimed picnic island, K. Kudagiri, to support the government's 5 million trees initiative. In this event, 1,000 saplings were planted by staff of MIB in collaboration with Clean Maldives, Maldives Police Service, MTCC, Eyecare Opticals, Asia Forwarding and HDC. Students from Qiyaasuddin International School also took part in this event. This initiative aligns with MIB's commitment to promoting environmental sustainability and supporting green initiatives in the community.

As part of MIB's aid-in-kind program, the Bank also continued to provide financial assistance to various NGOs and other organizations during the year.



ADVANCING ISLAMIC FINANCE:

As the pioneering leader of Islamic banking in Maldives, MIB strives to foster a greater understanding of the benefits of Shari'ah-compliant financial services by engaging with communities, institutions, and key stakeholders. Through educational initiatives, thought leadership, and strategic partnerships, MIB continued to invest in expanding the reach and impact of Islamic finance knowledge, supporting its broader adoption and integration into the financial landscape of our nation. Multiple engagements were conducted and hosted at local and national level to enhance knowledge on Islamic finance within the Maldives.

During the year, MIB took part in significant forums organized by strategic partners including Cyber Expo 2024 and Maldives Living Expo 2024 and conducted forums of its own including Guesthouse

Symposium and Banking Day events at various islands, resorts and companies at greater Male' area.

Last year, the Bank continued to conduct its regular and ongoing knowledge sharing banking day sessions focused towards enhancing Islamic finance information and awareness. These sessions were conducted at multiple islands and resorts, several SOEs and government offices and at various privately owned business entities.

These sessions have significantly increased awareness and understanding of the benefits of Islamic financing, leading to a positive shift toward banking with a fully Shariah-compliant institution.

ALIGNMENT WITH MALDIVES SUSTAINABILITY REPORTING FRAMEWORK:

During the year, Capital Market Development Authority ("CMDA") of Maldives introduced the first Sustainability Reporting Framework for Maldives. The framework marks a crucial step in incorporating sustainability into corporate governance, ensuring that businesses act responsibly and make a positive contribution to the country's sustainable development goals.

MIB recognizes its role in promoting the well-being and livelihood of the communities in which it operates in. The Bank understands its position as a catalyst for implementing actions towards sustainable development. Through targeted initiatives and practices which are beneficial to economy, society and environment, MIB aspires to inculcate the values of sustainability and responsibility in its business practices, and lead by contributing to sustainability where it matters most.

While the CMDA's framework is mandatory for listed companies in Maldives Stock Exchange, it adopts a staggered and phased implementation approach. Although the framework came into practice pretty late in the year, MIB took a firm stand of disclosing all available information as required by the framework, thereby allowing its customers and stakeholders to assess where the Bank stands. The table below shows MIB's current position as at 31st December 2024 with regard to the requirements of Maldives Sustainability Reporting Framework.



Theme	Code	Disclosure Status	Metrics	Disclosures
GI	GI01	M	Name of Organization	Maldives Islamic Bank PLC
GI	GI02	M	Year founded	2010
GI	GI03	M	Location of Organization's Headquarters	Maldives Islamic Bank Public Limited Company, H. Medhuziyaaraiydhosug, 20097, Medhuziyaaraiy Magu Malé City, Republic of Maldives Tel: 3325555 960+ Email: info@mib.com.mv
GI	GI04	M	Location of Organization's operating facilities	Please refer to the next table
GI	GI05	M	Operational model	Financial Services: Financial Products and Services
GI	GI06	M	Organization's web address	https://mib.com.mv
E	E01	M	Greenhouse Gas Emissions (GHG) Strategy	No
E	E02	M	Greenhouse Gas Emissions: Total	11.07 Tonnes of CO2 Equivalent (tCO2e) from direct use of office vehicles. Sufficient data for other sources of GHG emissions are not readily available to disclose for 2024.
E	E03	V	GHG Emissions: Direct (Scope 1)	Sufficient data for 2024 not readily available to disclose.
E	E04	V	GHG Emissions: Indirect (Scope 2)	Sufficient data for 2024 not readily available to disclose.
E	E05	V	GHG Emissions: Other Indirect (Scope 3)	Sufficient data for 2024 not readily available to disclose.
E	E06	M	Total Energy Consumption	1,064,555.49 Kilowatt-hour (kWh)
E	E07	M	Biodiversity Assessment	No
E	E08	V	Biodiversity Footprint	Not Measured
E	E09	M	Water Conservation Strategy	No
E	E10	M	Water Consumed	415.57 Cubic meters (m3)
E	E11	M	Waste Disposed	7.5 Average Tonnes (t) of total waste
G	G01	M	Number of Legal and Regulatory Complaints	Nil
G	G06	V	Number of Complaints Registered	468 complaints received to MIB Contact Centre
G	G07	V	Number of employee grievances registered	01 (one)
G	G02	M	Conflict of Interest Policy	Yes
G	G03	M	Supplier Screening Policy	No
G	G04	M	Business Continuity Management Policy	Yes
G	G05	M	Anti-Corruption Policy	Yes
S	S02	M	Diverse Representation Policy	N/A
S	S03?	M	Gender Wage Equity Ratio	75%. The observed difference in average pay does not necessarily indicate gender-based discrimination. Rather, it often reflects the distribution of men and women across different job levels and roles within the organization.
S	S03	M	Gender Equity Policy	No, however one of the key principles of the Recruitment Policy of the Bank is that MIB will ensure that all recruitment processes adhere to Equal Employment Opportunity principles
S	S04	M	Board of Directors: Female	02 (Two)
S	S05	M	Occupation Injuries	Nil
S	S06	M	Worker Safety Policy	Yes
S	S07	M	Employees Trained	390 employees
S	S08	V	Employee Training Hours	6,176.88 hours
S	S09	V	Employee Training Costs	MVR 4,840,496.37
S	S10	M	Working Hour Policy	Yes
S	S11	M	Anti-Discrimination Policy	No
S	S12	M	Fair Compensation Policy	Yes
S	S01	M	Human Rights Policy	No
S	S13	M	Sexual Harassment Policy	Yes

LOCATION OF MIB'S OPERATING FACILITIES:

#	Location	Atoll & Island	Full Address	Type of Centre
1	S. Hithadhoo Branch	S. Hithadhoo	MIB Hithadhoo Branch, Thubeege Building, Elhedidi Magu, S. Hithadhoo	Branch & ATM
2	Feydhoo Town Office	S. Feydhoo	MIB Feydhoo ATM, Section Building, Rahdhebai Magu, S. Feydhoo	ATM
3	Fuvamulah Branch	Fuvamulah	MIB Fuvahmulah Branch, Ghaazee Magu, Miskihmagu 18015, Fuvahmulah City	Branch & 2 ATMs
4	Thinadhoo Branch	G. Dh. Thinadhoo	MIB Thinadhoo Branch, Dhaannaa Magu, GDh. Thinadhoo	Branch & ATM
5	Thinadhoo Ferry Terminal Area	G. Dh. Thinadhoo	MIB Thinadhoo ATM, Harbour N16- Land Plot, GDh. Thinadhoo	ATM
6	Kulhudhuffushi Branch	H.A. Kulhudhuffushi	MIB Kulhudhuffushi Branch, Parisage, Ameenee Magu, HDh. Kulhudhuffushi	Branch & ATM
7	Eydhafushi Sales Centre	B. Eydhafushi	MIB Eydhafushi Sales Center, North Side Children's Park , B. Eydhafushi	Sales Centre & ATM
8	Dharavandhoo Jetty Area	B. Dharavandhoo	MIB Dhavarandhoo ATM, B. Dharavandhoo	ATM
9	Hulhumale Phase 2 Near Ihsaan Fihaara	K. Hulhumale' Phase 2	MIB Vinares ATM, Hulhumale Phase 2, Vinares Flat V-10G03-	2 ATMs
10	Hulhumale Branch	K. Hulhumale' Phase 1	MIB Hulhumale' Office, One Avenue Building, Fithuroanu Magu , Hulhumale' Phase 1	Branch & 3 ATMs
11	Rashu Markeytu	K. Hulhumale' Phase 1	MIB Rashu Market ATM, Rashu Maaket, Chaandhaneemaa Higung, Hulhumale' Phase 1	ATM
12	Centro Mall	K. Hulhumale' Phase 1	MIB Centro ATM, Centro Mall, Hulhumale' Phase 1	ATM
13	Faamdheyrige	K. Male	MIB Faamdheyrige ATM, M. Faamdheyrige, Orchid Magu	3 ATMs
14	IGMH	K. Male	MIB IGMH ATM, IGMH Building, Kanbaa Aisa Rani Higung, Male' City	ATM
15	Light Rose, Majeedhi Magu	K. Male	MIB Majeedhee Magu ATM, H. Light Rose, Majeedhee Magu, Male' City	ATM
16	H. Marine Dream	K. Male	MIB Business Center, H.Marine Dream, Boduthakurufaanu Magu, Male' City	3 ATMs
17	Head Office	K. Male	MIB Head Office, H. Medhuziyaariydhoshuge, Medhuziyaariy Magu, Male' City	Branch & 5 ATMs
18	Thilafushi MIB ATM Kiosk	K. Male	MIB Thilafushi ATM, Thilafushi Plot S-3UT02, K. Thilafushi	ATM
19	Villingili MIB ATM Kiosk	K. Male	MIB Villimale' ATM, Villimale Block 17	ATM
20	A. Dh. Mahibadhoo Sales Centre	A. Dh. Mahibadhoo	MIB Mahibadhoo Sales Center, Atholhu Vehi, ADh. Mahibadhoo	Sales Centre & ATM
21	Dh. Kudahuvadhoo Sales Centre	Dh. Kudahuvadhoo	MIB Kudahuvadhoo Sales Center, Dh. Kudahuvadhoo	Sales Centre & ATM
22	G Dh. Madaveli Jetty Area	G. Dh. Madaveli	MIB Madaveli ATM, Madaveli Park Northeast Corner, GDh. Madaveli	ATM
23	GA. Villingili Jetty Area	GA. Villingili	MIB Villingili ATM, Jetty Area Plot 66.1, GA. Villingili	ATM
24	L.Gan Sales Centre	L. Gan	MIB Gan Sales Center, Mathivaru Land 15, Mathimaradhoo, L. Gan	Sales Centre & ATM
25	Kadhdhoo Airport	L. Kadhdhoo	MIB Kadhdhoo ATM, Kadhdhoo Airport, L. Kadhdhoo	ATM
26	Maafushi ATM Kiosk	K. Maafushi	MIB Maafushi ATM, Haveeree Higung, K. Maafushi	2 ATMs
27	Dhidhdhoo Sales Centre	H. Dh. Dhidhdhoo	MIB Dhidhdhoo Sales Center, HA. Dhidhdhoo	Sales Centre & ATM
28	Naifaru Sales Centre	Lh. Naifaru	MIB Naifaru Sales Center, Plot 66.2, Naifaru Sales Center, Lh. Naifaru	Sales Centre & ATM
29	Thulusdhoo ATM Kiosk	K. Thulusdhoo	MIB Thulusdhoo ATM, Old RO Plant Site, K. Thulusdhoo	ATM

CONTRIBUTING TO DEVELOPMENT PRIORITIES OF MALDIVES AND UN SDGs:

MIB recognizes its role in promoting the well-being and livelihood of the communities in which it operates in. As a catalyst for sustainable development, the Bank is committed to initiatives that positively impact on the economy, society, and environment. By embedding the principles of sustainability and accountability into its operations, MIB aims to lead by example and contribute meaningfully to the UN Sustainable Development Goals (SDGs).

The table below outlines MIB's sustainability practices across key areas, highlighting their impact on stakeholder groups and alignment with the UN SDGs.

Area	Initiatives	Impacts	UN SDGs
Community Support:	<ul style="list-style-type: none"> Support for Local talents & artists by purchasing and showcasing their work within Bank premises. Recruitment & retention of talents from local islands to local branches. Financial assistance to local NGOs. Blood Donation Camps. Sponsorship of Community Runs. Sponsorship of Educational Fairs 	<p>Promotion of local talents and artists. Gainful employment opportunities. Promotion of local NGOs. Making a positive contribution to society and community. Promotion of healthy living habits Improvement of financial literacy.</p>	
People & Employment:	<ul style="list-style-type: none"> Creation of new job opportunities in new island locations and Male' region. Tamkeen: Employee mental wellbeing initiative. 6,000+ hours of learning support to staff. Improved Pay & Pay Parity. Performance linked pay. Staff Networking and Town Halls. Diversified workforce of locals, expats, Muslims & Non-Muslims without differentiation. Gender balanced workforce. 	<p>Professional and personal development of staff. Meaningful assistance towards mental wellbeing of staff. Competitive salaries and benefits. Equal opportunities and fairness. Around 50% female workforce.</p>	
Environment:	<ul style="list-style-type: none"> Solar installation at Dh. Kudahuvadho Stopped purchasing single use plastic water bottles. Continued distribution of reusable shopping bags. 1,000 trees plantation initiative. Beach cleaning. Sponsorship to Turtle Conservation and adoption. Digitized Business account opening processes. Reduction of utility usage, with auto sensors for lights and ACs installed. 	<p>Reduced utility charges of Fuvahmulah branch by more than 85% through solar panels. Reduced paper usage and improved operational efficiencies with ApplyNow and UjaalaaNow Portals. Reduction in emissions and carbon footprint.</p>	
Sustainable & Inclusive Finance:	<ul style="list-style-type: none"> Establishment of new sales centers and ATM centers across the nation. Launch of FaisaMobileX, an enhanced mobile banking platform. Launch of Bingaa Portfolio of Accounts. Financing towards the development of local SMEs. Low-cost financing at 10% for Hakathari products continued. Islamic financial literacy and awareness 	<ul style="list-style-type: none"> Improved accessibility to banking services and infrastructure. Bridging the digital divide with user friendly interfaces. Inclusive finance for all ages and empowerment from a young age to manage own finances. More than 50 SMEs provided financing to develop their ventures. Improving the knowledge of Islamic finance of Maldivians. Positive impacts through its products. 	



Photo by Aminath Nafa Ahmed Rasheed, MIB Staff
Island View: A distant island framed by sea and sky, simple and beautiful in its isolation.

FUTURE OUTLOOK

ECONOMIC BACKDROP

The Maldivian economy has demonstrated notable growth in recent years, primarily driven by its robust tourism sector. In 2023, the economy expanded by 4.1%, while the real GDP growth was projected to be at 4.7% for 2024. In 2024, the Maldives achieved a significant milestone in tourism by welcoming over 2 million visitors, surpassing the previous record set in 2023. However, the higher tourist arrival numbers are not expected to significantly contribute to the growth due to a continued decrease in spending per tourist.

In 2024, the Maldives experienced a year-on-year inflation rate of 1.3%, a decrease from the 3.3% recorded in 2023. The inflation trend in the Maldives throughout 2024 reflects a complex interplay of domestic policies and international economic factors, resulting in a modest annual inflation rate. While the current account deficit remained at 22.8% of GDP in 2023, Maldives Monetary Authority projects narrowing of current account deficit to 18.8% of GDP in 2024. This is owing to robust growth in service exports and slower growth in imports during the year.

However, challenges persist. The Maldives faces heightened external and fiscal vulnerabilities, necessitating urgent economic reforms to maintain development progress. Simultaneously, the country is confronting a potential financial crisis, marked by increasing public debt and declining foreign exchange reserves. International Monetary Fund (IMF) estimates that the overall fiscal deficit of Maldives would reach an estimated 13%. The significant rise in government spending and increased dependence on external non-concessional financing for infrastructure projects in recent years have exacerbated both external and fiscal vulnerabilities, resulting in a substantial increase in public debt.

In response, the government has initiated measures including debt management strategies, reforms on subsidies and other public spending including public health insurance, currency swap agreements, and infrastructure projects to stabilize the economy.

Looking ahead, IMF projects that the Maldivian economy would continue to grow at around 4.7% in medium-term, predicted on a major fiscal adjustment. Inflation rate is estimated to rise significantly over the next year, due to the planned subsidy reforms which would impact the nation as a whole. The current account deficit could narrow to 12.1% of GDP in 2026, if the robust growth in service exports and slower growth in imports continue.

Maldives, as recommended by IMF urgently needs to implement a major fiscal adjustment to ensure macroeconomic stability.

WAY AHEAD

Despite the current macroeconomic challenges and external pressures, the Maldivian economy is expected to grow positively in 2025, supported by strong performance in the tourism sector and the implementation of the strategic reforms planned. While fiscal and external vulnerabilities continue to be key risks, the implementation of targeted economic policies and debt management strategies can help mitigate these challenges.

As consumer preferences increasingly shift towards digital solutions, MIB is poised to capitalize on the growing demand for convenience and accessibility in banking. Digital banking channels, which have already gained significant traction in the past years, are centered to play an even more pivotal role in the Bank's growth moving forward. In line with this trend, MIB will continue to prioritize innovation in its digital services, enhancing both front-end and back-end operations to streamline customer interactions and further elevate the banking experience in 2025.

This year, MIB will continue to focus on enhancing its digital capabilities both on the front-end and back-end. Additionally, the Bank will prioritize vigilance and strengthening its control environment through the adoption of more robust internal controls and risk management frameworks. As MIB leverages innovation to drive its strategic growth, it will extensively focus on back-office process automation to ensure turnaround times and service propositions are improved. The Bank will continue to operate sustainably as the year progresses.

This year, the Bank will proceed with careful implementation of the strategic plan it has established. New initiatives focused on improving the service proposition of the Bank will be rolled out, with additional projects aimed at improving distribution across all channels identified. The Bank will continue to deploy convenient payment solutions for both retail and corporate customers, alongside enhancing its ADC channels and network.

At the same time, the Bank will place significant attention on improving its internal processes and back-end environment. This will involve the automation of key processes and the upgrade of its core banking system to enhance operational efficiency and support scalable growth. These internal enhancements are aligned with the broader strategic goals of improving service delivery, optimizing performance, and ensuring the Bank's long-term competitiveness in the market.

The Bank remains confident in its future performance, as its financial discipline, strong capital structure, ongoing innovations, and operational resilience will continue to drive sustained growth and business success.



Photo by Hawwa Reesha, MIB Staff
Sunset Fishing: As the sun sets, silhouettes of fishermen wade through glowing waters in search of their catch.

INVESTOR INFORMATION

Year	No. of Securities Traded	Value of Securities Traded (MVR)	Weighted Average Traded Price (MVR)	Total Trades	Market Capitalization (MVR)
2019	1,250	45,800.00	36.64	05	832,500,259.00
2020	7,237	286,339.00	39.57	30	890,234,835.48
2021	29,254	1,011,191.00	34.57	76	777,825,241.99
2022	698,782	24,525,540.00	35.10	116	789,750,245.70
2023	17,388	1,285,314.00	73.92	126	1,663,200,517.44
2024	10,862	1,105,910.90	101.81	161	2,290,725,712.67

Year	Highest Traded Price (MVR)	Lowest Traded Price (MVR)	First Traded Price (MVR)	Last Traded Price (MVR)	Market Value at Year End (MVR)
2019	37.00	36.00	36.00	37.00	37.00
2020	50.00	32.00	44.00	39.00	39.00
2021	40.00	31.00	39.00	36.00	36.00
2022	50.00	30.00	35.00	40.00	40.00
2023	200.00	33.00	42.00	100.00	100.00
2024	150.00	50.00	86.00	104.00	104.00

Year	Basic and Diluted Earnings Per Share (MVR)	Net Asset Value per Share (MVR)	Dividend per Share (MVR)
2019	4.51	25.34	1.575
2020	3.00	27.00	1.225
2021	3.54	29.28	1.488
2022	5.38	34.81	1.75
2023	7.85	41.25	2.90
2024	12.35	51.18	4.58 *

* Proposed for approval of shareholders.



Photo by Mohamed Shabhaan Ali, MIB Staff
Hulumeedhoo Nature Park: The lush mangrove sits between sea and sky,
alive with rich colour and quiet form.

CORPORATE GOVERNANCE

The Bank's Board of Directors is committed to maintaining the highest standards of corporate governance across the organization. The Bank has established and put in place a governance framework designed to protect the interests of all stakeholders while simultaneously improving shareholder value and the financial performance of the Bank. This framework emphasizes effective leadership, strong internal controls, a culture of rigorous risk management and compliance, and is built on the core principles of transparency and accountability.

At MIB, the Board upholds global best practices in governance to align with stakeholder expectations, emphasizing accountability and independent decision-making across all aspects of the Bank. As a licensed and publicly listed Islamic bank, regulatory compliance is integral to shaping the Bank's internal values and corporate governance culture. MIB remains committed to adhering to all applicable laws, regulations, codes, and directives, including those issued by the Maldives Monetary Authority, Capital Market Development Authority, Ministry of Economic Development, and Maldives Stock Exchange.

The Bank's internal policies, procedures and control systems are driven by these regulatory requirements, Bank's Articles of Association, Code of Conducts, Terms of References, Policy Frameworks and Rulings.

COMPOSITION OF THE BOARD

The Board of Directors is the Bank's highest governing body, ultimately responsible for its strategic direction, organizational structure, and financial stability. The Board is committed to structuring itself effectively in terms of its leadership, size, and committee functions to enhance oversight and fulfill its responsibilities efficiently.

In accordance with the Bank's Articles of Association, the Board of the Bank is comprised of 11 Directors and is formed as per below:

- The Board shall not be less than 09 (nine) Directors and shall include at least 04 (four) Nominee Directors, at least 01 (one) Elected Director, at least 02 (two) Independent Directors and at least 02 (two) Executive Directors.
- Pursuant to Article 38 of the Bank's Article of Association, shareholders shall have the right to appoint 01 (one) Director for each 14% (fourteen percent) of the total issued shares in the Bank held by that respective shareholder. In a situation where the shareholder has less than 14% (fourteen percent) but holds the shares closest to 14% (fourteen percent) of the total issued shares in the Company, compared to the other shareholder, the shareholder who holds the shares closest to 14% (fourteen percent) of the total issued shares in the Company shall be entitled to appoint 1 (one) Director, in a situation where the total number of Directors falls below the maximum number of Directors.
- As per Article 39, at least 01 (one) Director shall be appointed to the Board of Directors from the Public Shareholders even if the percentage held by Public Shareholders is less than 14% (fourteen percent).
- As per Article 60, the Chairman of the Board shall be nominated by the single largest shareholder at that given time. Currently, Islamic Corporation for the Development of the Private Sector (ICD) is the single largest shareholder of the Bank with 33% shareholding.

The composition of the Board conforms to the guidelines set forth by MMA's Regulation on Corporate Governance for Banks, Insurance Companies, and Finance Companies (Regulation No. 2020/R-59), as well as section 1.2 of Part 2 of the Corporate Governance Code of the Capital Market Development Authority.

The Board, consisting of executive, non-executive, and independent directors, maintains a well-balanced mix of skills and experience, ensuring unbiased and effective guidance is provided to the management in a timely manner.

COMPOSITION OF THE BOARD OF DIRECTORS DURING 2024

The year began with a total of 11 (Eleven) Directors on the Board. The following were the 11 (Eleven) Directors on the Board of Directors of the Bank at the beginning of the year:

Name	Representation	Designation
Mr. KAM Majedur Rahman	Independent Director	Chairman & Non-Executive Independent Director
Mr. Nasser Mohammed Al-Thekair	Nominee Director, ICD	Non-Executive Director
Mr. Moez Baccar	Nominee Director, ICD	Non-Executive Director
Uz. Mohamed Naseem Ibrahim	Nominee Director, Gov. of Maldives	Non-Executive Director
Mr. Ahmed Shafeez	Nominee Director, Pension Office	Non-Executive Director
Mr. Ahmed Ali	Elected Director, Public	Non-Executive Independent Director
Mr. Hassan Mohamed	Nominee Director, Gov. of Maldives	Non-Executive Director
Mr. Rajiv Nandlal Dvivedi	Independent Director	Non-Executive Independent Director
Mr. Osman Kassim	Nominee Director, Amana Takaful (Maldives) Plc	Non-Executive Director
Mr. Mufaddal Idris Khumri	Executive Director	Managing Director & Chief Executive Officer
Mr. Ali Wasif	Executive Director	Executive Director & CFO

During 2024, the composition of the Board of Directors changed as follows:

- Uz. Mohamed Naseem Ibrahim and Mr. Hassan Mohamed, both Nominee Directors representing Government of Maldives, ended their directorship on the Board of the Bank, following their removal by PCB.
- Ms. Mausooma Yoosuf and Mr. Ahmed Siraj were appointed to the Board of the Bank on 23rd April 2024, as Nominee Directors representing Government of Maldives.
- Mr. Ahmed Ali, Elected Director representing public shareholders, resigned from the Board of the Bank on 30th May 2024.
- Ms. Aminath Irthiyasha, Nominee Director representing Pension Office was appointed to the Board of the Bank on 27th October 2024, as the replacement of Mr. Ahmed Shafeez.
- Mr. Iyaz Waheed was appointed to the Board of the Bank on 27th October 2024 as the Elected Director representing Public Shareholders.

Following the above changes, the Board consisted of 11 (Eleven) Directors as at the end of the year.

COMPOSITION OF THE BOARD OF DIRECTORS AS OF 31 DECEMBER 2024

Name	Representation	Designation
Mr. KAM Majedur Rahman	Independent Director	Chairman & Non-Executive Independent Director
Mr. Nasser Mohammed Al-Thekair	Nominee Director, ICD	Non-Executive Director
Mr. Rajiv Nandlal Dvivedi	Independent Director	Non-Executive Independent Director
Mr. Moez Baccar	Nominee Director, ICD	Non-Executive Director
Mr. Osman Kassim	Nominee Director, Amana Takaful (Maldives) PLC	Non-Executive Director
Ms. Aminath Irthiyasha	Nominee Director, Pension Office	Non-Executive Director
Ms. Mausooma Yoosuf	Nominee Director, Government of Maldives	Non-Executive Director
Mr. Ahmed Siraj	Nominee Director, Government of Maldives	Non-Executive Director
Mr. Iyaz Waheed	Elected Director, Public	Non-Executive Independent Director
Mr. Mufaddal Idris Khumri	Executive Director	Managing Director & Chief Executive Officer
Mr. Ali Wasif	Executive Director	Executive Director & CFO

ROLES AND RESPONSIBILITIES OF THE BOARD OF DIRECTORS

The Bank's Board of Directors holds the ultimate responsibility for shaping its strategic direction, establishing strong corporate governance frameworks, developing and implementing effective policies and procedures, and overseeing the Bank's investments and financial stability.

The Board plays a crucial role in supervising the Bank's management and evaluating their performance vis-à-vis established budgets and strategies, with the aim of fostering long-term value creation for all stakeholders of the Bank. This is accomplished by delegating tasks and segregating duties to management, while the Board retains its role as an oversight body. It provides strategic guidance to management and the Bank by reviewing and approving key strategic initiatives, policies, frameworks, and control mechanisms.

The control, direction, oversight and accountability functions of the Bank lie firmly with the Board of Directors and the Sub-Committees of the Board.

In addition to identifying key risks and implementing appropriate risk management systems, the Board of Directors assesses the adequacy and effectiveness of the Bank's internal control mechanisms, management information systems, and other safeguards designed to ensure compliance with applicable laws, regulations, and guidelines.

The Board of Directors considers it a top priority to ensure that the Bank cultivates a corporate culture that upholds integrity, professionalism, and high ethical standards across all levels, including amongst the members of the Board of Directors, Executive Management and all staff of the Bank.

Moreover, the Board holds ultimate accountability for establishing a just and efficient Shari'ah governance framework within the Bank and ensuring its oversight by implementing suitable mechanisms to fulfill these duties. This responsibility is down delegated to the Bank's independent Shari'ah Committee, comprising distinguished local and international Shari'ah scholars. The Committee advises the Board of Directors on all Shari'ah-related matters and ensures that all dealings of the Bank strictly adhere to Shari'ah principles.

The work on individual Board Sub-Committees and the Shari'ah Committee of the Bank is detailed in this report. The Annual Report of Shari'ah Committee is appended together with the report.

ROLE OF THE CHAIRMAN

The Chairman of the Board is responsible for promoting cohesion, collaboration, and a strong working relationship among Board members while encouraging open and productive discussions during meetings. The Bank values the Chairman's expertise and guidance in providing effective leadership to the Board. Additionally, the Chairman ensures that the Board receives timely, accurate, and sufficient information to support well-informed and efficient decision-making. Overseeing the overall functioning of the Board and its activities, the Chairman also presides over meetings of both Directors and shareholders.

Within MIB, distinct individuals occupy the roles of Chairman and Chief Executive Officer. There are no business or familial ties between these individuals.

MEETINGS OF THE BOARD OF DIRECTORS

During the year under review, 13 (Thirteen) meetings of Board of Directors were held, with at least 1 (one) meeting every month, as required under Maldives Banking Act (24/2010). The Board also held 01 (one) meeting of Non-Executive and Independent Directors without the presence of the Management and the Executive Directors, in line with Section 1.6 of the CMDA CG Code.

All Board meetings were conducted in line with the requirements of Bank's Articles of Association. The Notice and Agenda for Board meetings are finalized by the Chairman of the Board and the Company Secretary in consultation with relevant members of the executive management. The Board of Directors were provided with timely, accurate, and comprehensive information on agenda items, matters under review, and the Bank's performance to support informed decision-making. Additionally, Board members were regularly updated on key market developments and internal progress, ensuring a well-rounded and strategic approach.

Name	Attendance	%
Mr. Kazi Abu Muhammad Majedur Rahman	13/13	100%
Mr. Nasser Mohammed Al-Thekair	13/13	100%
Mr. Rajiv Nandlal Dvivedi	13/13	100%
Mr. Moez Baccar	13/13	100%
Mr. Osman Kassim	13/13	100%
Mr. Ahmed Ali ^{/1}	05/05	100%
Mr. Hassan Mohamed ^{/2}	02/02	100%
Mr. Ahmed Shafeez ^{/3}	08/09	89%
Ms. Mausooma Yoosuf ^{/4}	10/10	100%
Mr. Ahmed Siraj ^{/4}	10/10	100%
Ms. Aminath Irthiyasha ^{/5}	04/04	100%
Mr. Iyaz Waheed ^{/5}	04/04	100%
Mr. Mufaddal Idris Khumri	12/12	100%
Mr. Ali Wasif	11/12	92%

¹ Resigned on 30th May 2024.

^{/2} Served as a Board member of the Bank until 26th February 2024.

^{/3} Served as a Board member of the Bank until 27th October 2024.

^{/4} Appointed to the Board of Directors on 23rd April 2024.

^{/5} Appointed to the Board of Directors on 27th October 2024.

KEY DECISIONS AND RECOMMENDATIONS BY THE BOARD OF DIRECTORS DURING THE YEAR

Quarter 1

- Reviewed and approved the Bank's Quarterly Report for the Fourth Quarter of 2023.
 - Approved the appointment of Nominee Directors and recommended the names for the Shareholders meeting.
 - Approved the appointment of a new Shariah Committee member subject to MMA approval.
 - Reviewed and approved the Policy for Appointment / Reappointment and removal / dismissal of External Auditors.
 - Recommended the appointment of the External Auditors for the year 2024 including their remuneration for the approval of the shareholders at the 14th AGM of the Bank.
 - Reviewed and approved IT policies.
-

Quarter 2

- Reviewed and approved the Bank's Audited Financial statements for the year ended 31st December 2023 and recommended it for the AGM.
 - Reviewed and approved the Shari'ah Committee Annual Report for the year ended 31st December 2023.
 - Reviewed and approved the Dividend for the year 2023 and recommended it for the AGM.
 - Reviewed and approved the Annual Report of the Bank for the year 2023.
 - Reviewed and approved the Notice of EGM 2024 (No. 01/2024) of the Bank.
 - Reviewed and approved the proposed resolutions for the EGM 2024 (No. 01/2024).
 - Nominated Directors as alternate Chairman at EGM 2024 (No. 01/2024).
 - Approved the appointment of Chief People Officer of the Bank.
 - Reviewed and approved the Policy for provision of non-audit services by the External Auditor.
 - Approved the Board remuneration to Executive Directors and recommended it for the AGM.
 - Reviewed and approved the Bank's Quarterly Report for the First Quarter of 2024.
 - Reviewed and approved the Notice of 14th AGM of the Bank.
 - Reviewed and approved the proposed resolutions for the 14th AGM of the Bank.
 - Reconstituted the Board sub-committees.
 - Reviewed and approved the contract renewal of Shari'ah Committee members.
 - Reviewed and approved Shari'ah Committee assessment manual.
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Quarter 3

- Reviewed and approved the Bank's Quarterly Report for the Second Quarter of 2024.
 - Reviewed and approved IT related policies.
 - Reviewed and approved the changes to Business Continuity Management Policy.
 - Reviewed and approved the amendments to Board Remuneration Policy.
 - Reviewed and approved the revisions to the HR Policy.
 - Reviewed and approved new HR related policies.
 - Reviewed and approved the Anti-Bribery and Corruption Policy.
 - Reviewed and approved the Dividend Policy of the Bank.
 - Approved the appointment of Elected Director candidates and recommended the names for the shareholders meeting.
 - Approved the appointment of Nominee Director candidate and recommended the for the shareholders meeting.
 - Approved the reappointment of Independent Directors and recommended the names for the shareholders meeting.
 - Reviewed and approved the amendments to Charity Policy of the Bank.
 - Reviewed and approved the Notice of EGM 2024 (No. 02/2024) of the Bank.
 - Reviewed and approved the proposed resolutions for the EGM 2024 (No. 02/2024).
-

Quarter 4

- Reviewed and approved the Bank's Quarterly Report for the Third Quarter of 2024.
- Reviewed and approved the amendments to Articles of Association.
- Nominated Directors as alternate Chairman at EGM 2024 (No. 02/2024).
- Reviewed and approved the ECL Policy.
- Reviewed and approved the Enterprise Risk Management Framework.
- Reviewed and approved the Revised Fraud Risk Management Policy.
- Reviewed and approved the amendments to the Procurement Policy.
- Reviewed and approved the Financing Risk Policy.
- Reconstituted the Board sub-committees.
- Reviewed and approved the Business Plan and Budget of the Bank for the Financial Year 2025.

DIRECTORS' SERVICE CONTRACTS

Mr. Mufaddal Idris Khumri

Mr. Mufaddal Idris Khumri was appointed as the Chief Executive Officer of the Bank on 1st November 2022, under a three-year employment contract. He was subsequently appointed as the Managing Director of the Bank on 12th December 2022, in accordance with the Bank's Articles of Association. In his capacity as both Managing Director and CEO, Mr. Mufaddal holds primary responsibility for day-to-day operations of the Bank including the implementation of the Bank's strategies as approved by the Board of Directors. He provides support, direction, and leadership to the management to ensure the achievement of the Bank's goals, objectives, revenue targets, and growth initiatives.

Mr. Ali Wasif

In January 2017, Mr. Ali Wasif was appointed as the Chief Financial Officer of MIB, under an employment agreement. He has been with the Bank since 2011. Mr. Wasif directly reports to the Managing Director & Chief Executive Officer. He is tasked with various key responsibilities including overseeing the efficient functioning of the Finance Department, preparing the Bank's financial accounts and records, managing the annual budget, exercising financial control over capital and operating expenses, ensuring compliance with statutory reporting requirements mandated by the Maldives Monetary Authority, managing treasury operations, and overseeing investment and funding activities.

DIRECTORS' INDEPENDENCE AND CONFLICT OF INTEREST

MIB has established measures to prevent conflicts of interest throughout the Bank and in all engagements involving the Board of Directors.

The Bank adheres to and rigorously enforces its Policy for the Conflict of Interest of the Board of Directors and the Policy for the Conflict of Interest of the Staff as approved by the Board of Directors. These policies are implemented in line with the regulatory requirements including MMA's Regulation on Corporate Governance for Banks, Insurance Companies and Finance Companies, CMDA's CG Code, and the Bank's Articles of Association. In line with these policies and the Code of Conduct of the Board of Directors, Board members are required to disclose any actual or potential conflicts of interest without delay. Additionally, they are barred from participating in discussions or proceedings involving transactions or arrangements in which they may have a potential interest. This ensures that the decisions made by the Board of Directors are fair and independent whilst remaining impartial.

During 2024, the Bank did not enter into any contracts with any members of the Board or any major shareholders, nor did it engage in service contracts with individuals nominated for directorship position of the Bank.

BOARD PERFORMANCE EVALUATION

The Board of Directors believes that a high performing Board is essential for the success of the Bank. As such, the Board Nomination and Remuneration Committee ("BNRC") as assigned by the Board of Directors has determined the mechanism in which the performance of the Board of Directors is evaluated, in line with the relevant laws and regulations.

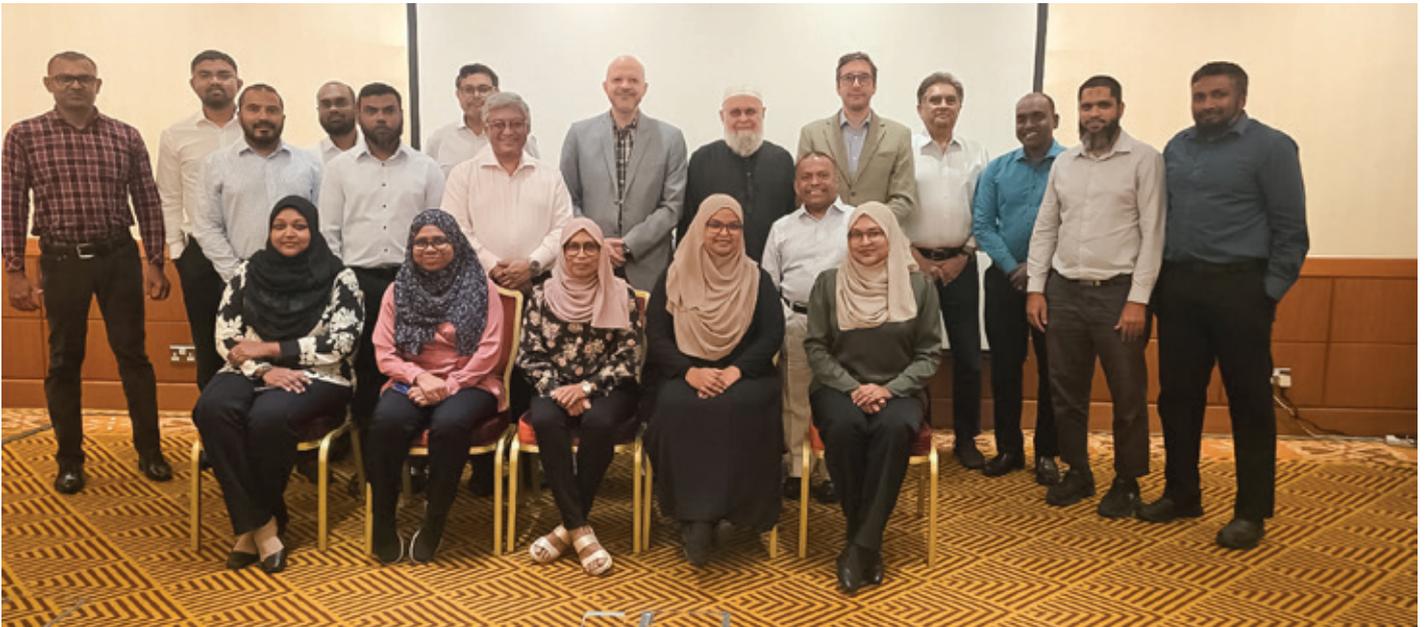
In line with the CG Code of CMDA, the performance of the Board of Directors for the year 2023 was evaluated by an Independent Party during the year 2024. Through this evaluation, the effectiveness of the Board as a whole, the work of sub-committees and the performance of each member individually were assessed.

DIRECTORS' DEVELOPMENT

During 2024, the Bank organized and conducted the following Board of Directors Refresher Programme focused on Enterprise Risk Management.

Name of the Programme	Institute	COUNTRY	Date
Board Refresher Programme	Institute of Enterprise Risk Practitioners	UAE	November 2024

Additionally, all the Directors who were newly appointed during the year completed the Board Induction and Orientation programme conducted by the Bank, to ensure that they are acquainted with the Bank's practices, market conditions and the regulatory requirements pertaining to local banks.



DIRECTORS AS SHAREHOLDERS OF THE BANK

The Articles of Association of the Bank do not restrict the Board of Directors from becoming shareholders of the Bank. The following Directors held shares of the Bank as of 31st December 2024;

Name of Director	Designation	No. of shares held
Mr. Kazi Abu Muhammad Majedur Rahman	Chairman / Non-Executive Independent Director	26 shares
Mr. Rajiv Nandlal Dvivedi	Non-Executive Independent Director	01 share
Mr. Ahmed Siraj	Non-Executive Director	100 shares
Mr. Iyaz Waheed	Non-Executive Independent Director	05 shares
Mr. Mufaddal Idris Khumri	MD & CEO	01 share
Mr. Ali Wasif	Executive Director / CFO	21 shares

REMUNERATIONS TO MEMBERS OF THE BOARD AND EXECUTIVES

The annual remuneration paid to the members of the Board of Directors and the Key Management personnel during the year 2024 is disclosed under Board Nomination and Remuneration Committee ("BNRC") report.

RELATIONSHIP WITH SHAREHOLDERS

MIB regards its shareholders as crucial and strategic allies in the Bank's growth and development. Maintaining effective and transparent communication with shareholders is an integral component of the Bank's shareholder relationship management. Through the year, the Bank kept its shareholders regularly updated on its financial health, significant business developments and progress made throughout the year. All information deemed pertinent for shareholders to make informed investment decisions is promptly disclosed on the Bank's website within the regulatory timeframes.

This includes timely disclosures concerning the Bank's governance, operations, and performance made via announcements, notices, as well as Quarterly and Annual Reports. During the year, the Bank continued to simultaneously disclose all shareholder communications in the Public Disclosure Platform "InformInvestor" of CMDA, in addition to publishing them on the Bank's website.

Additionally, the Bank's Investor Relations Office plays an active role in attending to and resolving the queries and concerns of shareholders promptly and serves as the focal point between the Bank and the shareholders on shareholding matters. The Bank diligently addresses all shareholder queries on a daily basis through the Bank's Investor Relations office.

The Bank remains committed to nurturing a strong relationship with its shareholders.

DISCLOSURE OF INFORMATION

Aligned with the Bank's commitment to transparency and good governance, the Bank ensured timely publication of its quarterly reports as required by the Capital Market Development Authority. According to Clause 3.5.1 of the Listing Rules of the Maldives Stock Exchange, the Bank's Annual Report must be published within four months following the end of each financial year, a requirement duly fulfilled by the publication of the Bank's Annual Report for 2024. Moreover, in adherence to the Maldives Banking Act (24/2010), the Bank promptly provided its shareholders with access to the audited financial statements subsequent to the approval.

The Bank also strives to disclose other material information pertaining to the Bank's operations, financial performance and governance in a timely manner, as per the applicable laws and regulations.

APPOINTMENT OF EXTERNAL AUDITORS

The shareholders of the Bank, at its 14th Annual General Meeting of the Bank held during 2024, approved to continue the engagement of Deloitte as the Bank's External Auditors for the financial year 2024, as recommended by the Board of Directors.

The Bank also confirms that there are no present or potential conflicts of interest regarding the independence of the appointed auditors.

INTERNAL CONTROLS, RISK MANAGEMENT AND OVERSIGHT

The Bank has put in place measures to maintain effective internal controls, manage risks, ensure proper oversight, in line with local regulations and international standards, including the prevention of money laundering and terrorism financing.

The Board of Directors is responsible for ensuring that strong internal controls are maintained to protect shareholders' investments and the Bank's assets. The Bank identifies financial and operational risks that could impact its performance and implements appropriate policies to manage them. The Board regularly monitors and reviews existing systems and processes to address these risks effectively.

The Bank follows a three-line defense approach to review, monitor, and assess its activities. This includes the Business Units, the Risk Management and Compliance Function, and the Internal Audit Function. These teams work both independently and together to manage risks and ensure the Bank operates within a sound risk management framework. The Board of Directors oversees these functions through its sub-committees, the Board Audit Committee (BAC) and the Board Risk and Compliance Committee (BRCC), which monitor and assess their work on an ongoing basis.

In line with MMA's CG Regulation and the CG Code of CMDA, the Board ensures that internal controls are properly established, and that the Bank's operations are transparent, consistent, and reliable.

Additionally, the Board has put systems in place to protect the Bank's assets and to prevent fraud and other irregularities. While these systems offer reasonable assurance, it's important to note that they cannot guarantee complete protection against all types of misstatements, whether due to fraud or error.

FINANCIAL STATEMENTS

The Bank adheres to the International Financial Reporting Standards (IFRS) standards when preparing its financial statements and utilizes the Going Concern basis for all accounting statements.

The Board of Directors of the Bank certifies that the financial statements of the Bank depict the Bank's current state, and the relevant accounting policies were consistently adopted in preparation of the Bank's annual financial statements. The Board of Directors confirms that they oversee the maintenance of proper accounting records, and accounting estimates that are made on the financials are reasonable and fair, to enable reasonable accuracy in the preparation of the financial statements of the Bank.

DIVIDEND

During the 14th Annual General Meeting of the Bank held in 2024, the shareholders resolved to declare a final dividend of MVR 65,250,020.30 (Sixty-Five Million Two Hundred Fifty Thousand Twenty Rufiyaa Thirty Laari) for the financial year 2023. This is equivalent to MVR 2.90 per issued ordinary share. The Bank started disbursement of dividends within 30 days of dividend declaration, as per the Bank's Articles of Association and other Applicable Laws and Regulations.

DECLARATION

The Board of Directors declares that to the best of their knowledge, the information presented in this Annual Report is true, accurate and complete. The Board of Directors confirm that the Annual Report and the Financial Statements of the Bank are prepared in line with all the applicable laws and regulations.

The Board of Directors, both collectively and individually, upheld principles of fairness and transparency in their dealings and took measures to safeguard the interests of all stakeholders of the Bank.

On behalf of the Board of Directors, we affirm that the Board of Directors and the management of the Bank have made complete and best efforts to ensure that the Bank is governed and managed in a fair and transparent manner, in accordance with the best practices and principles of corporate governance, and in line with the regulatory requirements prescribed in the Maldives Banking Act (24/2010) as amended, the Companies Act of the Republic of Maldives (07/2023), Maldives Securities Act (02/2006), the Prudential Regulation and Guidelines issued by the MMA, The Regulation on Corporate Governance for Banks, Insurance Companies and Finance Companies (2020/R-59) as amended, Corporate Governance Code of the CMDA, , the Securities Continuing Disclosure Obligation of Issuers (CDOI) Regulation (2019/R-1050), Regulation on Publication and Disclosure (2015/R-172) issued by MMA, the Listing Rules of the Maldives Stock Exchange, the Bank's Articles of Association and other applicable laws and regulations that the Bank is required to abide by.



KAM Majedur Rahman
Chairman



Mufaddal Idris Khumri
MD & Chief Executive Officer



Photo by Hussain Niyaz, MIB Staff
K. Huraa Mangrove: Calm waters reflect the soft sky and scattered mangrove,
creating a scene of quiet balance.

BOARD AUDIT COMMITTEE (“BAC”)

The Board Audit Committee (BAC) has been formulated as per clause 1.8, Part 2 of the Corporate Governance Code. The primary role of the BAC is to assist the Board in fulfilling its oversight responsibilities in areas concerning the integrity of financial reporting, the effectiveness of internal audit function and internal control systems, frameworks as well as consideration of ethics and compliance matters.

COMPOSITION OF THE COMMITTEE

The Committee consists of 04 Non-Executive Directors. The composition of the committee is formulated in a way which ensures that the committee possesses the relevant financial, banking, and other business experiences to undertake its duties and responsibilities.

Members of the Committee as of 31st December 2024

Name	Designation
Mr. Iyaz Waheed	Chairman of BAC, Non-Executive Independent Director
Mr. Moez Baccar	Member of BAC, Non-Executive Director
Ms. Mausooma Yoosuf	Member of BAC, Non-Executive Director
Ms. Aminath Irthiyasha	Member of BAC, Non-Executive Director

The Board Audit Committee was reconstituted effective from 27th October 2024 with the following changes:

- Mr. Iyaz Waheed was appointed as the Chairman of BAC to replace Mr. Rajiv Nandlal Divedi.
- Ms. Aminath Irthiyasha was appointed as a BAC member to replace Mr. Ahmed Shafeez.

Prior to the reconstitution on 27th October 2024, the following changes were brought to BAC during the year 2024.

- On 24th June 2024, Mr. Rajiv Nandlal Divedi was appointed as the Chairman of BAC to replace Mr. Ahmed Ali.
- On 23rd May 2024, Ms. Mausooma Yoosuf was appointed as a BAC member to replace Mr. Hassan Mohamed.

DUTIES OF THE COMMITTEE

- Ensuring the integrity of annual and interim financial statements including disclosures.
- Ensuring the integrity of financial reporting process and systems of internal accounting and financial controls.
- Monitoring the effectiveness of Internal Audit function and ensuring that the internal audit function is adequately resourced and has appropriate standing within the Bank.
- Reviewing the results of internal audits and ensuring that appropriate and adequate remedial actions are taken by management for the significant control and procedural lapses that are identified in the audit reports.
- Reviewing and approving the Internal Audit Plan.

- Evaluate the performance of the Chief Internal Auditor and the overall performance of the Internal Audit Department.
- Formulating and periodically reviewing and updating the criteria for appointment, approving the appointment, replacement, and dismissal of the Chief Internal Auditor of the Bank.
- Overseeing the effectiveness of the Bank's risk management framework related to the identification, measurement, monitoring and controlling of risks.
- Making recommendations to the Board and the shareholders of the Bank on the appointment, reappointment and removal of qualified and independent external auditors and their compensation, reviewing and approving the audit plan and quality of their work and overseeing Bank's relation with independent external auditors.
- Ensuring the independence, objectivity, and performance of the independent auditors, approving, overseeing the non-audit services provided by independent external auditors and ensuring that the provision of non-audit services does not impair their independence and objectivity.

MEETINGS

During the year 2024, 08 Board Audit Committee meetings were held. The attendance of the committee members at the meetings is as follows:

Name	Attendance	%
Mr. Iyaz Waheed	2/2	100%
Mr. Moez Baccar	8/8	100%
Ms. Mausooma Yoosuf	4/4	100%
Ms. Aminath Irthiyasha	2/2	100%

Past members of BAC who served during the year 2024:

Name	Attendance	%
Mr. Ahmed Ali	4/4	100%
Mr. Hassan Mohamed	1/1	100%
Mr. Ahmed Shafeez	6/6	100%
Mr. Rajiv Nandlal Dvivedi	2/2	100%

ACTIVITIES OF THE COMMITTEE

Internal Audit:

- Reviewed reports prepared by Internal Audit Department including:
 - Internal Audit Reports
 - Shari'ah Audit Reports
 - Financial Review Reports
 - Strategic Review Reports
 - Follow-up review reports
- Reviewed the performance of the Internal Audit Department and the performance of the Chief Internal Auditor.

- Reviewed and approved the Annual Internal Audit Plan for the year 2025.
- Reviewed and endorsed Annual Shari'ah Audit Plan for the year 2025.

External Audit:

- Reviewed the Management Letter and other recommendations submitted by the External Auditors.
- The Bank's Audited Financials (FY 2023) were reviewed and endorsed by the Board Audit Committee.
- Evaluated the proposals, and recommendations that were made in relation to the selection, re-appointment and remuneration of the incumbent external auditors, which was subsequently approved by the Board of Directors. The incumbent auditor has been serving as the external auditor of the Bank since 2022.
- Reviewed the independence, objectivity and the effectiveness of the External Auditors of the bank.

Other:

- Reviewed and updated the TOR of Board Audit Committee.
- Reviewed and recommended the Policy for appointment/re-appointment and removal/dismissal of external auditor, and the Policy for provision of non-audit services by the external auditor for the Board approval.
- Reviewed and recommended the Quarterly Financial Reports for Board Approval.



Iyaz Waheed
Chairman
Board Audit Committee

BOARD RISK AND COMPLIANCE COMMITTEE (“BRCC”)

The Board Risk and Compliance Committee (“BRCC”) is responsible for ensuring the continuous oversight of the risks embedded in the Bank’s operations. The Committee advises the Board in relation to current and potential future risk exposures of the Bank and future risk strategy including the determination of risk appetite and tolerance. The BRCC also ensures the effective management of compliance, operational, market, reputational and liquidity risk throughout the Bank in support of the strategy and framework approved by the Board.

COMPOSITION OF THE COMMITTEE

The Committee comprises of Four members of the Board of Directors. Members of the Committee as of 31st December 2024.

Name	Designation
Mr. Nasser M. Al-Thekair	Chairman of BRCC, Non-Executive Director
Mr. Rajiv Nandlal Dvivedi	Member of BRCC, Non-Executive Independent Director
Mr. Ahmed Siraj	Member of BRCC, Non-Executive Director
Ms. Aminath Irthiyasha	Member of BRCC, Non-Executive Director

The Board Risk and Compliance Committee was reconstituted effective from 27th November 2024 with the following changes:

- Mr. Rajiv Nandlal Dvivedi was appointed to BRCC on 27th November 2024 and replaced Ms. Mausooma Yoosuf on the Committee.

Prior to the reconstitution on 27th November 2024, the following changes were brought to BRCC during the year 2024.

- Mr. Ahmed Shafeez ended his tenure as Board Member on 27th October 2024 and was replaced by Ms. Aminath Irthiyasha on the Board as well as BRCC.
- Mr. Ahmed Siraj and Ms. Mausooma Yoosuf were appointed to BRCC on 23rd May 2024.

DUTIES OF THE COMMITTEE

BRCC is charged with the following responsibilities:

- Review, monitor and understand the risk profile of the Bank to confirm that the Bank is operating within the Board-approved risk appetite. This is undertaken through the ongoing process of the identification, evaluation and management of all material risks, in particular longer-term macro, and strategic threats to the Bank.
- Report to the Board on its consideration of the above matters, identifying those areas where improvement is needed and making recommendations as appropriate.
- Set risk limits within the risk appetite criteria.
- Receive notification of any material breaches of risk limits or procedures and agree proposed action.
- Ensure that the resources allocated for risk management function are adequate given the size, nature, and volume of business of the Bank.

- Review the overall financing and investment risk exposure of the Bank and develop and advise on overall risk strategy to be followed by relevant management committees for approving exposures.
- Implement a rigorous framework for stress testing and approve the scenarios to be analyzed.
- Review risk and compliance training programs to ensure the strengthening of a risk and compliance aware culture in MIB.
- Recommend appropriate policies to ensure the MIB's ongoing compliance with relevant legal and regulatory requirements for Board approval.
- Receive and review all necessary information to satisfy itself that the compliance framework is operating as intended.
- The Committee will have responsibility for reviewing MIB's risk policies and business continuity plans at least once in two years or more frequently if required and making recommendations to the Board for any amendments deemed essential for proper, prudent, and safe operation of the Bank.

MEETINGS

The committee shall meet as often as it determines, but not less frequently than four (4) times a year, with at least one meeting every quarter.

The committee held Seven (7) meetings during the year under review.

Name	Attendance	%
Mr. Nasser Mohammed Al-Thekair	7/7	100%
Mr. Ahmed Shafeez	5/5	100%
Mr. Ahmed Siraj	5/5	100%
Ms. Mausooma Yoosuf	5/5	100%
Ms. Aminath Irthiyasha	2/2	100%
Mr. Rajiv Nandlal Divedi	1/1	100%

ACTIVITIES OF THE COMMITTEE

- The Committee reviewed the following policies and processes of the Bank during the year, amendments therein were recommended to, and then approved by the Board of Directors:
 - Business Continuity Management Policy
 - Financing Risk Policy
 - Fraud Risk Management Policy
 - Procurement Policy
 - Acceptable Use Policy
 - Access Control Policy
 - Anti-Malware Policy
 - Backup and Recovery Management Policy
 - Cybersecurity Policy
 - Email and Internet Security Policy
 - Incident Response Policy

- Information Security Policy
 - Logging and Monitoring Policy
 - Media Handling and Disposal Policy
 - Password Protection Policy
 - Cryptography and Key Management Policy
 - Firewall and Router Hardening Policy
 - Information and Communication Technology Policy
 - Mobile Computing and Teleworking Policy
 - Network Security Policy
 - Physical and Environmental Security Policy
 - Software Development Life Cycle Policy
 - Wireless Communication Policy
- Additionally, the Committee reviewed the following new policies during the year, which were then recommended to, and approved by the Board of Directors:
 - ECL Model Policy
 - ERM Policy & Framework
 - Compliance Security Policy
 - Data Retention and Disposal Policy
- Apart from the above, the following were also conducted by the Committee:
 - Review of financing and investment portfolio position.
 - Review of non-performing portfolio, products-wise infection ratio, portfolio on watchlist and recovery strategies.
 - Review of Financing Customers under Watch List.
 - Review of ECL Model Validation Exercise report
 - Review of Assessment of liquidity position FEEL and NOP.
 - Review of Assessment of Capital Adequacy (CAR).
 - Review of the ERM Gap Analysis
 - Overseeing the ERM Implementation.
 - Review of Operations risk reports.
 - Review of Scenarios Analysis on Fraud Risk Incidents
 - Review of Compliance Reports & Related issues.
 - Review of Information Security Risk Reports.
 - Overseeing Risk & Compliance related Technical Projects planned for the year 2024 and implementation progress.
 - Review of Special Investigation reports
 - Review of Vulnerability Assessment and Penetration Testing Report.
 - Review of DR Feasibility Report & Data Migration to Cloud.
 - Review of Internal Audit Reports for the Risk & Compliance Function.

Nasser Al-Thekair

Nasser Mohammed Al-Thekair
Chairman

Board Risk and Compliance Committee

BOARD NOMINATION AND REMUNERATION COMMITTEE (“BNRC”)

The Board Nomination and Remuneration Committee (“BNRC”) was established in accordance with Section 1.8, Part 2 of the Corporate Governance Code and as per Articles of Association of the Bank. The committee is governed by the Terms of Reference (“ToR”) approved by the Board of Directors. The Nomination Committee and Remuneration Committee of the Bank are combined as one to facilitate effective and efficient discharge of the duties in consideration of the mandate and functions of the two committees.

The Committee was established by the Board of Directors on 11th March 2019. The Committee started its function after the conversion of the Bank into a Public Limited Company and had its first meeting on 24th July 2019. The committee was reconstituted by the Board of Directors on four occasions during the year 2024.

COMPOSITION OF THE COMMITTEE

The Committee comprises of four members of the Board of Directors.
Members of the Committee as of 31st December 2024

Name	Designation
Mr. Osman Kassim	Chairman of BNRC, Non-Executive Director
Mr. Nasser M. Al-Thekair	Member of BNRC, Non-Executive Director
Mr. Ahmed Siraj	Member of BNRC, Non-Executive Director
Ms. Mausooma Yoosuf	Member of BNRC, Non-Executive Director

The BNRC was reconstructed effectively from 27th November 2024 with the following changes:

- Ms. Mausooma Yoosuf was appointed as a BNRC member to replace Mr. Rajiv Nandlal Dvivedi.

Prior to the reconstitution on 27th November 2024, the following changes were brought to the BNRC during the year 2024:

- On 23rd May 2024, Mr. Ahmed Siraj was appointed as a BNRC member.

DUTIES OF THE COMMITTEE

Nomination:

The BNRC is charged with the following duties with respect to the nomination of Directors:

- Annual review of the composition and size of the Board to ensure appropriate expertise, diversity and independence of the Board and to recommend to the Board for amendment of profile;
- Succession planning for the Board and its committees aimed at retaining the required expertise, experience and diversity and making recommendation to the Board for (re)appointment according to the appointment procedures for Directors;
- Supervising the policy of the Board on the selection criteria and appointment procedure;

- Establishing a procedure along with criteria such as qualifications, experience and key attributes required for eligibility to be considered for the appointment of MD & CEO and the Direct Reports of the MD & CEO;
- Recommending the appointment of Managing Director & CEO and Direct Reports to the Board;
- Evaluating the re-election of current directors, taking into account the performance and contribution made by the director concerned towards the overall discharge of the Board's responsibilities;
- Reviewing trainings, skills, experience and other characteristics of the Board Members to run the Board's business in an effective manner;
- Reviewing and recommending to the Board all significant changes in the Bank's strategy regarding its Human Resource Policy.

Remuneration:

The BNRC is charged with the following duties with respect to remuneration:

- Reviewing HR Policies and Manuals including the remuneration and compensation package;
- Recommending the remuneration policy relating to Directors and the MD & CEO and Direct Reports of the MD & CEO;
- Setting goals and targets for the Directors, MD & CEO and reviewing evaluation and the performance against the set targets and goals periodically;
- Reviewing the Bank's remuneration structure, in light of updated surveys, opinions of independent and specialized consultants and peer banks' remuneration structure and recommending to the Board;
- Reviewing and Recommending Board Remunerations Policy for the Board of Directors.

Governance:

Additionally, BNRC is charged with the following duties with respect to Corporate Governance:

- Assist the Board in overseeing the process by which the Bank, its Board and Board Committees are governed.
- Annually reassess the governance guidelines and recommend necessary revisions to the Board.
- Develop charters for any new board committees and review the charters of the existing committees and recommend amendments to the Board.
- Proactively monitor corporate governance developments locally and globally and implement such practices where appropriate.
- Review any conflict-of-interest issues relating to the Board and recommend appropriate remedies to the Board.
- Ensure related party transactions are done in a transparent manner.
- Review and approve the annual Corporate Governance report for inclusion in the Bank's annual report.

MEETINGS

The committee at its discretion determines the frequency of meetings and is required to meet not less frequently than four (4) times a year, with at least one meeting every quarter.

The committee held 8 (eight) meetings during the year 2024.

Name	Attendance	%
Mr. Osman Kassim	8/8	100%
Mr. Nasser M. Al-Thekair	8/8	100%
Mr. Rajiv Nandlal Dvivedi	7/7	100%
Mr. Ahmed Siraj	4/4	100%
Ms. Mausooma Yoosuf	1/1	100%

NOMINATION:

The responsibilities relating to the Nominations and Appointments of the Board of Directors are carried out by the BNRC as delegated by the Board of Directors. In line with the Banking Act of Maldives, all Board appointments of the Bank are confirmed after approval by the Board of Directors, and subsequent endorsement by the shareholders at a general meeting.

During the year, Three Nominee Directors and one Elected Director were appointed to the Board of Directors of the Bank. Additionally, two Independent Directors were reappointed to the Board of Directors of the Bank during 2024.

The appointment of the Nominee Directors was recommended by BNRC to the Board of Directors as per Article 37(a), 38 and 40 of the Articles of Association of the Bank.

The appointment of Elected Director was recommended by BNRC to the Board of Directors as per Article 37 (b), 39, 40 and 41 of the Article of Association of the Bank.

The re-appointment of Independent Directors was recommended by BNRC to the Board of Directors as per Article 37 (d), 40 and 41 of the Article of Association of the Bank..

REMUNERATION:

The current Remuneration Structure for the Non-Executive Directors was approved by the shareholders at the 13th Annual General Meeting ("AGM") of the Bank held on 2023 and is as follows:

	Amount (USD)
Monthly Fee	650.00
Sitting Fee (Board)	500.00
Sitting Fee (Board Sub-Committees)	500.00
Monthly Chairman Allowance	500.00

During the 14th AGM of the Bank held during 2024, the shareholders approved the Board remuneration to Executive Directors in the with the Board remuneration approved for Non-Executive Directors during the 13th AGM of the Bank.

Directors were remunerated as per the Board Remuneration Policy. No Executive Director served as a Non-Executive Director elsewhere during the year 2024. The Fees were paid net of taxes.

The breakdown of remuneration paid to the Board of Directors for the period 1st January 2024 to 31st December 2024 are provided in the below table.

Name	Representation	Total (MVR equivalent)
Mr. KAM Majedur Rahman	Chairman / Non-Executive Independent Director	312,518.50
Mr. Nasser M. Al-Thekair *	Non-Executive Director	327,913.50
Uz. Mohamed Naseem Ibrahim	Non-Executive Director	2,259.52
Mr. Ahmed Ali	Non-Executive Independent Director	134,706.25
Mr. Hassan Mohamed	Non-Executive Director	41,380.68
Mr. Rajiv Nandlal Dvivedi	Non-Executive Independent Director	320,216.00
Mr. Moez Baccar *	Non-Executive Director	274,031.00
Mr. Osman Kassim	Non-Executive Director	304,821.00
Mr. Ahmed Shafeez	Non-Executive Director	244,705.99
Ms. Mausooma Yoosuf	Non-Executive Director	236,672.42
Mr. Ahmed Siraj	Non-Executive Director	228,974.92
Ms. Aminath Irthiyasha	Non-Executive Director	83,207.51
Mr. Iyaz Waheed	Non-Executive Independent Director	67,812.51
Mr. Mufaddal Idris Khumri	Managing Director & CEO	126,834.94
Mr. Ali Wasif	Executive Director & CFO	126,834.94
Total		2,832,889.68

* The remuneration of Nominee Directors representing Islamic Corporation for the Development of the Private Sector ("ICD") was paid directly to ICD.

The aggregate remuneration paid to Key Management Personnel for the period 1st January 2024 to 31st December 2024 is MVR 31,256,116. The Key Management Personnel are the members of the Board of Directors and Executive members. The aggregate remuneration details are disclosed, as additional details are deemed to place the Bank at a relative disadvantage against the key industry players.

The Remuneration paid to Executive Management are determined by the Board of Directors as recommended by the Board Nomination and Remuneration Committee.

ACTIVITIES OF THE COMMITTEE

- Recommended the appointment of new Shari'ah Committee member.
- Recommended the appointment of Nominee Directors for the consideration of the Board of Directors.
- Deliberated on Board composition matters.
- Recommended the amendments to Policy for Scorecard for the Bonus Pool.
- Reviewed and recommended the BNRC report to be included in the Annual Report 2023.
- Reviewed and recommended the Corporate Governance report to be included in the Annual Report 2023.
- Recommended the appointment of Chief People Officer.
- Recommended the renewal of contract of two Shari'ah Committee members.
- Recommended the Shari'ah Committee members assessment manual.
- Recommended the Board Remuneration to Executive Directors.
- Recommended the amendments to Articles of Association.
- Recommended amendments to the Board Remuneration Policy.
- Recommended the shortlisted candidates for the position of Elected Director for the consideration of the Board of Directors.
- Recommended the amendments to HR Policy of the Bank.
- Recommended the Anti-Bribery and Corruption Policy.
- Recommended the renewal of employment contracts of some expatriate employees.

GENDER DIVERSITY

The Bank welcomes gender diversity and female representation in the boardroom in accordance with the Corporate Governance Code ("CG Code") of Capital Market Development Authority ("CMDA"). The Bank continued to communicate its preference to appoint female candidates in place of those directors whose office were up for appointment or re-appointment during the year.

The Board of the Bank had 2 female directors as of 31st December 2024 and was in compliance with CG Code of CMDA.



Osman Kassim
Chairman
Board Nomination and Remuneration Committee

BOARD INVESTMENT COMMITTEE (“BIC”)

The Board Investment Committee (“BIC”) is responsible for reviewing and approval of the Bank’s financing exposures and investment portfolios.

The Committee was established by the Board of Directors on 20th December 2022.

COMPOSITION OF THE COMMITTEE

The Committee comprises of Four members of the Board of Directors.

Members of the Committee as of 31st December 2024.

Name	Designation
Mr. Rajiv Nandlal Dvivedi	Chairman of BIC, Non-Executive Independent Director
Mr. Moez Baccar	Member of BIC, Non-Executive Director
Mr. Osman Kassim	Member of BIC, Non-Executive Director
Mr. Iyaz Waheed	Member of BIC, Non-Executive Independent Director

The Board Investment Committee was reconstituted effective from 27th October 2024 with the following changes:

- Mr. Rajiv Nandlal Dvivedi was appointed as the Chairman of BIC to replace Mr. Moez Baccar.
- Mr. Iyaz Waheed was appointed as a BIC member to replace Mr. Ahmed Ali.

Prior to the reconstitution on 27th October 2024, the following changes were brought to BIC during the year 2024.

- On 24th June 2024, Mr. Moez Baccar was appointed as the Chairman of BIC to replace Mr. Rajiv Nandlal Dvivedi.

DUTIES OF THE COMMITTEE

BIC is charged with the following responsibilities:

- Considering and reviewing and approving specific financing over and above the Management Financing & Investment Committee’s (FIC) authority limit, as determined by the Board from time to time.
- Reviewing and recommending specific financing over and above the BIC’s authority limit to the Board for approval.
- Reviewing and ensuring that the Bank complies with regulatory requirements regarding the grant of credit facilities.
- Handling such other issues referred to the Committee from time to time by the Board.

MEETINGS

The committee held three (3) meetings during the year under review.

Name	Attendance	%
Mr. Rajiv Nandlal Dvivedi	3/3	100%
Mr. Moez Baccar	3/3	100%
Mr. Osman Kassim	3/3	100%
Mr. Ahmed Ali	2/2	100%
Mr. Iyaz Waheed *	0/0	

* Mr. Iyaz Waheed was appointed to BIC after the last BIC meeting of 2024 was held.

ACTIVITIES OF THE COMMITTEE

- The Committee reviewed and recommended to the Board for approval 4 financing facilities amounting to MVR 172 million during the year.



Rajiv Nandlal Dvivedi
Chairman
Board Investment Committee



Photo by Hussain Niyaz, MIB Staff
Lined Road of Thoddoo: A long, straight road framed by towering coconut palms—one of Thoddoo's most iconic views.

SHARIÁH COMMITTEE

The Shariáh Committee of the Bank was formulated in July 2010, in compliance with Section 13 and 14 of the Regulation No. 2011/R-12 (Islamic Banking Regulation 2011), issued by the Maldives Monetary Authority. The Shariáh Committee is an independent body of scholars with extensive knowledge and experience in Shariáh law, Islamic economics and finance. The Bank's Shariáh Committee acts independently in providing its opinions with due regard to the regulations of MMA and the opinions of the Shariáh Council of MMA. All decisions of the Shariáh Committee are binding upon the Bank.

COMPOSITION OF THE COMMITTEE

The Committee comprises of three members.

Members of the Committee as of 31st December 2024

Name	Designation
Dr. Ejaz Ahmed Samadani	Chairman of the Shariáh Committee
Dr. Ibrahim Zakariyya Moosa	Member of Shariáh Committee
Prof Dr. Aishath Muneeza	Member of Shariáh Committee

The following changes were brought to the Shariáh Committee during the year 2024.

- Prof Dr. Aishath Muneeza was appointed as a member of the Shariáh Committee on 4th March 2024.
- Mufti Mohammed Ibrahim Mohammed Rizwe's term as member of the Shariáh Committee concluded on 23rd July 2024.

DUTIES OF THE COMMITTEE IN LIGHT OF THE SHARIÁH GOVERNANCE FRAMEWORK

1. The Shari'ah Committee has the responsibility to provide objective and sound advice to the IFI to ensure that its aims and operations, business, affairs and activities are in compliance with Shari'ah. Notwithstanding the requirements of section 14 of the regulation No. 2011/R-12 (Islamic Banking Regulation 2011). This shall include, but not be limited to:

1.1. Being responsible and accountable for all decisions, opinions and views provided by them.

1.2. Advising the Board and the IFI on Shari'ah matters in order for the IFI to comply with Shari'ah principles, this Framework and other relevant regulations and guidelines at all times.

2. Endorsing Shari'ah policies and procedures prepared by the IFI and to ensure that the contents do not contain any elements which are not in line with Shari'ah principles.

3. Endorsing and validating relevant documentation of the IFI. These shall include, but not be limited to:

3.1 The terms and conditions contained in the forms, contracts, agreements or other legal documentation used in executing transactions.

3.2 The product manual, marketing and advertisement materials, sales illustrations and brochures used to describe the product.

4. Assessing and overseeing the work carried out by the Shari'ah control function of the IFI in order to ensure compliance with Shari'ah matters.

5. Assisting related parties of the IFI such as its legal counsel, auditor or consultant seeking advice on relevant Shari'ah matters.

6. Overseeing the computation of zakat and any other fund to be channeled to charity by the IFI.

MEETINGS:

The committee shall meet as often as it determines, but not less frequently than four (4) times a year, with at least one meeting every quarter.

During the financial year 2024, a total of 6 Shari'ah Committee meetings were conducted. 4 meetings were conducted online, and 2 meetings were conducted physically.

Name	Attendance	%
Dr. Ejaz Ahmed Samadani	6/6	100%
Dr. Ibrahim Zakariyya Moosa	6/6	100%
Mufti Mohammed Ibrahim Mohammed Rizwe *	2/3	66.67%
Prof Dr. Aishath Muneeza **	5/5	100%

* Term ended on 23rd July 2024

** Appointed to Shariah Committee on 04th March 2024

ACTIVITIES OF THE SHARI'AH COMMITTEE

- Conducted four sessions of Advance Shari'ah Training for staff of the Bank.
- Conducted session on Moral and Ethical ways of interacting with customers for staff of the Bank.
- Conducted review of branch operations at Hithadhoo branch.
- Conducted awareness session on Islamic banking and finance at S.Hithadhoo.
- Attended Global Islamic Finance Summit and Awards held in Villa Nautica, Paradise Island, Maldives on 17th September 2024
- Attended the AAOIFI – IsDB 19th Annual Conference & Capacity Building Program held in Crowne Plaza Hotel, Bahrain, from 2nd to 6th November 2024.
- Revised process flow for Education Financing.
- Revised product Manual on Trade Financing.
- Endorsement of Bingaa Account concept paper and legal documents.
- Revised Marketing guideline
- Revised SOP on the Management of charity funds collected by MIB
- Revised sample selection criteria for Shari'ah review
- Endorsement of Charity Policy version 7

- Endorsement of General guidelines for restructuring and rescheduling
- Revised Shariáh Unit SOP
- Endorsement of Fraud Risk Management Policy
- Endorsement of Enterprise Risk Management Policy
- Endorsement of Expected Credit Loss Policy
- Revised Financing Risk Policy

SHARIÁH GOVERNANCE FRAMEWORK'S SIGNIFICANT COMPONENTS:

In order to ensure that the Bank's operations are Shariáh Compliant at all times, a Shariáh governance framework has been established and adopted in the Bank. The significant components of this Shariáh governance framework consist of the following:

- The Board of Directors perform oversight on Shariáh compliance aspects of the Bank's overall operations.
- The Shariáh Committee, an independent Committee approved by the Board of Directors, based on the nomination and recommendation of the Management, will endorse all the relevant documentation including policies, guidelines, procedures, Shariáh Review and Shariáh Audit Report, prior to the implementation, and provide sound Shariáh decisions.
- The Management shall be responsible for observing and implementing Shariáh rulings and decisions made by the Maldives Monetary Authority (MMA), Shariáh Council and the Shariáh Committee respectively and the management is responsible in providing adequate resources and capable manpower support to every function involved in the implementation of Shariáh governance, in order to ensure that the execution of business operations are in accordance with the Shariáh;
- In-house Shariáh Compliance Unit conducts quarterly Shariáh reviews on the process and the executions' conformity to the need of the Shariáh and provide the report to Shariáh Committee.
- Internal Audit Department conducts half yearly Shariáh Audit to confirm the key functions and business operations comply with Shariáh and provide the report to Shariáh Committee.
- The Shariáh non-compliant risk is being managed under operational risk management function of the Risk Management and Compliance Unit.
- In-house Shariáh Compliance Unit conducts Shariáh research on matters related to Shariáh; and
- Shariáh Secretariat issues and disseminates the decisions endorsed by Shariáh Committee to the relevant stakeholders.



Photo by Aminath Rim, MIB Staff
Traditions in Motion: A young girl in Dhivehi Libaas sweeps a sandy path, capturing a quiet moment of tradition.

PROFILES OF SHARI'AH COMMITTEE MEMBERS



Dr. Ejaz Ahmed Samadani

Chairman of Shari'ah Committee

Dr. Ejaz holds a degree of Doctorate in Philosophy from University of Karachi, Islamic Republic of Pakistan. He also holds a Master in Arts in Islamic Studies from University of Bahahud din Zakaria, Multan (Pakistan) and L.L.B from Sind Muslim Law college, Karachi. He completed his religious education of Al Shahat Ul Aalmia (16 years DARS E NIZAMI COURSE) in 2000, Under Wifaqul Madaris Al Arabia. Also, secured degree of Shahat Ul Takhassus Fi Alifta (Mufti degree) from Jamia Darul Uloom Karachi.

He also holds diploma in Islamic Banking and Finance from Centre for Islamic Economics working under the tutorage of the imminent Shari'ah Scholar Mufti Muhammad Taqi Usmani. He has also done some other diplomas and certificate courses in the field of Islamic Banking and Finance. Multi-lingual Dr. Ejaz is fluent in Arabic, Persian, Urdu and English.

As a Shari'ah scholar, Dr. Ejaz remained associated as the Shari'ah Advisor/ Shari'ah Board Member to a number of Islamic financial institutions and Investment Houses such as UBL Ameen Islamic Banking, BoP Taqwa Islamic Banking, Alflah GHP Islamic Fund and JS Islamic Pension Fund. Currently, in Pakistan he is associated as Member Shari'ah Board with HBL Islamic Banking division and MCF Alhamra Islamic Fund.

He is senior Faculty member at Jamia Uloom Karachi teaching different important subjects like Tafseer, Hadith, Islamic Jurisprudence, Modern Philosophy and Islamic Banking and Finance etc since 2003. He is also responsible to write Fatawa on multiple fields like Meeras(Inheritance), Marriage and Khula and Islamic Finance since 2001. He was part of committee responsible to translate AAOIFI Shari'ah Standard from Arabic to Urdu. He is also working with State Bank of Pakistan as Member Working Group and Review Committee to review the Standards being adopted by State Bank of Pakistan.

Given his knowledge, he lectured in a number of training Institutions such as Institute of Business and Administration-Centre for Excellence in Islamic Finance (IBA-CEIF), National Institute of Banking and Finance which is a training division of State Bank of Pakistan, KASB Institute of Technology, Professional Institute of Economics, National University of Science and Technology (NUST) and Hira Foundation Academy (HFA). He is also faculty member for the Centre of Economics (CIE), a division of Jamia Darul Uloom Karachi which is under the chairmanship of Mufti Muhammad Taqi Usmani.

His books on Islamic Banking covering the philosophy and the practical application on Takaful, Murabaha and Ijarah, among others, were invaluable sources of reference for bankers and practitioners. Moreover, his other books also provide guidelines in different fields of life. He has also written books on Astronomy, Modern Philosophy, Ushr(Agriculture Zakat), Shari'ah Issues regarding trading Joint Stock Companies, Joint Family System etc. Considering the demand of his books, some of the publications has been translated in English, Persian, Pashto and Maldivian national Language Dhivehi.

As a member and Chairman of the Shari'ah Committee of Maldives Islamic Bank (MIB) since 2011, Dr. Ejaz is instrumental in providing Shari'ah guidance and supervision and has issued a number of Fatwas on Islamic Banking operations and documentation to MIB.



Dr. Ibrahim Zakariyya Moosa

Member of Shari'ah Committee

Dr. Ibrahim Zakariyya Moosa is the former Vice Chancellor of Islamic University of Maldives. As a Shari'ah scholar, Dr. Ibrahim Zakariyya Moosa serves as a member of Shari'ah advisory committee of several financial institutions in Maldives. He lectures on Islamic Shari'ah and law in Islamic University of Maldives at tertiary, undergraduate and postgraduate levels.

He was formerly the rector of the former College of Islamic Studies and Dean of the Center of Post-graduate Studies of Islamic University of Maldives. He has also served as a member of parliament for fifteen years. He delivers motivational talks, academic lectures and Islamic speeches to different target groups regularly for more than 30 years. He has been producing and presenting radio and television programs and talk shows on Islam, financial matters and social issues constantly.

He has obtained a PhD in Fiqh and Usul al-Fiqh from the International Islamic University Malaysia. He also holds a master's degree in Fiqh from the same University and a bachelor's degree in Islamic Shari'ah from the Islamic University of Madinah.

He has written different textbooks on Islamic Studies that are used in secondary schools in Maldives. He also wrote and translated different books on Islam. Some of the finest publications of Dr. Zakariyya include a translation written on Islamic Finance, "An

Introduction to Islamic Finance" by Mufti Muhammad Taqi Usmani and "Murabaha" by Dr. Ejaz Ahmed Samadani. He has participated in many international conferences and symposiums as a keynote speaker and presented papers on Islamic Jurisprudence and Islamic finance.

As a member of the Shari'ah Committee of MIB since 2014, Dr. Zakariyya is instrumental in providing Shari'ah guidance and supervision and has issued a number of Fatwas on Islamic Banking operations and documentation to MIB.



Professor Dr. Aishath Muneeza

Member of Shari'ah Committee

Prof. Dr. Aishath Muneeza of INCEIF University who is currently the Associate Dean for Students and Internationalization has held various prestigious positions throughout her career, including serving as the first female Deputy Minister of the Ministry of Islamic Affairs in Maldives and Deputy Minister of the Ministry of Finance and Treasury in Maldives. Additionally, she has contributed significantly to the development of Islamic finance in Maldives by holding key roles such as Head of Islamic Finance at the Capital Market Development Authority of Maldives, member of the Islamic Fiqh Academy (National Fatawa Council of Maldives), and Chairman of the board of Maldives Hajj Corporation Limited. She was also the chairman of the board of Maldives Center for Islamic Finance, a hundred percent government owned company created to strategise Maldives as the hub for Islamic finance in South Asia. Prof. Dr. Muneeza's expertise extends to consultancy in Islamic finance, where she pioneered the development of the first Shari'ah-compliant Islamic microfinance scheme, in the country. Furthermore, she has played a crucial role as the Shari'ah Advisor in structuring corporate sukuk offerings and Islamic treasury instruments for both public and private entities in Maldives. Her vast experience also includes drafting the Islamic capital market legal framework for the country.

Currently, Prof. Dr. Aishath Muneeza serves as a Shari'ah Committee member for Munich Re, Housing Development Finance Corporation Ltd, CIMB Islamic, and Maldives Islamic Bank. She is also an Independent Director on the Board of Amana Takaful Maldives, the only full-fledged takaful provider in the Maldives. She previously held the position of Chairman at Ayady Takaful of Allied Insurance Maldives and served on their Shari'ah Committee for a decade.

Since 2013, Prof. Dr. Muneeza has been a registered Shari'ah Adviser with the Capital Market Development Authority of Maldives, specializing in structuring Islamic capital market products. Additionally, she holds the title of registered Shari'ah Adviser at the Securities Commission of Malaysia and is recognized as an accredited Shari'ah Scholar under the Securities and Exchange Commission of Sri Lanka. From 2011 to 2022, she chaired the apex Shari'ah Advisory Council of the Capital Market Development Authority of Maldives and served as the chairperson of various in-house Shari'ah advisory committees. She also contributes her expertise as a member of the Public Interest Monitoring Consultative Committee (PIMCC) of the Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI), Bahrain. Moreover, she serves as an EXCO member of the Association of Shari'ah Advisors in Islamic Finance (ASAS), Malaysia. Her academic affiliations include being an Associate Research Fellow at the International Research Centre of Islamic Economics and Finance (IRCIEF), University Islam Selangor, and an Associate Researcher at the Centre of Excellence in Islamic Social Finance (CoEISF), INCEIF. Additionally, she currently holds the position of Senior Islamic Finance Advisor for UNFPA, Malaysia.

Prof. Dr. Muneeza is a sought-after speaker at Islamic finance events worldwide. She is a certified training professional accredited by the Finance Accreditation Agency (FAA). She has been honored with numerous national and international awards for her unwavering dedication to the advancement of the Islamic finance industry in the Maldives. These accolades include the Rehendhi Award in 2018 for her outstanding contributions to the development of Islamic finance. She is acknowledged in Islamica 500 as an influential figure in Islamic economics.

As a member of the Shari'ah Committee of Maldives Islamic Bank (MIB) since 2024, Prof. Dr. Muneeza is instrumental in providing Shari'ah guidance and supervision and has issued a number of Fatwas on Islamic Banking operations and documentation to MIB.

SHARIÁH COMMITTEE ANNUAL REPORT



Shariáh Committee's Annual Report (For Financial year 2024)

To the Shareholders of Maldives Islamic Bank PLC.

Assalamualaikum Wa Rahmatullah Wa Barakatuh.

Alhamdulillah, Maldives Islamic Bank PLC (MIB/the Bank) has successfully completed its 14 years of Islamic Banking operations. By the grace of Allah Almighty, during the year, MIB has experienced significant growth in terms of operational expansions, business profitability, and market penetration.

The Board of Directors (BOD) and the Management are responsible for ensuring that the Bank's operations are in accordance with Shariáh. It is our responsibility to form an independent opinion, based on our review of the operations of the Bank, and to report to the Shareholders of the Bank. Shariáh Committee (SC) hereby submits its report on the overall Shariáh compliance environment of MIB and the major developments that took place during the year.

1. SHARIÁH COMMITTEE MEETINGS:

In line with Shariáh Governance Manual of Maldives Islamic Bank, the SC is required to meet at least on quarterly basis. Hence, during the financial year 2024, a total of **Six (6)** meetings (were conducted either physically or via online. All SC members participated in the meetings and the minutes of the meetings, after duly signed by SC, were sent to all the stakeholders for enforcement of the decisions made by the SC. In addition to this, various discussions were held through teleconference meetings regarding matters related to Product Development and Shariáh Compliance.

2. SHARIÁH COMPLIANCE UNIT (SCU):

Shariáh compliance remained a high priority in all activities to ensure that banking operations align with Shariáh principles. The SCU of the Bank served as an effective channel between the Management and the SC. SCU conducted Internal Shariáh Review on quarterly basis on the matters which are directly or indirectly related to Shariáh. Shariáh Review reports were presented to SC for ratification as well as for SC opinion.

SCU has played a vital role in identifying the Shariáh issues, ensuring Shariáh compliance, and facilitating effective communication between the Shariáh Committee and the Executive Management.

3. PRODUCTS AND SERVICES LAUNCHED AND REVISED:

In 2024, the following documents related to new the products were enacted and the existing products were revised after approval by the SC.

3.1. ASSET SIDE

3.1.1. Consumer products:

3.1.1.1. Revised Products

3.1.1.1.1. Revised Process flow for Education Financing

3.1.2. Business Products:

3.1.2.1. Revised product Manual on Trade Financing

3.2. LIABILITIES SIDE

3.2.1.1. Bingaa Account concept paper and legal documents

4. POLICIES AND OTHER MANUALS

- 4.1. Revised Marketing guideline
- 4.2. Revised SOP on the Management of charity funds collected by MIB
- 4.3. Revised sample selection criteria for Shariáh review
- 4.4. Charity Policy version 7
- 4.5. General guidelines for restructuring and rescheduling
- 4.6. Revised Shariáh Unit SOP
- 4.7. Fraud Risk Management Policy
- 4.8. Enterprise Risk Management Policy
- 4.9. Expected Credit Loss Policy
- 4.10. Revised Financing Risk Policy

5. PROFIT & LOSS DISTRIBUTION AND POOL MANAGEMENT:

During the year, profit distribution mechanism, i.e. pool calculations and weightages were discussed with the SC and were verified accordingly. Internal Audit department (IAD) conducted its post distribution audit and presented its report to SC for opinions where required.

6. TRAINING:

During the year 2024, 9 training sessions were conducted and 533 staff members were trained from MIB on basic concepts of Islamic Banking, Islamic Banking Products & Services and Islamic Banking Branch Operations.

Trainings were conducted by staff of SCU and SC members.

In order to further reinforce training culture in the bank, some training sessions were conducted via Udemy training platform. The training presentations were provided during the training sessions as a source of future reference. Assessments were conducted after the training sessions and the results are now an integral part of performance appraisals for all the relevant staff.

7. OTHER ACTIVITIES:

7.1 Hithadhoo Branch Visit

During the year 2024, SC members together with staff from SCU have visited Hithadhoo branch. The activities conducted by SC includes the review of Branch operations, visit to the Ujalaa Financing Dealers and conducted a public awareness session on Islamic Banking and Finance.

7.2 Capacity development of the SC Members.

During the year of 2024, the SC Members have attended the following, under the capacity development program of the Bank:

- 7.2.1. Global Islamic Finance Summit and Awards held in Villa Nautica, Paradise Island, Maldives on 17th September 2024.

7.2.2. The AAOIFI – IsDB 19th Annual Conference & Capacity Building Program held in Crowne Plaza Hotel, Bahrain, from 2nd to 6th November 2024.

8. SHARIÁH OPINION:

To form our opinion as expressed in this report, we have reviewed the Shariáh Review reports of the SCU and Shariáh Audit report of the IAD of the Bank. SCU has reviewed different types of transactions and the relevant documentation and procedures adopted by the Bank. SCU has planned and performed Shariáh reviews and IAD has planned and performed Shariáh audits to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the Bank's business activities were conducted in compliance with the principles of Shariáh.

During the year, 4 quarterly Shariáh reviews has been conducted by SCU and 2 half yearly Shariáh Audits has been conducted by IAD. Report of each Review and Audit was shared with Management of the Bank for rectification and compliance. SCU submitted its reports to Shariáh Committee quarterly for ratification. The reports contained details of all Shariáh reviews, any issue resolved outside the SC meetings, and any documents approved via circulation, which are subsequently ratified by the Shariáh Committee in the following SC meetings.

Based on above, we are of the view that:

- A. The contracts, transactions and dealings pertaining to the Bank's activities during the year ending on December 31, 2024, which we have reviewed, generally compliant with Shariáh. Nothing has come to the Shari'ah Committee's attention that causes the Shari'ah committee to believe that the operations, business, affairs and activities of the Bank involve any material Shari'ah non-compliances.
- B. We have noted areas in the mode of operation and documentation for certain financing transactions of the Bank that require rectification. These areas have been highlighted in the annual Shariáh audit report, and we have provided guidelines to implement the necessary improvements.
- C. On the management of the Mudaraba Pool (Liability Side), we found that the allocation of profit and charging of losses relating to Mudaraba investment accounts generally conform to the policies and procedures approved by the Shariáh Committee.
- D. During the year, an amount of MVR 30,790 (Maldivian Rufiyaa thirty thousand, seven hundred ninety) was credited to the charity account due to Shariáh violations. A total amount of MVR 934,647.27 (Maldivian Rufiyaa, nine hundred thirty-four thousand, six hundred forty-seven and twenty-seven hundredths) was received as charity resulting mainly from customer undertakings in cases of late payment. This amount was subsequently credited to the designated charity account.

Based on the robustness of the Shariáh Compliance Unit and the comprehensive policies and guidelines issued to the Bank to ensure Shariáh compliance, we are confident that an effective mechanism is in place to ensure Shariáh compliance in overall operation of the Bank.

May Allah Subhanahu Wa Ta'alah grant us with the best Tawfeeq to accomplish His cherished tasks, make us successful in this world and in the life hereafter, and forgive our shortcomings.

Wallahu A'lam.

Wassalamualaikum Wa Rahmatullah Wa Barakatuh

12th March 2025

.....
Dr. Ejaz Ahmed Samadani
Chairman

.....
Prof Dr. Aishath Muneeza
Member

.....
Dr. Ibrahim Zakariyya Moosa
Member



Photo by Shaan Naseem, MIB Staff
HDh. Kattalafushi Island: A small round island wrapped in swirling ocean current, perfectly framed by nature.

AUDITED FINANCIAL STATEMENTS



Deloitte Partners
H.Thandiraimage, 3rd floor
Roshanee Magu
Malé, Republic of Maldives

Tel: +960 3318342, 3336046
Fax: +960 3314601
www.deloitte.com

Independent auditor's report

To the Shareholders of Maldives Islamic Bank Plc

Our opinion

We have audited the financial statements of Maldives Islamic Bank Plc (the "Bank"). The financial statements of the Bank comprise:

- the statement of financial position as at 31 December 2024;
- the statement of comprehensive income for the year then ended;
- the statement of changes in equity for the year then ended;
- the statement of cash flows for the year then ended; and
- the notes to the financial statements, which include a summary of material accounting policy information.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Bank as at 31 December 2024, and of its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by International Accounting Standards Board.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Bank in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code). We have fulfilled our other ethical responsibilities in accordance with the IESBA Code.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

C.S. Manoharan FCA, T.U. Jayasinghe FCA, Jatindra Bhatray FCA, Prasanta Misra FCA, Mohamed Siraj Muneer FCA

Regd. Office: H.Thandiraimage, 3rd floor, Roshanee Magu, Malé, Republic of Maldives. Reg. No.: P-0689/1980

Key audit matter	How our audit addressed the Key audit matter
<p>Impairment of receivable from financing activities</p>	
<p>As at 31 December 2024, 50.1 % of the total assets of the bank consisted of receivables from financing activities amounting to MVR 5.7 billion shown net of loss allowance of MVR 146.8 million.</p>	<p>Specific work that we performed on the loss allowance on receivables from financing activities recognised by management included the following:</p>
<p>The Bank adopts an individual impairment assessment approach for individually significant credit impaired receivables from financing activities and a collective impairment assessment approach for receivables from financing activities which are not individually significant and credit impaired. Individual impairment is based on assessing the amount and timing of estimated future cashflows from collateral.</p>	<ul style="list-style-type: none"> - Tested the completeness of the receivables from financing activities considered in the loss calculation by checking the mathematical accuracy of the listing obtained and matched the outstanding balances with the general ledger. - Tested the receivables from financing activities in stage 1, 2 and 3 on a sample basis to verify they were classified to the appropriate stage in accordance with IFRS 9.
<p>Under the collective approach, the Bank applies 3 stage model and allocates receivables to stage 1,2,3 using criteria in accordance with IFRS 9 and calculates expected credit loss (ECL) allowance by using following key inputs: probability of default (PD), loss given default (LGD) and exposure at default (EAD).</p>	<ul style="list-style-type: none"> - Assessed the reasonableness of management’s estimated future recoveries of individual customer receivable from financing activities including the expected future cash flows, discount rates and valuation of collateral held by testing the key underlying assumptions and evaluating the process by which those were drawn up.
<p>PD is determined at segment level using historical collection trends, credit migration rate in the Markov chain approach. The data used to derive the PD is based on the Bank’s own experience at the reporting date. The output PD is then adjusted to reflect macro-economic conditions of Maldives using score card approach. The LGD used for segments is driven by estimation of loss rates, taking into account the Bank’s history from internal debt collection activities and customer repayments. The Bank formulates and incorporates multiple forward looking scenarios reflecting management views of potential future</p>	<ul style="list-style-type: none"> - Tested the accuracy and completeness of underlying information in receivable from financing activities used in the expected financing activities loss allowance calculation, such as disbursed and undisbursed facility amounts, deposits, values of the collateral, aging and tenure periods by agreeing details with the respective customer statements and files on a sample basis. - Tested the methodology applied in the loss allowance calculation including the ECL model by checking compliance with the requirements of IFRS 9, Financial instruments; recognition and measurement, and also considered

economic developments into ECL estimates involve use of significant judgements.

Significant estimates and assumptions used by the management in such calculations and the basis for impairment allowance is disclosed in Note 12 and 37.

The loss allowance in respect of receivables from financing activities represent management's best estimate of the impairment loss incurred and expected within the receivable portfolio at the reporting date.

We have identified expected credit loss allowance for receivables from financing activities as a key audit matter as the calculation of the loss allowance is a complex area and requires management to make significant assumptions and judgements.

reasonableness of macro-economic and other factors used by the management by comparing them with publicly available data and information sources.

- Assessed the adequacy of the related financial statement disclosures as set out on Notes 12 and 37 for compliance with required IFRS 9 disclosures.

Other information

Management is responsible for the other information. The other information comprises the Annual Report for the year ended 31 December 2024 but does not include the financial statements and our auditor's report thereon which is expected to be made available to us after the date of this auditors' report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of management and those charged with governance for the financial statements

Management is responsible for the preparation of the financial statements that gives true and fair view in accordance with the IFRS Accounting Standards as issued by International Accounting Standards Board, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Bank's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Bank to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Bank's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Bank's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Bank to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Deloitte.

We also provide those charged with governance with a statement that we have complied with ethical requirements in accordance with the Code of Ethics regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Mohamed Siraj Muneer.

MALE`

22 March 2025

For DELOITTE PARTNERS



Mohamed Siraj Muneer
Partner

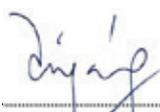
STATEMENT OF FINANCIAL POSITION

AS AT 31ST DECEMBER 2024

	Note	2024 MVR	2023 MVR
ASSETS			
Cash and balances with other banks	7	416,135,436	419,351,119
Balances with Maldives Monetary Authority	8	1,620,234,331	921,280,143
Due from banks	9	153,992,319	-
Investments in equity securities	10	127,000,000	112,500,000
Investments in other financial instruments	11	2,897,867,398	2,277,083,866
Net receivables from financing activities	12	5,744,456,182	4,105,764,559
Property and equipment	13	118,284,687	91,979,547
Right-of-use assets	14	105,995,474	115,065,782
Intangible assets	15	12,014,527	11,292,622
Other assets	16	261,404,312	176,377,600
Deferred tax asset	34.5	5,020,273	4,193,876
Total assets		11,462,404,939	8,234,889,114
LIABILITIES			
Customers' accounts	17	9,127,012,881	6,837,876,381
Due to banks and other financial institutions	18	955,364,134	258,051,674
Provisions	19	3,051,972	7,097,459
Current tax liability	34	64,753,647	39,560,190
Lease liabilities	20	85,558,849	90,556,067
Other liabilities	21	75,001,643	73,631,800
Total liabilities		10,310,743,126	7,306,773,571
EQUITY			
Share capital and share premium	22	337,500,070	337,500,070
Statutory reserve	24	150,000,000	150,000,000
Non-distributable capital reserve	25	17,402,318	16,108,242
Fair value reserve	10	60,000,000	49,125,000
Retained earnings		586,759,425	375,382,231
Total equity		1,151,661,813	928,115,543
Total liabilities and equity		11,462,404,939	8,234,889,114
Commitments	42	1,272,476,204	1,414,983,971
Net asset value per share		51.18	41.25

The financial statements are to be read in conjunction with the related notes which form an integral part of the financial statements of the Bank set out on pages 156 to 225. The report of the independent auditors is given on pages 147 to 151.

These financial statements were approved by the Board of Directors and signed on its behalf by:


 Mr. Ali Wasif
 Chief Financial Officer


 Mr. Mufaddal Idris Khumri
 Managing Director /
 Chief Executive Officer


 Mr. Iyaz Waheed
 Chairman of
 Board Audit Committee

19th March 2025
 Male'

MALDIVES ISLAMIC BANK PLC

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31ST DECEMBER 2024

	Note	2024 MVR	2023 MVR
Income from financing activities using the effective profit method	26.1	599,348,633	401,763,833
Profit paid on customer accounts and others	26.2	(130,642,491)	(77,468,213)
Net profit earned from financing activities		468,706,142	324,295,620
Fee and commission income	27.1	145,540,120	75,122,199
Fee and commission expense	27.2	(32,999,413)	(13,490,924)
Net fee and commission income		112,540,707	61,631,275
Net foreign exchange (loss)/gain	28	(99,170)	305,875
Income from investments in equity securities	29	5,001,000	4,726,400
Net income from other financial instruments	30	123,108,004	84,601,096
Total operating income		709,256,683	475,560,266
Net impairment losses on financial assets	12.4	(30,925,156)	(23,097,696)
Personnel expenses	31	(155,130,103)	(115,583,135)
General and administrative expenses	32	(110,528,936)	(67,826,287)
Depreciation and amortization	33	(43,788,092)	(35,312,343)
Total operating expenses including impairment provision		(340,372,287)	(241,819,461)
Profit before tax		368,884,396	233,740,805
Income tax	34.1	(90,963,106)	(57,210,772)
Profit for the year		277,921,290	176,530,033
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Movement in fair value reserve (equity instruments):			
Net change in fair value - equity investment at FVOCI	10.2	14,500,000	10,400,000
Income tax related to net change in fair value of equity investment	34.5	(3,625,000)	(2,600,000)
		10,875,000	7,800,000
Total other comprehensive income, net of tax		10,875,000	7,800,000
Total comprehensive income		288,796,290	184,330,033
Basic and diluted earnings per share	35.1	12.35	7.85

Figures in brackets indicate deductions

The financial statements are to be read in conjunction with the related notes which form an integral part of the financial statements of the company set out on pages 156 to 225. The report of the independent auditors is given on pages 147 to 151.

STATEMENT OF CHANGES IN EQUITY

AS AT 31ST DECEMBER 2024

	Share capital and premium MVR	Statutory reserve MVR	Non distributable capital reserve MVR	Fair value reserve MVR	Retained earnings MVR	Total MVR
As at 1st January 2023	337,500,070	150,000,000	23,775,443	41,325,000	230,560,010	783,160,523
Profit for the year	-	-	-	-	176,530,033	176,530,033
Other comprehensive income						
Equity instruments at FVOCI - Change in fair value (Note 10.2)	-	-	-	10,400,000	-	10,400,000
Recognition of deferred tax impact on fair value change (Note 34.5)	-	-	-	(2,600,000)	-	(2,600,000)
Total comprehensive income for the year	-	-	-	7,800,000	176,530,033	184,330,033
(Release) / recognition of non-distributable capital reserve (Note 25)	-	-	(7,667,201)	-	7,667,201	-
Transaction with owners of the bank						
Dividends (Note 22.4)	-	-	-	-	(39,375,013)	(39,375,013)
As at 31st December 2023	337,500,070	150,000,000	16,108,242	49,125,000	375,382,231	928,115,543
As at 1st January 2024	337,500,070	150,000,000	16,108,242	49,125,000	375,382,231	928,115,543
Profit for the year	-	-	-	-	277,921,290	277,921,290
Other comprehensive income						
Equity instruments at FVOCI - Change in fair value (Note 10.2)	-	-	-	14,500,000	-	14,500,000
Recognition of deferred tax impact on fair value change (Note 34.5)	-	-	-	(3,625,000)	-	(3,625,000)
Total comprehensive income for the year	-	-	-	10,875,000	277,921,290	288,796,290
(Release) / recognition of non-distributable capital reserve (Note 25)	-	-	1,294,076	-	(1,294,076)	-
Transaction with owners of the bank						
Dividends (Note 22.4)	-	-	-	-	(65,250,020)	(65,250,020)
As at 31st December 2024	337,500,070	150,000,000	17,402,318	60,000,000	586,759,425	1,151,661,813

Figures in brackets indicate deductions.

The financial statements are to be read in conjunction with the related notes which form an integral part of the financial statements of the Company set out on pages 156 to 225. The Report of the Independent Auditors is given on pages 147 to 151.

MALDIVES ISLAMIC BANK PLC
STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31ST DECEMBER 2024

	2024	2023
Note	MVR	MVR
Cash flows from operating activities		
Profit before tax	368,884,396	233,740,805
Adjustments for:		
Depreciation and amortization	33 43,788,092	35,312,343
Net impairment loss on financial assets	12.4 30,925,156	23,097,696
Net impact of modification of financial assets measured at amortised cost	26.1 (353,155)	1,801,179
Dividend income on equity securities	29 (5,001,000)	(4,726,400)
Profit on disposal of right-of-use asset and lease liability	-	(98,446)
Loss / (gain) on disposal of property and equipment	-	44,911
Written off of property and equipment	13 -	2,544
Written off of intangible assets	15 -	399,941
Profit expense on inter-bank financing	26.2 21,081,074	5,235,927
Operating profit before working capital changes	459,324,563	294,810,500
Changes in;		
Customers' accounts	17 2,289,136,500	1,693,255,440
Other assets	16 (85,026,712)	(65,104,641)
Other liabilities	21 887,428	30,593,526
Net receivables from financing activities	12 (1,673,172,817)	(1,304,896,985)
Due from banks	9 (154,026,975)	-
Investment in other financial instrument	11 (621,127,279)	(361,771,845)
Cash (used in) / generated from operations	215,994,708	286,885,995
Dividend received	29 5,001,000	4,726,400
Profit paid on inter-bank financing	(48,768,614)	(3,631,876)
Tax paid	34.4 (70,221,046)	(58,961,917)
Net cash (used in) / generated from operating activities	102,006,048	229,018,602
Cash flows from investing activities		
Acquisition of property and equipment	13 (49,202,043)	(47,971,108)
Acquisition of intangible assets	15 (6,206,515)	(4,446,685)
Net movement in minimum reserve requirement of MMA	8 (183,030,079)	(179,328,644)
Net cash used in investing activities	(238,438,637)	(231,746,437)
Cash flows from financing activities		
Principal element of lease liability paid	20 (11,333,489)	(9,218,095)
Interbank Wakalah placement / (settlement)	725,000,000	225,000,000
(Payments) / fundings during the year	-	(61,580,000)
Dividends paid during the year	(64,767,606)	(42,347,078)
Net cash generated from / (used in) financing activities	648,898,905	111,854,827
Net increase / (decrease) in cash and cash equivalents	512,466,316	109,126,992
Cash and cash equivalents at beginning of the year	679,831,850	570,704,858
Cash and cash equivalents at end of the year	7.2 1,192,298,166	679,831,850

Figures in brackets indicate deductions.

The financial statements are to be read in conjunction with the related notes which form an integral part of the financial statements of the Company set out on pages 156 to 225. The Report of the Independent Auditors is given on pages 147 to 151.

1. REPORTING ENTITY

Maldives Islamic Bank Public Limited Company (the "bank") was incorporated and domiciled in the Republic of Maldives since 01st April 2010 as a private limited liability company and presently governed under the Companies' Act No.7 of 2023 and Maldives Banking Act No 24 of 2010. The bank received the banking license under the Maldives Monetary Authority Act No. 6 of 1981 on 02nd August 2010 to conduct Islamic banking business in the Maldives and obtained certificate of approval to commence operations on 06th March 2011. The bank subsequently converted to a Public Company on 19th June 2019 under the Companies Act and the bank listed its shares on the Maldives Stock Exchange on 17th November 2019. The registered office of the bank is at H. Medhuziyaaraydhoshuge, 20097, Medhuziyaaraiy Magu, Male' City, Republic of Maldives.

The bank provides full range of banking services based on Shari'ah principles including accepting deposits, granting of financing facilities and other ancillary services.

2. BASIS OF PREPARATION

i. Statement of compliance

These financial statements have been prepared and presented in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board ("IASB"). They were authorised for issue by the bank's Board of Directors on 19th March 2025.

ii. Functional and presentation currency

These financial statements are presented in Maldivian Rufiyaa, which is the bank's functional currency. All amounts have been rounded to the nearest Rufiyaa, except when otherwise indicated.

iii. Use of judgements and estimates

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of the bank's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

A. Judgements

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements is included in the following notes.

- establishing the criteria for determining whether credit risk on the financial assets has increased significantly since initial recognition, determining the methodology for incorporating forward-looking information into the measurement of ECL and selection and approval of models used to measure ECL.
- classification of financial assets: assessment of the business model within which the assets are held and assessment of whether the contractual terms of the financial asset are SPPP on the principal amount outstanding.

2. BASIS OF PREPARATION (CONTINUED)

B. Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ended 31st December 2024 is included in the following notes.

- impairment of financial instruments: determination of inputs into the ECL measurement model, including key assumptions used in estimating recoverable cash flows and incorporation of forward-looking information.
- measurement of the fair value of financial instruments with significant unobservable inputs.
- recognition and measurement of contingencies: key assumptions about the likelihood and magnitude of an outflow of resources.

C. Going concern

The Board has made an assessment of the bank's ability to continue as a going concern and are satisfied that it has the resources to continue in business for the foreseeable future. Furthermore, the Board is not aware of any material uncertainties that may cast significant doubt upon the bank's ability to continue as a going concern and it does not intend either to liquidate or to cease operations of the bank. Therefore, the financial statements continue to be prepared on the going concern basis.

3. CHANGE IN ACCOUNTING POLICY

Except for the described accounting policies below, the applied accounting policies in these financial statements are the same as those applied in the financial statements as at and for the year ended 31st December 2024.

The following amendments to IFRS have been applied by the bank in preparation of these financial statements. The below were effective from 1st January 2024:

(a) New and amended accounting standards adopted by the bank

The bank has applied the following standards and amendments for the first time for their annual reporting periods commencing 1 January 2024. Most of the amendments listed below did not have any significant impact on amounts recognised in prior periods and are not expected to significantly affect current or future periods. The bank did not have to change its accounting policies or make retrospective adjustments as a result of adopting these standards:

- Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures titled Supplier Finance
- Arrangements Amendments to IAS 1 Classification of Liabilities as Current or Non-current
- Amendments to IAS 1 Presentation of Financial Statements— Non-current Liabilities with Covenants

3. CHANGE IN ACCOUNTING POLICY (CONTINUED)

(b) New and amended standards and interpretations issued but not yet effective

A number of new standards are effective for annual periods beginning after 1 January 2024 and earlier application is permitted; however, the bank has not early adopted the new or amended standards in preparing these financial statements.

The following amended standards and interpretations are not expected to have a significant impact on the bank's financial statements.

- Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates titled Lack of Exchangeability
- IFRS 18 Presentation and Disclosures in Financial Statements
- IFRS 19 Subsidiaries without Public Accountability: Disclosures

4. MATERIAL ACCOUNTING POLICY INFORMATION

4.1 Foreign currency transactions

Transactions in foreign currencies are translated into the functional currency (Maldivian Rufiyaa) at the exchange rate at the date of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated into Maldivian Rufiyaa at the exchange rate at the reporting date. For financial reporting, the bank uses the mid-rate between the selling and buying rate for foreign currencies prevailing at the reporting date. The foreign currency gain or loss on monetary items is the difference between the amortised cost in the functional currency at the beginning of the year, adjusted for effective profit, impairment and payments during the year, and the amortised cost in the foreign currency translated at the spot exchange rate at the end of the year.

Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into Maldivian Rufiyaa at the exchange rate when the fair value is determined. Non-monetary items that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction.

Foreign currency differences arising on translation are generally recognised in profit or loss.

4.2 Profit

i. Effective profit rate

Profit income and expense are recognised in profit or loss using the effective profit method. The 'effective profit rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

- The gross carrying amount of the financial asset; or
- The amortised cost of the financial liability.

When calculating the effective profit rate for financial instruments other than purchased or originated credit-impaired assets, the bank estimates future cash flows considering all contractual terms of the financial instrument, but not expected credit losses. For purchased or originated credit-impaired financial assets, a credit-adjusted effective profit rate is calculated using estimated future cash flows including expected credit losses.

4. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)**4.2 Profit (continued)****i. Amortised cost and gross carrying amount (continued)**

The calculation of the effective profit rate includes transaction costs and fees and points paid or received that are an integral part of the effective profit rate. Transaction costs include incremental costs that are directly attributable to the acquisition or issue of a financial asset or financial liability.

ii. Amortised cost and gross carrying amount

The 'amortised cost' of a financial asset or financial liability is the amount at which the financial asset or financial liability is measured on initial recognition minus the principal repayments (payments), plus or minus the cumulative amortisation using the effective profit method of any difference between that initial amount and the maturity amount and, for financial assets, adjusted for any expected credit loss allowance. The 'gross carrying amount of a financial asset' is the amortised cost of a financial asset before adjusting for any expected credit loss allowance.

iii. Calculation of profit income and expense

The effective profit rate of a financial asset or financial liability is calculated on initial recognition of a financial asset or a financial liability. In calculating profit income and expense, the effective profit rate is applied to the gross carrying amount of the asset (when the asset is not credit impaired) or to the amortised cost of the liability. The effective profit rate is revised as a result of periodic re-estimation of cash flows of floating rate instruments to reflect movements in market rates of profit.

However, for financial assets that have become credit-impaired subsequent to initial recognition, profit income is calculated by applying the effective profit rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of profit income reverts to the gross basis.

For financial assets that were credit-impaired on initial recognition, profit income is calculated by applying the credit-adjusted effective profit rate to the amortised cost of the asset. The calculation of profit income does not revert to a gross basis, even if the credit risk of the asset improves.

The bank recognises its income from financing and investment activities as follows;

- Income on financing contracts of Murabahah and Istisna' is recognised on time apportioned basis over the period and the profit rate is determined in advance upon agreement of all parties.
- Income from Diminishing Musharakah is recognised on bank's share of investment over the period based on the profit rate determined in advance upon agreement of all parties.
- Income on Mudarabah financing is recognised when the right to receive payment is established or distribution by the Mudarib. In case of losses in Mudarabah, the bank's share of losses are deducted from its share of Mudarib capital. The bank's share as a Mudarib is accrued based on the terms and conditions of the related Mudarabah agreements.
- Income from short-term placements is recognised on a time-apportioned basis over the period of the contract using the effective profit rate method. The effective profit is the rate that exactly discounts the estimated future cash payments and receipts through the expected life of a financial asset or liability (or, where appropriate, a shorter period) to the carrying amount of the financial asset or liability. The effective profit rate is established on initial recognition of the financial asset and liability and is not revised subsequently.

4. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)**4.2 Profit (continued)****iii. Calculation of profit income and expense (continued)**

- Placement fees income for arranging a financing between a financier and investor and other investment income are recognised on an accrual basis.
- Income from dividends is recognised when the right to receive the dividend is established.

Presentation

Profit income calculated using the effective profit method presented in the statement of profit or loss includes:

- Profit on financial assets and financial liabilities measured at amortised cost.
- Profit income on other financial assets mandatorily measured at FVTPL are presented in net income from other financial instruments at FVTPL.

Profit expense presented in the statement of profit or loss includes:

- Financial liabilities measured at amortised cost.

4.3 Fees and commission

Fee and commission income and expenses that are integral to the EIR (Effective Interest (Profit) Rate) of a financial asset or financial liability are capitalised and included in the measurement of the EIR (Effective Interest (Profit) Rate) and recognised in the income statement over the expected life of the instrument.

Other fee and commission income, including card operations fees, investment management fees and commission on trade services are recognised as the related services are performed.

As per IFRS 15, the bank adopts principles based five step model for revenue recognition. Accordingly, revenue is recognised only when all of the following criteria are met.

- The parties to the contract have approved the contract/s;
- The entity can identify each party's rights regarding the goods or services to be transferred;
- The entity can identify the payment terms for the goods or services to be transferred;
- The contract has commercial substance;
- It is probable that the entity will collect the consideration to which it will be entitled in exchange for the goods or services that will be transferred to the customer.

The scope of IFRS 15 is limited to fees and commission revenue of the bank.

4.4 Net income from other financial instruments at fair value through profit or loss

Net income from other financial instruments at FVTPL relates to financial assets designated as at FVTPL. The line item includes fair value changes and profit for the period.

4. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

4.5 Dividend income

Dividend income is recognised when the right to receive income is established. Usually, this is the ex-dividend date for quoted equity securities. Dividend incomes are presented in the profit or loss.

Dividends on equity instruments designated as at FVOCI that clearly represent a recovery of part of the cost of the investment are presented in OCI.

4.6 Leases

At inception of a contract, the bank assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the bank uses the definition of a lease in IFRS 16.

Bank acting as a lessee

At commencement or on modification of a contract that contains a lease component, the bank allocates consideration in the contract to each lease component on the basis of its relative stand-alone price. However, for leases of head office premises, branches and ATM locations the bank has elected not to separate non-lease components and accounts for the lease and non-lease components as a single lease component.

The bank recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove any improvements made to head office premises, branches or ATM locations.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term. In additions, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the profit rate implicit in the lease or, if that rate cannot be readily determined, the bank's incremental borrowing (funding) rate. Generally, the bank uses its incremental borrowing (funding) rate as the discount rate.

The bank determines its incremental borrowing (funding) rate by analysing its borrowings (funding) from various external sources and makes certain adjustments to reflect the terms of the lease and type of asset leased.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the bank is reasonably certain to exercise, lease payments in an optional renewal period if the bank is reasonably certain to exercise an extension

option, and penalties for early termination of a lease unless the bank is reasonably certain not to terminate early.

4. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

4.6 Leases (continued)

Bank acting as a lessee (continued)

The lease liability is measured at amortised cost using the effective profit method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the bank's estimate of the amount expected to be payable under a residual value guarantee, if the bank changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The bank presents right-of-use assets and lease liabilities as separate captions in the statement of financial position.

Short term leases and leases of low-value assets

The bank has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and short-term leases. The bank recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

4.7 Income tax

Income tax expense comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to items recognised directly in equity or in OCI.

The bank has determined that fines and penalties related to income tax, including uncertain tax treatments do not meet the definition of income taxes, and therefore accounted for them under IAS 37 Provisions, contingent liabilities and contingent assets.

i. Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantively enacted at the reporting date.

Current tax assets and liabilities are offset only if certain criteria are met.

ii. Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognise a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on business plan of the bank. Deferred tax assets are reviewed at each reporting date and are

NOTES TO THE FINANCIAL STATEMENTS

reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

4. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

4.7 Income tax (continued)

iii. Deferred tax (continued)

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

4.8 Financial assets and financial liabilities

i. Recognition and initial measurement

The bank initially recognises receivables from financing activities, customers' accounts, on the date on which they are originated. All other financial instruments are recognised on the trade date, which is the date on which the bank becomes a party to the contractual provisions of the instrument.

A financial asset or financial liability is measured initially at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. The fair value of a financial instrument at initial recognition is generally its transaction price.

ii. Classification

Financial assets

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- The asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and profit ("SPPP").

Financial assets measured at amortised cost comprise receivables from Murabaha, Istisna', Diminishing Musharaka, Education Financing, balances with Maldives Monetary Authority ("MMA"), cash in hand and balances with banks.

On initial recognition of an equity investment that is not held for trading, the bank may irrevocably elect to present subsequent changes in fair value in OCI. This election is made on an investment-by-investment basis. Accordingly, the bank has irrevocably elected to present subsequent changes in fair value in OCI.

4. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

4.8 Financial assets and financial liabilities (continued)

ii. Classification (continued)

Financial assets (continued)

Financial assets designated at FVOCI comprise bank's investments in equity shares.

Other financial assets are classified as measured at amortized cost or FVTPL based on the SPPP test. Financial assets measured at FVTPL comprise bank's money market placements and, Wakala and Mudharaba placements with a variable rate of return, where SPPP criteria are not met. Wakala facilities with fixed rate of return are measured at amortized cost.

Financial assets are not reclassified subsequent to their initial recognition unless the bank change its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

Business model assessment

The bank makes an assessment of the objective of a business model in which an asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. In particular, whether management's strategy focuses on earning contractual profit revenue, maintaining a particular profit rate profile, matching the duration of the financial assets to the duration of the liabilities that are funding those assets or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the bank's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and its strategy for how those risks are managed;
- how managers of the business are compensated (e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected); and
- the frequency, volume and timing of sales in prior periods, the reasons for such sales and its expectations about future sales activity. However, information about sales activity is not considered in isolation, but as part of an overall assessment of how the bank's stated objective for managing the financial assets is achieved and how cash flows are realised.

Assessment of whether contractual cash flows are solely payments of principal and profit

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition.

'Profit' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending (financing) risks and costs (e.g. liquidity risk and administrative costs), as well as profit margin.

4. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

4.8 Financial assets and financial liabilities (continued)

ii. Classification (continued)

Assessment of whether contractual cash flows are solely payments of principal and profit (Continued)

In assessing whether the contractual cash flows are solely payments of principal and profit, the bank considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making the assessment, The bank considers:

- contingent events that would change the amount and timing of cash flows;
- leverage features;
- prepayment and extension terms;
- terms that limit the bank's claim to cash flows from specified assets (e.g. non-recourse financing facilities); and
- features that modify consideration of the time value of money (e.g. periodical reset of profit rates).

The bank holds a portfolio of long-term fixed rate financing facilities for which the bank has the option to propose to revise the profit rate at periodic reset dates. These reset rights are limited to the market rate at the time of revision. The borrowers (customers) have an option to either accept the revised rate or redeem the finance facility subject to rebate policy of the bank. The bank has determined that the contractual cash flows of these financing facilities are solely payments of principal and profit because the option varies the profit rate in a way that is consideration for the time value of money, credit risk, other basic lending (financing) risks and costs associated with the principal amount outstanding.

iii. Subsequent measurement

Subsequent measurement of debt instruments depends on the bank's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the bank classifies its debt instruments:

- **Amortised cost:** Assets that are held for collection of contractual cash flows, where those cash flows represent solely payments of principal and profit, are measured at amortised cost. Profit income from these financial assets is included in finance income using the effective profit rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/(losses) together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the statement of profit or loss.
- **FVOCI:** Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and profit, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, profit income and foreign exchange gains and losses, which are recognized in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognized in other gains/(losses). Profit income from these financial assets is included in finance income using the effective profit rate method. Foreign exchange gains and losses are presented in other gains/(losses), and impairment expenses are presented as separate line item in the statement of profit or loss.
- **FVPL:** Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL is recognised in profit or loss and presented net within other gains/(losses) in the period in which it arises.

4. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

4.8 Financial assets and financial liabilities (continued)

iii. Subsequent measurement (Continued)

Equity instruments are subsequently measured at FVOCI.

Reclassifications

Financial assets are not reclassified subsequent to their initial recognition, except in the period after the bank changes its business model for managing financial assets.

Financial liabilities

Financial liabilities are classified as measured at amortized cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest (profit) expense are recognized in profit or loss. Other financial liabilities are subsequently measured at amortized cost using the effective interest (profit) method. Interest (profit) expense and foreign exchange gains and losses are recognized in profit or loss. Any gain or loss on de-recognition is also recognized in profit or loss.

The bank's non-derivative financial liabilities consist of amount due to related parties, borrowings (funding) and other payables. Such financial liabilities are recognized initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortized cost using the effective profit method.

Interest (Profit) rate benchmark reform

When the basis for determining the contractual cash flows of a financial asset or financial liability measured at amortised cost changed as a result of interest (profit) rate benchmark reform, the bank updated the effective interest (profit) rate of the financial asset or financial liability to reflect the change that is required by the reform. A change in the basis for determining the contractual cash flows is required by interest (profit) rate benchmark reform if the following conditions are met:

- the change is necessary as a direct consequence of the reform; and
- the new basis for determining the contractual cash flows is economically equivalent to the previous basis – i.e. the basis immediately before the change.

When changes were made to a financial asset or financial liability in addition to changes to the basis for determining the contractual cash flows required by interest (profit) rate benchmark reform, the bank first updated the effective interest (profit) rate of the financial asset or financial liability to reflect the change that is required by interest (profit) rate benchmark reform. After that, the bank applied the policies on accounting for modifications to the additional changes.

iv. Derecognition

Financial assets

The bank derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Bank neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

4. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)**4.8 Financial assets and financial liabilities (continued)****iv. Derecognition (continued)****Financial assets (continued)**

On derecognition of a financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset derecognised) and the sum of (i) the consideration received including any new asset obtained less any new liability assumed) and (ii) any cumulative gain or loss that had been recognised in OCI is recognised in profit or loss.

Any cumulative gain/loss recognised in OCI in respect of equity investment securities designated as at FVOCI is not recognised in profit or loss on derecognition of such securities. Any profit in transferred financial assets that qualify for derecognition that is created or retained by the Bank is recognised as a separate asset or liability.

The Bank enters into transactions whereby it transfers assets recognised on its statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets or a portion of them. In such cases, the transferred assets are not derecognised.

In transactions in which the bank neither retains nor transfers substantially all the risks and rewards of ownership of a financial asset and it retains control over the asset, the bank continues to recognise the asset to the extent of its continuing involvement, determined by the extent to which it is exposed to changes in the value of the transferred asset.

Financial liabilities

The bank derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire.

v. Modification of financial assets**Financial assets**

If the terms of a financial asset are modified, then the bank evaluates whether the cash flows of the modified asset are substantially different.

If the cash flows are substantially different, then the contractual rights to cash flows from the original financial asset are deemed to have expired. In this case, the original financial asset is derecognised and a new financial asset is recognised at fair value plus any eligible transactions costs. Any fees received as part of the modification are accounted for as follows:

If cash flows are modified when the borrower (customer) is in financial difficulties, then the objective of the modification is usually to maximise recovery of the original contractual terms rather than to originate a new asset with substantially different terms. If the bank plans to modify a financial asset in a way that would result in forgiveness of cash flows, then it first considers whether a portion of the asset should be written off before the modification takes place (see below for write-off policy). This approach impacts the results of the quantitative evaluation and means that the derecognition criteria are not usually met in such cases.

If the modification of a financial asset measured at amortised cost or FVOCI does not result in derecognition of the financial asset, then the Bank first recalculates the gross carrying amount of the financial asset using the original effective profit rate of the asset and recognises the resulting adjustment as a modification gain or loss in profit or loss.

If such a modification is carried out because of financial difficulties of the borrower (customer), then the gain or loss is presented together with impairment losses. In other cases, it is presented as profit income calculated using the effective profit rate method.

4. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)**4.8 Financial Assets and Financial Liabilities (continued)****vi. Offsetting**

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Bank currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

Income and expenses are presented on a net basis only when permitted under IFRS Standards, or for gains and losses arising from a group of similar transactions such as in the Bank's trading activity.

vii. Fair value measurement

'Fair value' is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Bank has access at that date. The fair value of a liability reflects its non-performance risk.

When one is available, the Bank measures the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as 'active' if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

If there is no quoted price in an active market, then the Bank uses valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction.

The best evidence of the fair value of a financial instrument on initial recognition is normally the transaction price - i.e. the fair value of the consideration given or received. If the Bank determines that the fair value on initial recognition differs from the transaction price and the fair value is evidenced neither by a quoted price in an active market for an identical asset or liability nor based on a valuation technique for which any unobservable inputs are judged to be insignificant in relation to the difference, then the financial instrument is initially measured at fair value, adjusted to defer the difference between the fair value on initial recognition and the transaction price. Subsequently, that difference is recognised in profit or loss on an appropriate basis over the life of the instrument but no later than when the valuation is wholly supported by observable market data or the transaction is closed out.

If an asset or a liability measured at fair value has a bid price and an ask price, then the Bank measures assets and long positions at a bid price and liabilities and short positions at an ask price.

Portfolios of financial assets and financial liabilities that are exposed to market risk and credit risk that are managed by the Bank on the basis of the net exposure to either market or credit risk are measured on the basis of a price that would be received to sell a net long position (or paid to transfer a net short position) for the particular risk exposure. Portfolio-level adjustments – e.g. bid-ask adjustment or credit risk adjustments that reflect the measurement on the basis of the net exposure – are allocated to the individual assets and liabilities on the basis of the relative risk adjustment of each of the individual instruments in the portfolio.

The fair value of a financial liability with a demand feature (e.g. a demand deposits) is not less than the amount payable on demand, discounted from the first date on which the amount could be required to be paid.

The Bank recognises transfers between levels of the fair value hierarchy as of the end of the reporting period during which the change has occurred.

4. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)**4.8 Financial Assets and Financial Liabilities (continued)****viii. Impairment**

The Bank recognises loss allowances for ECL on the following financial instruments that are not measured at FVTPL:

- financial assets that are debt instruments;
- financial guarantee contracts issued; and
- finance commitments issued.

No impairment loss is recognised on equity investments measured at FVOCI.

The Bank measures loss allowances at an amount equal to lifetime ECL except for financial instruments for which credit risk has not increased significantly since initial recognition. For such instruments loss allowances are measured as 12-months ECL.

12-month ECL are the portion of lifetime ECL that result from default events on a financial instrument that are possible within the 12 months after the reporting date. Financial instruments for which 12-month ECL are recognised are referred to as 'Stage 1 financial instruments'. Financial instruments allocated to Stage 1 have not undergone a significant increase in credit risk since initial recognition and are not credit-impaired.

Lifetime ECL are the ECL that result from all possible default events over the expected life of the financial instrument or the maximum contractual period of exposure. Financial instruments for which lifetime ECL are recognised but that are not credit-impaired are referred to as 'Stage 2 financial instruments'. Financial instruments allocated to Stage 2 are those that have experienced a significant increase in credit risk since initial recognition but are not credit-impaired.

Financial instruments for which lifetime ECL are recognised and that are credit-impaired are referred to as 'Stage 3 financial instruments'.

Measurement of ECL

ECL are a probability-weighted estimate of credit losses. They are measured as follows:

- *financial assets that are not credit-impaired at the reporting date:* as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Bank expects to receive);
- *financial assets that are credit-impaired at the reporting date:* as the difference between the gross carrying amount and the present value of estimated future cash flows;
- *undrawn finance commitments:* as the present value of the difference between the contractual cash flows that are due to the Bank if the commitment is drawn down and the cash flows that the Bank expects to receive; and
- *financial guarantee contracts:* the expected payments to reimburse the holder less any amounts that the Bank expects to recover.

4. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)**4.8 Financial assets and financial liabilities (continued)****viii. Impairment (continued)*****Measurement of ECL (continued)***

When discounting future cash flows, the following discount rates are used:

- financial assets other than purchased or originated credit-impaired (POCI) financial assets: the original effective profit rate or an approximation thereof;
- POCI assets: a credit-adjusted effective profit rate;
- undrawn finance commitments: the effective profit rate, or an approximation thereof, that will be applied to the financial asset resulting from the finance commitment; and
- financial guarantee contracts issued: the rate that reflects the current market assessment of the time value of money and the risks that are specific to the cash flows.

Restructured financial assets

If the terms of a financial asset are renegotiated or modified or an existing financial asset is replaced with a new one due to financial difficulties of the borrower (customer), then an assessment is made of whether the financial asset should be derecognised and ECL are measured as follows.

- If the expected restructuring will not result in derecognition of the existing asset, then the expected cash flows arising from the modified financial asset are included in calculating the cash shortfalls from the existing asset.
- If the expected restructuring will result in derecognition of the existing asset, then the expected fair value of the new asset is treated as the final cash flow from the existing financial asset at the time of its derecognition. This amount is included in calculating the cash shortfalls from the existing financial asset that are discounted from the expected date of derecognition to the reporting date using the original effective profit rate if the existing financial asset.
- Such restructuring activities include extended payment term arrangements, payment holidays and payment forgiveness. Restructuring policies and practices are based on indicators or criteria which, in the judgement of management, indicate that payment will most likely continue. These restructured facilities are kept under continuous review.
- The risk of default of such assets after modification is assessed at the reporting date and compared with the risk under the original terms at initial recognition, when the modification is not substantial and so does not result in derecognition of the original asset. The Bank monitors the subsequent performance of modified assets. The Bank may determine that the credit risk has significantly improved after restructuring, so that the assets are moved from Stage 3 or Stage 2 (Lifetime ECL) to Stage 1 (12-month ECL). This is only the case for assets which have performed in accordance with the new terms for six consecutive months or more. The Bank continues to monitor if there is a subsequent significant increase in credit risk in relation to such assets through the use of specific information for modified assets.

Credit-impaired financial assets

At each reporting date, the bank assesses whether financial assets carried at amortised cost are credit-impaired (referred to as 'Stage 3 financial assets'). A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

4. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)**4.8 Financial assets and financial liabilities (continued)****viii. Impairment (continued)*****Credit-impaired financial assets (continued)***

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower (customer) or issuer;
- a breach of contract such as a default or past due event;
- the restructuring of a finance facility by the Bank on terms that the Bank would not consider otherwise;
- it is becoming probable that the borrower (customer) will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

A financing facility that has been renegotiated due to a deterioration in the borrower's (customer's) condition is usually considered to be credit-impaired unless there is evidence that the risk of not receiving contractual cash flows has reduced significantly and there are no other indicators of impairment. In addition, a financing facility provided to an individual customer that is overdue for 90 days or more is considered credit-impaired even when the regulatory definition of default is different.

The Bank assigns floor rate (a minimum PD) based on Basel II framework for sovereign debts since there are no defaults in the past.

For credit-impaired financial assets the effective profit rate is applied to the net carrying amount of the financial assets (after deduction of the loss allowance).

Purchased or originated credit-impaired (POCI) financial assets

POCI financial assets are assets that are credit-impaired on initial recognition. For POCI assets, lifetime ECL are incorporated into the calculation of the effective profit rate on initial recognition. Consequently, POCI assets do not carry an impairment allowance on initial recognition. The amount recognised as a loss allowance subsequent to initial recognition is equal to the changes in lifetime ECL since initial recognition of the asset.

Presentation of allowance for ECL in the statement of financial position

Loss allowances for ECL are presented in the statement of financial position as follows:

- *financial assets measured at amortised cost*: as a deduction from the gross carrying amount of the assets;
- *finance commitments and financial guarantee contracts*: generally, as a provision;

4. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

4.8 Financial assets and financial liabilities (continued)

viii. Impairment (continued)

Presentation of allowance for ECL in the statement of financial position (continued)

- *where a financial instrument includes both a drawn and an undrawn component, and the Bank cannot identify the ECL on the finance commitment component separately from those on the drawn component:* the Bank presents a combined loss allowance for both components. The combined amount is presented as a deduction from the gross carrying amount of the drawn component. Any excess of the loss allowance over the gross amount of the drawn component is presented as a provision.

Write-off

Financing and debt securities are written off (either partially or in full) when there is no reasonable expectation of recovering a financial asset in its entirety or a portion thereof. This is generally the case when the Bank determines that the borrower (customer) does not have assets or sources of income that could generate sufficient cash flows to repay (pay) the amounts subject to the write-off. This assessment is carried out at the individual asset level.

Recoveries of amounts previously written off are recognised when cash is received and are included in 'impairment losses on financial instruments' in the statement of profit or loss and other comprehensive income.

Financial assets that are written off could still be subject to enforcement activities in order to comply with the Bank's procedures for recovery of amounts due.

Financial guarantee contracts held

The Bank assesses whether a financial guarantee contract held is an integral element of a financial asset that is accounted for as a component of that instrument or is a contract that is accounted for separately. The factors that the Bank considers when making this assessment include whether:

- the guarantee is implicitly part of the contractual terms of the debt instrument;
- the guarantee is required by laws and regulations that govern the contract of the debt instrument;
- the guarantee is entered into at the same time as and in contemplation of the debt instrument; and
- the guarantee is given by the parent of the borrower (customer) or another company within the borrower's (customer's) group.

If the Bank determines that the guarantee is an integral element of the financial asset, then any premium payable in connection with the initial recognition of the financial asset is treated as a transaction cost of acquiring it. The Bank considers the effect of the protection when measuring the fair value of the debt instrument and when measuring ECL.

If the Bank determines that the guarantee is not an integral element of the debt instrument, then it recognises an asset representing any prepayment of guarantee premium and a right to compensation for credit losses. A prepaid premium asset is recognised only if the guaranteed exposure neither is credit-impaired nor has undergone a significant increase in credit risk when the guarantee is acquired. These assets are recognised in 'other assets'. The Bank presents gains or losses on a compensation right in profit or loss in the line item 'impairment losses on financial instruments'.

4. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)**4.8 Financial assets and financial liabilities (continued)****ix. Designation at fair value through profit or loss**

On initial recognition, the Bank has designated certain financial assets as at FVTPL.

4.9 Cash and cash equivalents

'Cash and cash equivalents' include notes and coins on hand, unrestricted balances held with central banks and highly liquid financial assets with original maturities of three months or less from the date of acquisition that are subject to an insignificant risk of changes in their fair value, and are used by the bank in the management of its short-term commitments.

Cash and cash equivalents are carried at amortised cost in the statement of financial position.

4.10 Receivables from financing activities

'Net receivables from financing activities' caption in the statement of financial position include:

The bank has the following receivables and balances from financing activities

(a) Murabahah financing

Murabahah financing consists of the cost and the profit margin of the bank which resulted from Murabahah (Sale) transactions and are stated net of deferred profit and provision for impairment.

Murabahah is a cost plus sale contract where the bank purchases the subject matter requested by the customer and sell it to the customer with a profit. Under the Murabahah contract, the bank is liable to disclose the details of the cost including the direct expenses to the customer at the time of sale. The sale price may be paid in lump sum or in installments over the agreed period. These financing facilities are initially measured at fair value. Further the instruments are subsequently measured at their amortised cost using the effective profit method, since the instruments carry fixed profit rates and are held-to-maturity.

(b) Commodity Murabahah financing

Commodity Murabahah is a popular term used in the market to imply a contract of Bi al-Tawarruq. The term Tawarruq generally implies a sale contract whereby a buyer buys an asset from a seller with deferred payment and subsequently sells the asset to a third party on cash with a price less than the deferred price for the purpose of obtaining cash.

4. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)**4.10 Receivables from financing activities (continued)****(c) Istisna' financing**

Istisna' is a sale contract between the ultimate buyer (customer) and the seller (bank), whereby the bank, based on an order of the customer, undertakes to construct/produce/manufacture or otherwise acquire the subject matter of the contract, according to the agreed specification and deliver it to the customer for an agreed price on an agreed date. The method of settlement may be agreed in advance, by installments or deferred to a specific future time. Istisna' contracts represent the disbursements made either in advance, progressive as agreed in the contract against the subject matter constructed/produced/manufactured/acquired for Istisna' project, plus income (profit) recognised, less payment received from the customer as installments. These financing facilities are initially measured at fair value. Further the instruments are subsequently measured at their amortised cost using the effective profit method, since the instruments carry fixed profit rates and are held-to-maturity.

(d) Diminishing musharakah financing

Diminishing Musharakah is a form of partnership where both parties enter into a Musharakah (partnership) contract to jointly acquire an asset. Subsequently, under a separate sale contract, which may be secured under a unilateral undertaking to purchase by the customer, one party (customer) buys the equity share (ownership units) of the other party (Bank) gradually at cost price until the title to the asset is completely transferred to the customer. During the tenure of the facility, the ownership units of the Bank will be leased out to the customer and the income of the Bank will be collected in the form of rentals. These financing facilities are initially measured at fair value. Further the instruments are subsequently measured at their amortised cost using the effective profit method, since the instruments carry fixed profit rates and are held-to-maturity.

(e) Education financing / Ijarat-ul-Askhas

Education Financing is a facility provided by the Bank, under the concept of Ijarat-ul-Askhas (Service Ijarah). It is a type of Ijarah (leasing) contract in which the underlying usufruct (manfa'ah) could be in a form of work, effort, expertise, etc.

The Bank will provide the educational service (service Ijarah) to the customer after the Bank purchases the educational placement from the educational institutions. The service payment by the customer is made on monthly basis on an agreed tenure. These financing facilities are initially measured at fair value. Further the instruments are subsequently measured at their amortised cost using the effective profit method, since the instruments carry fixed profit rates and are held-to-maturity.

(f) Wakalah Bi Al-Istithmar

Wakalah Bi Al-Istithmar is an investment agency contract where a principal (Muwakkil) appoints an agent (Wakil) to invest funds on their behalf, either with or without a fee. This arrangement is commonly used in Islamic finance to facilitate Shariah-compliant investments while ensuring proper delegation of fund management.

In this context, the Muwakkil refers to the bank, which provides funds under the Wakalah contract for investment in a business. The Wakil is an eligible customer who receives these funds and is responsible for utilizing them in accordance with the agreed-upon investment strategy. The Wakil is expected to manage the investment prudently and in compliance with Shariah principles, ensuring that the funds are not used for prohibited (haram) activities.

4. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

4.11 Investments in other financial instruments

'Investments in other financial instruments' caption in the statement of financial position include:

(a) Mudharabah

Mudharabah is a type of partnership for profit in which one partner provides the capital and the other partner contributes his labour. The profits are shared on pre-agreed profit-sharing ratios. The losses, if any, are borne by the fund provider. The profit rates of the instrument are linked to the profit of the borrower (customer), and they vary with the variations in profit. Mudharabah instruments are mandatorily measured at FVTPL with changes recognized immediately in the statement of profit or loss. The Mudharabah instrument fails the "SPPP" test due to variability in the profit earned, thus, irrespective of the business model test, the instruments are classified at FVTPL. The instruments are measured by adding actual profit declared to the principal outstanding. Since the period of the instrument is less than 12 months, the future cash flow is not discounted to determine the fair value.

Instruments measured at FVTPL are not subject to impairment as per IFRS 9, and are therefore not impaired.

(b) Wakalah Bi Al-Isthithmar

"Wakalah Bi Al-Isthithmar" or "Investment agency" indicates appointing another person to invest and grow one's wealth, with or without a fee. In this structure the Wakeel conducts financial transactions through Commodity Murabaha and deploys bank's funds on short-term basis. The bank is remunerated through an indicative rate. The Wakalah Bi Al-Isthithmar profit rates does not vary from the indicative profit rate provided in the contract and are held to maturity. Therefore, this meets the SPPY criteria and held to collect business model test. Hence, Wakalah Bi Al-Isthithmar treasury certificate is to be classified as a financial asset measured at amortized cost.

4.12 Investments in equity securities

'Investments in equity securities' caption in the statement of financial position includes:

- equity investment securities designated as at FVOCI.

The Bank elects to present changes in the fair value of investments in equity instruments that are not held for trading in OCI. The election is made on an instrument-by-instrument basis on initial recognition and is irrevocable.

Fair value gains and losses on such equity instruments are never reclassified to profit or loss and no impairment is recognised in profit or loss. Dividends are recognised in profit or loss unless they clearly represent a recovery of part of the cost of the investment, in which case they are recognised in OCI. Cumulative gains and losses recognised in OCI are transferred to retained earnings on disposal of an investment.

4. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)**4.13 Deposits**

Deposits are the Bank's main source of debt funding.

Deposits are initially measured at fair value minus incremental direct transaction costs. Subsequently, they are measured at their amortised cost using the effective profit method.

Deposits comprise following products;

a) Current accounts

Current accounts are deposit accounts which offer customers a flexible way to manage their everyday banking needs. This type of account is based on the Shari'ah concept of Qard and does not earn any profit.

Salient features:

- non- profit sharing
- flexible banking and personal services
- no minimum deposit amount
- cheque book is provided

b) Savings accounts

Savings accounts are profit earning accounts which offer customers a way to share in MIB profit distributions by investing their savings in a Shari'ah compliant manner.

The Bank invests deposited funds and shares the profits between the bank and the customer based on the bank's declared profit ratio at the end of each month following the concept of Mudharabah.

Salient features:

- profit sharing
- minimum deposit amount for individuals MVR 200 or USD 20
- profit distributions every six months

b) General investment accounts

General investment accounts are profit earning accounts which offer customers a way to share in Bank's profit distributions by investing their money in a Shari'ah compliant manner based on Mudharabah concept.

The Bank invests deposited funds and calculates the profits between the bank and the customer based on the bank's declared profit sharing ratio at the end of each month and paid on maturity date.

4. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)**b) General investment accounts (continued)**

Salient features:

- profit sharing
- profit distribution at maturity
- flexible investment periods from 3, 6, 9 and 12 months to 2, 3 and up to 5 years
- minimum deposit amount for customers MVR 5,000 or USD 500

c) Margin accounts

Margin accounts are usually security deposit accounts held by the bank on Wakalah, Kafalah and trade Murabahah based financing arrangements provided by the bank. These accounts are currently structured as non- profit sharing accounts.

The Bank maintains margin accounts for the following services:

- trade murabaha
- Wakalah LC
- shipping guarantees
- performance guarantees
- bid guarantees financing

4.13 Financial guarantees and finance commitments

'Financial guarantees' are contracts that require the Bank to make specified payments to reimburse the holder for a loss that it incurs because a specified debtor fails to make payment when it is due in accordance with the terms of a debt instrument. 'Finance commitments' are firm commitments to provide credit under pre-specified terms and conditions.

Financial guarantees issued or commitments to provide a finance at a below-market profit rate are initially measured at fair value. Subsequently, they are measured as follows:

- at the higher of the loss allowance determined in accordance with IFRS 9 and the amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance with the principles of IFRS 15.

The Bank has issued no finance commitment that are measured at FVTPL.

For other finance commitments:

- the Bank recognises loss allowance;

Liabilities arising from financial guarantees and finance commitments are included within provisions.

4. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

4.14 Share capital and reserves

Ordinary shares

Ordinary shares are classified as equity. Incremental costs that are directly attributable to the issue of ordinary shares are recognised as a deduction from equity.

4.15 Property and equipment

i. Recognition and measurement

Items of property and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses.

Cost includes expenditures that are directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labor, any other costs directly attributable to bringing the assets to a working condition for their intended use, the costs of dismantling and removing the items and restoring the site on which they are located and capitalised borrowing (funding) costs. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

If significant parts of an item of property and equipment have different useful lives, then they are accounted for as separate items (major components) of property and equipment.

Any gain or loss on disposal of an item of property and equipment is determined by comparing the proceeds from disposal with the carrying amount of the item of property and equipment, and are recognised net within other income in the statement of comprehensive income.

ii. Subsequent costs

The cost of replacing a part of an item of property or equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Bank and its cost can be measured reliably.

ii. Subsequent costs (continued)

The carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing of property and equipment are recognised in the statement of comprehensive income as incurred.

iii. Derecognition

The carrying amount of an item of property and equipment is derecognised on disposal or when no future economic benefits are expected from its use. The gain or loss arising from derecognition of an item of property and equipment is included in the statement of comprehensive income when the item is derecognised.

When replacement costs are recognised in the carrying amount of an item of property and equipment, the remaining carrying amount of the replaced part is derecognised. Major inspection costs are capitalised. At each such capitalisation, the remaining carrying amount of the previous cost of inspections is derecognised.

4. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

4.16 Property and equipment (continued)

iv. Depreciation

Depreciation is recognised in the statement of comprehensive income on a straight-line basis over the estimated useful lives of each part of an item of property and equipment since this reflects most closely the expected pattern of consumption of the future economic benefits embodied in the asset. The estimated useful lives for the property and equipment are as follows:

Leasehold building	Over the lease period
Computer equipment	4 Years
Furniture and fittings	5 Years
Office equipment	5 Years
Machinery and equipment	10 Years
Motor vehicles	5 Years
Vault	10 Years

Depreciation methods, useful lives and residual values are reassessed at the reporting date. A full month's depreciation is provided in the month of intended use while, no depreciation is provided in the month of disposal.

4.17 Intangible assets

i. Recognition and measurement

Intangible assets that are acquired by the Bank are stated at cost less accumulated amortisation and impairment losses.

Expenditure on internally developed software is recognised as an asset when the bank is able to demonstrate, that the product is technically feasible, its intention and ability to complete the development and use the software in a manner that will generate future economic benefits and that it can reliably measure the costs to complete the development. The capitalised costs of internally developed software include all costs directly attributable to developing the software, and are amortised over its useful life. Internally developed software is stated at capitalised cost less accumulated amortisation and any accumulated impairment losses.

ii. Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditures are recognised in the statement of comprehensive income when incurred.

iii. Derecognition of intangible assets

The carrying amount of an item of intangible asset is derecognised on disposal or when no future economic benefits are expected from its use. The gain or loss arising from derecognition of an item of intangible asset is included in the statement of comprehensive income when the item is derecognised.

4. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)**4.17 Intangible assets (continued)****iv. Amortisation**

Amortisation is charged to the statement of comprehensive income on a straight-line basis over the estimated useful lives of assets unless such lives are indefinite. The estimated useful lives estimated by the Bank are as follows:

Computer software	5 Years
Core banking and database software	7 Years

4.17 Impairment of non-financial assets

At each reporting date, the Bank reviews the carrying amounts of its non-financial assets (other than deferred tax assets) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that is largely independent of the cash inflows of other assets or CGUs.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or cash-generating unit.

An impairment loss is recognised if the carrying amount of an asset or a cash-generating unit exceeds its recoverable amount. Impairment losses, if any, are recognised in the statement of comprehensive income.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

4.18 Provisions

A provision is recognised if, as a result of a past event, the Bank has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

A provision for onerous contracts is recognised when the expected benefits to be derived by the Bank from a contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the Bank recognises any impairment loss on the assets associated with that contract.

4. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

4.19 Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Bank has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

4.20 Defined contribution plans

Obligations for contributions to defined contribution plans are expensed as the related service is provided and recognised as personnel expenses in profit or loss. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

The Bank has enrolled its employees in the Maldives Retirement Pension Scheme ("MRPS") with effect from 01st May 2011 based on the Regulation on Maldives Retirement Pension Scheme published by the Government of Maldives. The Bank deducts 7% from each employee's pensionable wages on behalf of the employees between 16 and 65 years and makes payment to Maldives Pension Administration Office (MPAO). The Bank contributes to the Retirement Pension Scheme at the rate of 7% on pensionable wages.

4.21 Operating expenses

All operating expenses incurred in the running of the Bank and in maintaining the capital assets in a state of efficiency has been charged to the profit or loss in arriving at profits or loss for the period. Expenses incurred for the purpose of acquiring, expanding or improving assets of a permanent nature by means of which to carry on the business or for the purpose of increasing the earning capacity of the Bank have been treated as capital expenses.

4.22 Earnings per share

The Bank presents basic and diluted EPS data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss that is attributable to ordinary shareholders of the Bank by the weighted-average number of ordinary shares outstanding during the period. The basic and diluted EPS are the same for the Bank.

4.23 Segment reporting

An operating segment is a component of the Bank that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses relating to transactions with any of the Bank's other components, whose operating results are regularly reviewed by the Bank's chief operating decision maker ("CODM") to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

4. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

4.23 Segment reporting (continued)

Segment results that are reported to the Bank's CEO (being the CODM) include items that are directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly corporate assets, head office expenses and tax assets and liabilities.

5. STANDARDS ISSUED BUT NOT YET ADOPTED

A number of new standards are effective for annual periods beginning after 1st January 2024 and earlier application is permitted; however, the Bank has not early adopted the new or amended standards in preparing these financial statements.

The following amended standards and interpretations are not expected to have a significant impact on the Bank's financial statements.

- Amendments to IAS 21 - Lack of Exchangeability (effective for annual periods beginning on or after 1 January 2025)
- Amendments to the Classification and Measurement of Financial Instruments – Amendments to IFRS 9 and IFRS 7 (effective for annual periods beginning on or after 1 January 2026)
- IFRS 19 Subsidiaries without Public Accountability: Disclosures (effective for annual periods beginning on or after 1 January 2027)
- IFRS 18 Presentation and Disclosure in Financial Statements (effective for annual periods beginning on or after 1 January 2027)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31ST DECEMBER 2024

6 OPERATING SEGMENT

(a) Basis for segmentation

The bank has the following three strategic divisions, which are reportable segments. These divisions offer different products and services, and are managed separately based on the bank's management and internal reporting structure.

Reportable segments	Operations
Corporate banking	Receivable from financing activities, deposits and other transactions and balances with corporate customers and retails customers.
Card and electronic banking	Issuing card and managing POS, ATM, internet banking services & mobile banking services.
Treasury	Funding and centralised risk management activities through borrowings (fundings), investing in securities and investing in liquid assets such as short term placements and government securities.

The bank's Management Committee reviews internal management reports from each division at least monthly.

(b) Information about reportable segments

Information related to each reportable segment is set out below. Segment profit before tax, as included in internal management reports reviewed by the bank's Management Committee, is used to measure performance because management believes that this information is the most relevant in evaluating the results of the respective segments. Inter-segment pricing is determined on an arm's length basis.

	Corporate and retail banking MVR	Card and electronic banking MVR	Treasury MVR	Total MVR
For the year ended 31st December 2024				
Income from financing activities	599,348,633	-	-	599,348,633
Profit paid on customer accounts	(130,642,491)	-	-	(130,642,491)
Net profit earned from financing activities	468,706,142	-	-	468,706,142
Fee and commission income	72,199,425	73,340,695	-	145,540,120
Fee and commission expense	(1,788,514)	(31,210,899)	-	(32,999,413)
Net fee and commission income	70,410,911	42,129,796	-	112,540,707
Foreign exchange gain	(99,170)	-	-	(99,170)
Dividend income	-	-	5,001,000	5,001,000
Net income from other financial instruments	-	-	123,108,004	123,108,004
Total operating income	539,017,883	42,129,796	128,109,004	709,256,683
Net impairment losses on financial assets	(30,546,754)	-	(378,402)	(30,925,156)
Personnel costs	(132,443,090)	(16,485,869)	(6,201,144)	(155,130,103)
General and administrative expenses	(88,403,617)	(16,681,469)	(5,443,850)	(110,528,936)
Depreciation and amortisation	(34,051,302)	(9,255,472)	(481,318)	(43,788,092)
Total operating expenses including impairment provision	(285,444,763)	(42,422,810)	(12,504,714)	(340,372,287)
Profit before tax				368,884,396
Income tax				(90,963,106)
Profit for the year				277,921,290
Other comprehensive income, net of tax				10,875,000
Total comprehensive income				288,796,290

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31ST DECEMBER 2024

6 OPERATING SEGMENT

(b) Information about reportable segments (continued)

	Corporate and retail banking	Card and electronic banking	Treasury	Total
	MVR	MVR	MVR	MVR
For the year ended 31st December 2023				
Income from financing activities	401,763,833	-	-	401,763,833
Profit paid on customer accounts	(77,468,213)	-	-	(77,468,213)
Net profit earned from financing activities	324,295,620	-	-	324,295,620
Fee and commission income	50,135,181	24,987,018	-	75,122,199
Fee and commission expense	(770,820)	(12,720,104)	-	(13,490,924)
Net fee and commission income	49,364,361	12,266,914	-	61,631,275
Foreign exchange gain	305,875	-	-	305,875
Dividend income	-	-	4,726,400	4,726,400
Net income from other financial instruments	-	-	84,601,096	84,601,096
Total operating income	373,965,856	12,266,914	89,327,496	475,560,266
Net impairment losses on financial assets	(23,048,820)	-	(48,876)	(23,097,696)
Personnel costs	(96,750,742)	(14,104,123)	(4,728,269)	(115,583,135)
General and administrative expenses	(54,228,239)	(10,287,336)	(3,310,712)	(67,826,287)
Depreciation and amortisation	(28,029,808)	(6,814,107)	(468,428)	(35,312,343)
Total operating expenses including impairment provision	(202,057,610)	(31,205,566)	(8,556,285)	(241,819,461)
Profit before tax				233,740,805
Income tax				(57,210,772)
Profit for the year				176,530,033
Other comprehensive income, net of tax				7,800,000
Total comprehensive income				184,330,033
	Corporate and retail banking	Card and electronic banking	Treasury	Total
	MVR	MVR	MVR	MVR
As at 31st December 2024				
Assets				
Cash and balances with other banks	416,135,436	-	-	416,135,436
Balances with Maldives Monetary Authority	1,620,234,331	-	-	1,620,234,331
Due from banks	-	-	153,992,319	153,992,319
Investments in equity securities	-	-	127,000,000	127,000,000
Investments in other financial instruments	-	-	2,897,867,398	2,897,867,398
Net receivables from financing activities	5,744,456,182	-	-	5,744,456,182
Property and equipment	90,838,437	27,446,250	-	118,284,687
Right-of-use assets	86,415,491	15,509,558	4,070,425	105,995,474
Intangible assets	9,670,326	2,344,201	-	12,014,527
Other assets	261,404,312	-	-	261,404,312
Deferred tax asset (unallocated)	-	-	-	5,020,273
Total assets	8,229,154,515	45,300,009	3,182,930,142	11,462,404,939

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31ST DECEMBER 2024

6 OPERATING SEGMENT

(b) Information about reportable segments (Continued)

	Corporate and retail banking	Card and electronic banking	Treasury	Total
As at 31 st December 2024 (Continued)	MVR	MVR	MVR	MVR
Liabilities				
Customers' accounts	9,127,012,881	-	-	9,127,012,881
Due to banks	-	-	955,364,134	955,364,134
Provision	3,051,972	-	-	3,051,972
Current tax liability (unallocated)	-	-	-	64,753,647
Lease liabilities	66,793,722	15,688,422	3,076,705	85,558,849
Other liabilities	71,823,449	3,178,194	-	75,001,643
Total liabilities	9,268,682,024	18,866,616	958,440,839	10,310,743,126
	Corporate and retail banking	Card and electronic banking	Treasury	Total
As at 31 st December 2023	MVR	MVR	MVR	MVR
Assets				
Cash and balances with other banks	419,351,119	-	-	419,351,119
Balances with Maldives Monetary Authority	921,280,143	-	-	921,280,143
Investments in equity securities	-	-	112,500,000	112,500,000
Investments in other financial instruments	-	-	2,277,083,866	2,277,083,866
Net receivables from financing activities	4,105,764,559	-	-	4,105,764,559
Property and equipment	64,533,297	27,446,250	-	91,979,547
Right-of-use assets	94,024,521	16,638,893	4,402,368	115,065,782
Intangible assets	8,948,421	2,344,201	-	11,292,622
Other assets	176,377,600	-	-	176,377,600
Deferred tax asset (unallocated)	-	-	-	4,193,876
Total assets	5,790,279,660	46,429,344	2,393,986,234	8,234,889,114
Liabilities				
Customers' accounts	6,837,876,381	-	-	6,837,876,381
Due to banks	-	-	258,051,674	258,051,674
Provision	7,097,459	-	-	7,097,459
Current tax liability (unallocated)	-	-	-	39,560,190
Lease liabilities	71,790,940	15,688,422	3,076,705	90,556,067
Other liabilities	73,196,562	435,236	-	73,631,800
Total liabilities	6,989,961,342	16,123,658	261,128,379	7,306,773,571

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31ST DECEMBER 2024

7 CASH AND BALANCES WITH OTHER BANKS	2024 MVR	2023 MVR
Cash in hand (Note 7.1)	271,563,239	167,172,232
Balances with other banks (Note 7.2)	144,810,000	252,658,800
	<u>416,373,239</u>	<u>419,831,032</u>
Less: Impairment allowance on balances with other banks	(237,803)	(479,913)
Cash and balances with other banks	<u>416,135,436</u>	<u>419,351,119</u>

7.1 Cash in hand

	2024			2023		
	Foreign currency	Exchange rate	Carrying amount	Foreign currency	Exchange rate	Carrying amount
USD	8,982,727	15.395	138,289,083	4,090,458	15.395	62,972,601
MVR	-	-	133,274,156	-	-	104,199,631
Total			<u>271,563,239</u>			<u>167,172,232</u>

7.2 Balances with other banks

	2024			2023		
	Foreign currency	Exchange rate	Carrying amount	Foreign currency	Exchange rate	Carrying amount
Habib American Bank (USD)	1,591,323	15.395	24,498,411	8,245,054	15.395	126,932,602
AB Bank Limited (USD)	504,648	15.395	7,769,056	260,395	15.395	4,008,782
Bank of Maldives PLC (USD)	102,061	15.395	1,571,236	256,014	15.395	3,941,342
Bank of Maldives PLC (MVR)	-	-	14,840,074	-	-	2,318,915
State Bank of India (USD)	282,941	15.395	4,355,877	283,041	15.395	4,357,416
State Bank of India (MVR)	-	-	637,879	-	-	638,754
Amana Bank PLC (USD)	35,095	15.395	540,294	53,390	15.395	821,935
Mashreq Bank (USD)	5,884,844	15.395	90,597,173	7,121,731	15.395	109,639,054
Total			<u>144,810,000</u>			<u>252,658,800</u>

The bank has its Nostro accounts at Habib American Bank - New York (HAB) and Mashreq Bank - Dubai. This account is used to facilitate its foreign remittance and trade finance activities.

	2024 MVR	2023 MVR
Cash and balances with banks as per the statement of financial position	416,373,239	419,831,032
Add: Balance with MMA in excess of minimum reserve requirement	775,924,927	260,000,818
Cash and cash equivalents as per the cash flow statement	<u>1,192,298,166</u>	<u>679,831,850</u>

8 BALANCES WITH MALDIVES MONETARY AUTHORITY

	2024 MVR	2023 MVR
Minimum Reserve Requirement (MRR) (Note 8.1)	844,309,404	661,279,325
Balance in Excess of MRR with MMA (Note 8.2)	775,924,927	260,000,818
Total	<u>1,620,234,331</u>	<u>921,280,143</u>

8.1 Minimum Reserve Requirement ("MRR")

As per the regulations of the Maldives Monetary Authority (the "MMA"), the bank is required to maintain a reserve deposit based on 10% for MVR and 10% for USD of 14 days average of the Customers' deposits with the bank excluding interbank deposits of other banks in Maldives and letter of credit margin deposits. The bank has maintained the minimum reserve requirement according to the regulations issued by the MMA. These deposits are not available for the bank's day-to-day operations.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31ST DECEMBER 2024

8.2 Balance in excess to minimum reserve requirement

The balance in excess of MRR does not carry any return and those funds will be utilised for operational, future financing and investment activities of the bank.

9 DUE FROM BANKS

	2024	2023
	MVR	MVR
Wakalah facility	154,026,975	-
Less: Impairment allowance on balances due from banks	(34,656)	-
Due from banks	<u>153,992,319</u>	<u>-</u>

The Wakalah facility represents a placement made on 26th December 2024 with Bank of Maldives for a tenure of 3 months.

10 INVESTMENT IN EQUITY SECURITIES

	2024	2023
	MVR	MVR
Investment securities designated at FVOCI - (Note 10.1)	127,000,000	112,500,000
	<u>127,000,000</u>	<u>112,500,000</u>

10.1 Investment securities designated at FVOCI - equity investments

The bank designated certain investments shown in the following table as equity securities at FVOCI. The FVOCI designation was made because the investments are expected to be held for the long-term for strategic purposes.

	Fair value as at 31 December 2024	Dividend income recognised for the year 2024	Fair value as at 31 December 2023	Dividend income recognised for the year 2023
	MVR	MVR	MVR	MVR
Investment in equity shares - Ooredoo Maldives PLC	110,500,000	4,251,000	97,500,000	3,952,000
Investment in equity shares - Dhivehi Rajjeyge Gulhun PLC	16,500,000	750,000	15,000,000	774,400
	<u>127,000,000</u>	<u>5,001,000</u>	<u>112,500,000</u>	<u>4,726,400</u>
		Ooredoo Maldives PLC	Dhivehi Raajjeyge Gulhun PLC	Total
As at 1 st January 2023		91,000,000	11,100,000	102,100,000
Change in the fair value during the year		6,500,000	3,900,000	10,400,000
As at 31 st December 2023		<u>97,500,000</u>	<u>15,000,000</u>	<u>112,500,000</u>
As at 1 st January 2024		97,500,000	15,000,000	112,500,000
Change in the fair value during the year		13,000,000	1,500,000	14,500,000
As at 31 st December 2024		<u>110,500,000</u>	<u>16,500,000</u>	<u>127,000,000</u>

Equity investment securities designated at FVOCI are the investments in the quoted shares of Dhivehi Rajjeyge Gulhun PLC (Dhiraagu) and Ooredoo Maldives PLC (Ooredoo). The investment at Dhiraagu comprised of 100,000 shares with nominal value of MVR 2.5 which were purchased at MVR 80 per share. As at 31st December 2024, the shares were valued at MVR 165 each (2023: MVR 150). The investment at Ooredoo comprised of 1,300,000 shares with nominal value of MVR 1 which were purchased at MVR 30 per share. The shares were valued at MVR 85 each as at 31st December 2024 (2023: MVR 75).

No strategic investments were disposed off during 2024, and there were no transfers of any cumulative gain or loss within equity relating to these investments.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31ST DECEMBER 2024

10 INVESTMENT IN EQUITY SECURITIES (CONTINUED)

10.2 Fair value reserve

	2024 MVR	2023 MVR
As at 1 st January	49,125,000	41,325,000
Recognised / (reversal) during the year	14,500,000	10,400,000
Deferred tax on (recognition) / reversal during the year	(3,625,000)	(2,600,000)
As at 31 st December	<u>60,000,000</u>	<u>49,125,000</u>

11 INVESTMENTS IN OTHER FINANCIAL INSTRUMENTS

	2024 MVR	2023 MVR
Investments mandatorily measured at FVTPL (Note 11.1)	121,682,729	120,501,238
Investments measured at amortised cost (Note 11.2)	2,776,819,559	2,156,873,771
Less: Impairment loss allowance on other financial instruments (Note 11.2)	(634,890)	(291,143)
	<u>2,897,867,398</u>	<u>2,277,083,866</u>

11.1 Investments in other financial instruments mandatorily measured at FVTPL

Investments in other financial instruments include Wakalah and Mudharabah placements where the return is linked to the profit generated by the investee. Since this criteria does not meet the requirement of SPPI as per the 'IFRS 9 - Financial Instruments', these instruments have been reclassified as FVTPL.

Investment	Invested currency	Contract type	Country	Maturity	2024 MVR	2023 MVR
Islamic Treasury Bill	MVR	Mudharabah	Maldives	98 Days	121,682,729	120,501,238
					<u>121,682,729</u>	<u>120,501,238</u>

11.2 Investments measured at amortised cost

Investment	Invested currency	Contract type	Country	Maturity	2024 MVR	2023 MVR
Islamic Treasury Bills	MVR	Wakalah Bi Al-Isthithmar	Maldives	28-364 days	1,731,242,655	1,393,701,534
Overnight Deposit Facility	MVR	Commodity Murabahah	Maldives		469,153,111	116,276,386
Sale & Lease Back Facility	MVR	SLBF	Maldives	3 years	264,221,629	400,395,160
Islamic Treasury Bills	USD	Wakalah Bi Al-Isthithmar	Maldives	1 year	312,202,164	246,500,691
					<u>2,776,819,559</u>	<u>2,156,873,771</u>
Impairment loss allowance on Wakalah Bi Al-Isthithmar Treasury Bills					(592,228)	(275,480)
Impairment loss allowance on Commodity Murabahah Overnight Deposit Facility					(42,662)	(15,663)
Impairment loss allowance					<u>(634,890)</u>	<u>(291,143)</u>
Net investments measured at amortised cost					<u>2,897,867,398</u>	<u>2,277,083,866</u>

12 NET RECEIVABLES FROM FINANCING ACTIVITIES

	2024 MVR	2023 MVR
Receivables from financing activities measured at amortised cost (Note 12.1)	5,891,258,987	4,217,733,015
Less: Impairment loss allowance (Note 12.1)	(146,802,805)	(111,968,456)
Net receivables from financing activities	<u>5,744,456,182</u>	<u>4,105,764,559</u>

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31ST DECEMBER 2024

12 NET RECEIVABLES FROM FINANCING ACTIVITIES

12.1 Receivables from financing activities measured at amortised cost

	2024 MVR	2023 MVR
Diminishing Musharaka	3,096,257,669	2,375,048,569
Murabaha	1,833,240,022	1,618,157,980
Istisna'	107,256,687	131,464,771
Wakala Bi Al-Istithmar	46,390,956	-
Tawarruq	808,113,650	93,060,244
Ijarat-ul-Askhas	3	1,451
Total gross receivables from financing activities	5,891,258,987	4,217,733,015
Impairment loss allowance on individually assessed customers	(64,441,151)	(40,446,639)
Impairment loss allowance on collectively assessed customers	(82,361,654)	(71,521,817)
Total loss allowance	(146,802,805)	(111,968,456)
Net receivables from financing activities	5,744,456,182	4,105,764,559

12.2 Movement in impairment allowance

	Receivables from financing activities MVR	Financial assets at amortised cost MVR	Due from banks MVR	Placements with other banks MVR	Total MVR
As at 1st January 2023	92,668,277	242,267	-	516,324	93,426,868
Impairment expenses recognized during the year for on balance sheet exposure	19,300,179	48,876	-	(36,411)	19,312,644
As at 31st December 2023	111,968,456	291,143	-	479,913	112,739,512
As at 1st January 2024	111,968,456	291,143	-	479,913	112,739,512
Impairment expenses recognized during the year for on balance sheet exposure	34,834,349	343,747	34,656	(242,110)	34,970,642
As at 31st December 2024	146,802,805	634,890	34,656	237,803	147,710,154

12.3 Receivables from financing activities measured at amortised cost

	2024			2023		
	Gross amount	ECL allowance	Net carrying amount	Gross amount	ECL allowance	Net carrying amount
	MVR	MVR	MVR	MVR	MVR	MVR
Diminishing Musharaka	3,096,257,669	33,444,178	3,062,813,491	2,375,048,569	17,395,983	2,357,652,586
Murabaha	1,833,240,022	112,148,443	1,721,091,579	1,618,157,980	93,340,390	1,524,817,590
Istisna'	107,256,687	1,208,645	106,048,042	131,464,771	1,232,083	130,232,688
Wakala Bi Al-Istithmar	46,390,956	1,539	46,389,417	-	-	-
Tawarruq	808,113,650	-	808,113,650	93,060,244	-	93,060,244
Education financing	3	-	3	1,451	-	1,451
Total gross receivable	5,891,258,987	146,802,805	5,744,456,182	4,217,733,015	111,968,456	4,105,764,559

12.4 Net impairment loss on financial assets

	2024 MVR	2023 MVR
Impairment recognized during the year for on balance sheet exposure (Note 12.2)	34,970,642	19,312,644
Impairment recognized / (reversed) during the year for off balance sheet exposure (Note 19)	(4,045,486)	3,785,052
	30,925,156	23,097,696

12.5 Significant changes in the gross carrying amount

The following table provides an explanation of how significant changes in the gross carrying amount of financial instruments during the period contributed to changes in loss allowance.

	2024			2023		
	Impact: Increase / (decrease)			Impact: Increase / (decrease)		
	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3
Murabaha	4,319,204	1,406,874	5,228,342	11,664,828	1,282,052	(2,604,606)
Istisna'	-	-	-	(2,503)	-	-
Diminishing Musharakah	1,337,479	(708,969)	6,393,172	1,433,524	(3,124)	-
Tawarruq	5,417,611	1,258,396	949,617	1,494,566	-	-
Wakala Bi Al-Istithmar	1,539	-	-	-	-	-
	11,075,833	1,956,301	12,571,131	14,590,415	1,278,928	(2,604,606)
Commitments	(4,045,486)	-	-	3,785,051	-	-



MALDIVES ISLAMIC BANK PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31ST DECEMBER 2024

13 PROPERTY AND EQUIPMENT

	Leasehold building		Computer equipment		Furniture and fittings		Office equipment		Machinery and equipment		Motor vehicles		Capital work in progress		Total	
	MVR	MVR	MVR	MVR	MVR	MVR	MVR	MVR	MVR	MVR	MVR	MVR	MVR	MVR	MVR	MVR
Cost																
As at 1st January 2024	40,712,342	63,483,875	13,084,181	35,903,795	2,909,247	1,407,178	19,827,182	177,327,800								
Additions during the year	2,603,464	7,111,046	3,361,367	1,112,228	-	-	35,013,938	49,202,043								
Disposals during the year	-	-	-	-	-	-	-	-	-							
Write offs during the year	-	-	-	-	-	-	-	-	-							
Transferred from capital work-in progress	7,202,604	13,936,411	915,835	19,830,759	-	-	(41,885,609)	-								
As at 31st December 2024	50,518,410	84,531,332	17,361,383	56,846,782	2,909,247	1,407,178	12,955,511	226,529,843								
Accumulated depreciation																
As at 1st January 2024	14,295,901	41,508,651	6,646,278	21,852,983	690,007	354,433	-	85,348,253								
Depreciation for the year (Note 33)	4,216,637	9,506,733	2,137,413	6,510,073	291,941	234,106	-	22,896,903								
As at 31st December 2024	18,512,538	51,015,384	8,783,691	28,363,056	981,948	588,539	-	108,245,156								
Net carrying amount																
As at 31st December 2024	32,005,872	33,515,948	8,577,692	28,483,726	1,927,299	818,639	12,955,511	118,284,687								

Notes:

- Capital work in progress includes the amount incurred by the Bank on construction of ATMs, new data recovery center and office space.
- There were no restrictions existed on the title of the property and equipment of the Bank as at the reporting date.
- There were no items of property and equipment pledged as securities for liabilities as at the reporting date.
- There were no idle property and equipment as at the reporting date.
- The cost of fully-depreciated property and equipment of the Bank as at 31st December 2024 is MVR 61,935,286

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31ST DECEMBER 2024

13 PROPERTY AND EQUIPMENT (CONTINUED)

	Leasehold building	Computer equipment	Furniture and fittings	Office equipment	Machinery and equipment	Motor vehicles	Capital work in progress	Total
	MVR	MVR	MVR	MVR	MVR	MVR	MVR	MVR
Cost								
As at 1st January 2023	27,497,711	45,272,474	8,192,255	28,178,069	1,117,659	283,978	22,516,988	133,059,134
Additions during the year	1,594,042	5,811,632	1,505,089	817,681	276,675	-	37,965,991	47,971,108
Disposals during the year	-	(2,018,931)	(354,906)	(1,326,062)	-	-	-	(3,699,898)
Write offs during the year	-	-	-	-	-	-	(2,544)	(2,544)
Transferred from capital work-in progress	11,620,589	14,418,700	3,741,743	8,234,107	1,514,913	1,123,200	(40,653,253)	-
As at 31st December 2023	40,712,342	63,483,875	13,084,181	35,903,795	2,909,247	1,407,178	19,827,182	177,327,800
Accumulated depreciation								
As at 1st January 2023	11,059,117	35,785,484	5,327,460	19,363,391	437,750	217,717	-	72,190,919
Depreciation for the year (Note 33)	3,236,784	7,735,975	1,664,534	3,786,055	252,257	136,716	-	16,812,321
Released for the year	-	(2,012,808)	(345,716)	(1,296,463)	-	-	-	(3,654,987)
As at 31st December 2023	14,295,901	41,508,651	6,646,278	21,852,983	690,007	354,433	-	85,348,253
Net carrying amount								
As at 31st December 2023	26,416,441	21,975,224	6,437,903	14,050,812	2,219,240	1,052,745	19,827,182	91,979,547

Notes:

- Capital work in progress includes the amount incurred by the Bank on construction of Sales centers, ATMs and office space.
- There were no restrictions existed on the title of the property and equipment of the Bank as at the reporting date.
- There were no items of property and equipment pledged as securities for liabilities as at the reporting date.
- There were no idle property and equipment as at the reporting date.
- The cost of fully-depreciated property and equipment of the Bank as at 31st December 2023 is MVR 49,973,039.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31ST DECEMBER 2024

14 RIGHT-OF-USE ASSETS

Right-of-use assets relate to leased properties that do not meet the definition of investment property.

	2024 MVR	2023 MVR
Cost		
As at 1 st January	172,231,120	168,790,305
Additions during the year	2,926,025	7,382,820
Modifications during the year	3,410,246	(3,942,005)
As at 31 st December	178,567,391	172,231,120
Accumulated depreciation		
As at 1 st January	57,165,338	43,961,885
Depreciation charged during the year (Note 33)	15,406,579	14,162,563
Terminations during the year	-	(959,110)
As at 31 st December	72,571,917	57,165,338
Net carrying amount	105,995,474	115,065,782

15 INTANGIBLE ASSETS

As at 31st December 2024

	Core banking and database software MVR	Other computer software MVR	Capital work in progress MVR	Total MVR
Cost				
As at 1st January 2024	20,057,883	22,827,995	1,129,238	44,015,116
Additions during the year	-	1,115,628	5,090,887	6,206,515
Transferred from capital work-in-progress	-	1,315,882	(1,315,882)	-
As at 31st December 2024	20,057,883	25,259,505	4,904,243	50,221,631
Accumulated amortization				
As at 1st January 2024	18,943,220	13,779,274	-	32,722,494
Amortization for the year (Note 33)	617,960	4,866,650	-	5,484,610
As at 31st December 2024	19,561,180	18,645,924	-	38,207,104
Net carrying amount as at 31st December 2024	496,703	6,613,581	4,904,243	12,014,527

As at 31st December 2023

	Core banking and database software MVR	Other computer software MVR	Capital work in progress MVR	Total MVR
Cost				
As at 1st January 2023	20,057,883	18,227,181	1,683,308	39,968,372
Additions during the year	-	(170,053)	4,616,737	4,446,685
Write-off during the year	-	-	(399,941)	(399,941)
Transferred from capital work-in-progress	-	4,770,867	(4,770,867)	-
As at 31st December 2023	20,057,883	22,827,995	1,129,238	44,015,116
Accumulated amortization				
As at 1st January 2023	18,200,005	10,185,029	-	28,385,034
Amortization for the year (Note 33)	743,215	3,594,245	-	4,337,460
As at 31st December 2023	18,943,220	13,779,274	-	32,722,494
Net carrying amount as at 31st December 2023	1,114,663	9,048,721	1,129,238	11,292,622

15.1 Software work-in-progress mainly includes payments made by the bank for procuring software relating to card-scheme implementation.

15.2 There were no restrictions on the title of the intangible assets of the Bank as at the reporting date. Further, there were no items pledged as securities for liabilities.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31ST DECEMBER 2024

16 OTHER ASSETS	2024 MVR	2023 MVR
Refundable deposits	18,497,796	13,626,875
Prepayments	8,301,847	8,100,151
Advance payments against financing assets (Note 16.1)	174,255,586	136,708,038
Other receivables	60,349,083	17,942,536
	<u>261,404,312</u>	<u>176,377,600</u>

16.1 Advance payments against financing assets comprised of the advance payments made to suppliers for the procurement of goods under Trade and Ujala consumer financing facilities.

17 CUSTOMERS' ACCOUNTS	2024 MVR	2023 MVR
Current accounts	2,614,385,323	1,676,009,108
Savings accounts	3,726,920,576	2,791,075,051
Term deposits	2,624,417,938	2,288,330,530
Margin accounts	49,773,101	34,165,403
Other deposits	111,515,943	48,296,289
	<u>9,127,012,881</u>	<u>6,837,876,381</u>

18 DUE TO BANKS AND OTHER FINANCIAL INSTITUTIONS	2024 MVR	2023 MVR
Wakalah Placement by BML, Maldives (Note 18.1)	643,921,175	227,042,466
Wakalah Placement by MMA (Note 18.2)	311,442,959	-
Islamic Corporation for the Development of private sector (ICD) (Note 18.3)	-	31,009,208
	<u>955,364,134</u>	<u>258,051,674</u>

18.1 During the year, the Bank has entered in to further Wakala arrangements with Bank of Maldives ("BML"). The Bank has been appointed as agent of the BML for investing their funds and the Bank is authorized to enter into Shariah compliant transactions on behalf of BML.

18.2 During the year, the Bank has entered in to Wakala arrangements with Maldives Monetary Authority ("MMA"). The Bank has been appointed as agent of MMA for investing their funds and the Bank is authorized to enter into Shariah compliant transactions on behalf of MMA.

18.3 The Commodity Murabaha Facility from the Islamic Corporation for the Development of private sector ("ICD") was fully settled during the year.

19 PROVISIONS	2024 MVR	2023 MVR
As at 1 st January	7,097,459	3,312,408
Provision (reversed) / made during the year - Undrawn credit facilities	(4,045,487)	3,785,051
As at 31 st December	<u>3,051,972</u>	<u>7,097,459</u>

The above provision represents the ECL provision recognized by the Bank for undrawn credit facilities.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31ST DECEMBER 2024

20 LEASE LIABILITIES

The Bank leases its head office premises, branches, and ATM locations. The leases typically run for a period of 3 to 25 years, with an option to renew the lease after that date.

Information about leases for which the Bank is a lessee is presented below.

	2024	2023
	MVR	MVR
As at 1 st January	90,556,067	95,472,683
Additions during the year	2,926,024	7,382,820
Modifications during the year	3,410,247	(3,081,341)
Financing expense on lease liabilities	5,051,593	5,272,498
Payments made during the year	(16,385,082)	(14,490,593)
As at 31 st December	<u>85,558,849</u>	<u>90,556,067</u>

Maturity analysis of undiscounted cash flows as follows

Less than one year	17,033,395	15,759,002
More than one year	86,757,358	96,322,228
	<u>103,790,753</u>	<u>112,081,230</u>

Sensitivity analysis of lease liabilities

The below table reflects the sensitivity of lease liabilities as at 31st December 2024 to reasonably possible changes in Incremental Borrowing Rate (Incremental Financing Rate).

	-1%	No Change	+1%
Lease liabilities	91,122,362	85,558,849	80,522,651

20.1 Amount recognised in profit or loss

Financing expense on lease liabilities	5,051,593	5,272,498
Amortization of right of use asset	15,406,579	14,162,563

20.2 Amount recognised in statement of cash flows

	<u>11,333,489</u>	<u>9,218,095</u>
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20.3 Extension options

Some leases of branches contain extension options exercisable by the Bank up to three/five years before the end of the non-cancellable contract period. The Bank included extension options in lease agreements to provide operational flexibility and the management decided that the Bank is most likely to exercise the extension options. The future lease payments resulted in an increase in lease liability of MVR 11,390,277 as a result of the extensions as at 31st December 2024 (as at 31st December 2023: MVR 6,885,110).

21 OTHER LIABILITIES

	2024	2023
	MVR	MVR
Accrued expenses	5,645,887	3,565,351
Pension payable	852,913	679,887
Payable to suppliers	20,625,238	8,433,583
Cashiers cheque	425,150	555,693
Charity funds from financing	934,647	1,007,318
Retention on Istisna' projects	431,440	431,440
Dividend payable	595,351	465,482
Other liabilities*	45,491,017	58,493,046
	<u>75,001,643</u>	<u>73,631,800</u>

*Other liabilities mainly include bonus payable to staff, clearing inter-bank transfers, withholding tax payable to MIRA and other fund-clearing accounts.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31ST DECEMBER 2024

22 SHARE CAPITAL

22.1 Authorized share capital

	2024 MVR	2023 MVR
100,000,000 ordinary shares of MVR 10 each (2023: 100,000,000 ordinary shares of MVR 10 each)	1,000,000,000	1,000,000,000

22.2 Issued and fully paid up share capital

	2024		2023	
	Value MVR	No. of shares	Value MVR	No. of shares
Ordinary shares issued before initial public offering- at par	180,000,070	18,000,007	180,000,070	18,000,007
Initial public offering - at par	45,000,000	4,500,000	45,000,000	4,500,000
-share premium	112,500,000		112,500,000	4,500,000
	<u>337,500,070</u>	<u>22,500,007</u>	<u>337,500,070</u>	<u>22,500,007</u>

18,000,007 ordinary shares of MVR 10 each issued at par and, 4,500,000 ordinary shares of MVR 10 each issued at a premium of MVR 25 each (2023: 18,000,007 ordinary shares of MVR 10 each issued at par and, 4,500,000 ordinary shares of MVR 10 each issued at a premium of MVR 25 each).

22.3 Shareholders

	2024		2023	
	No. of shares	%	No. of shares	%
Islamic Corporation for the Development of the Private Sector	7,425,000	33%	7,425,000	33%
The Government of Maldives	6,300,000	28%	6,300,000	28%
Maldives Pension Administration Office	2,369,370	11%	2,369,370	11%
Amana Takaful Maldives Plc	1,806,372	8%	1,806,372	8%
Others	4,599,265	20%	4,599,265	20%
Total	<u>22,500,007</u>	<u>100%</u>	<u>22,500,007</u>	<u>100%</u>

22.4 Dividends and voting rights

The holders of the ordinary shares are entitled to receive dividends as declared from time to time and are entitled to vote as per Articles of Association of the Bank.

The bank has declared dividends of MVR 2.90 per share, amounting to MVR 65,250,020 during the year ended 31st December 2024. During the year ended 31st December 2023 the bank declared dividends of MVR 1.75 per share, amounting to MVR 39,375,012.

23 FAIR VALUE RESERVE

The bank has elected to recognise changes in the fair value of certain investments in equity securities in OCI (Note 10). These changes are accumulated within the FVOCI reserve within equity. The bank transfers amounts from this reserve to retained earnings when the relevant equity securities are derecognised.

24 STATUTORY RESERVE

In accordance with the Maldives Banking Act No 24/2010 / Prudential Regulation on Capital Adequacy (2015/R-166) issued by the Maldives Monetary Authority ("MMA"), the bank shall allocate, after taxes, at least 50% of its net distributable profits for the formation of a capital reserve until the reserve totals 50% of its minimum required unimpaired paid-up capital or assigned capital. Once the reserve reaches 50% of the bank's minimum required unimpaired paid-up capital or assigned capital, the allocation shall not be less than 25% of the bank's net distributable profit until the reserve totals an amount equal to the bank's minimum required unimpaired paid-up capital or assigned capital. The bank may not reduce its capital and the reserve accumulated in the manner described in the Act / Prudential Regulation or in any other manner without prior approval of the MMA. The bank has not transferred any amounts to the statutory reserve during the year ended 31 December 2024.

However, the bank has the statutory reserve amounting to MVR 150,000,000 as at 31st December 2024 and that is an amount equal to the bank's minimum required assigned capital of MVR 150,000,000 as specified under sections 12 and 13 of the Maldives Banking act No. 24/2010.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31ST DECEMBER 2024

25 NON-DISTRIBUTABLE CAPITAL RESERVE

In accordance with the Maldives Monetary Authority ("MMA") guideline on financing receivable loss provisioning (CN-BSD/2017/8), the Bank has created a separate reserve to record the difference in impairment amounts provided between IFRS provision and impairment provision made in accordance with MMA guidelines (MMA Prudential Regulation 2015/R-168: Regulation on Asset Classification, Provisioning and Suspense of Profit).

Total provision for impairment in accordance with MMA guidelines was higher than the ECL provision, and there was an additional amount of MVR 1,294,076 transferred to the non-distributable capital reserve as at 31st December 2024 (31st December 2023: reversal of MVR 7,667,201 from the non-distributable capital reserve).

	2024	2023
	MVR	MVR
Impairment provision per MMA Prudential Regulation as at 31st December	167,257,095	135,174,157
Less: Impairment provision per IFRS 9 as at 31st December (Note 12.2 & 19)	(149,854,777)	(119,065,915)
Non-distributable capital reserve as at 31st December	<u>17,402,318</u>	<u>16,108,242</u>
26 NET PROFIT EARNED FROM FINANCING ACTIVITIES	2024	2023
	MVR	MVR
Income from financing activities (Note 26.1)	599,348,633	401,763,833
Profit paid on customer accounts (Note 26.2)	(130,642,491)	(77,468,213)
Net profit from financing activities	<u>468,706,142</u>	<u>324,295,620</u>
26.1 Income from financing activities - measured at amortised cost		
Income from Education financing	664	7,611
Income from Murabaha	305,269,910	202,092,928
Income from Istisna'	12,915,873	14,121,948
Income from Diminishing Musharaka	280,870,576	183,740,167
Income from Wakalah Bi Al-Isthithmar	644,765	-
Income from financing activities using the effective profit method	<u>599,701,788</u>	<u>399,962,654</u>
Net impact of modification of financial assets measured at amortised cost (Note 26.3)	(353,155)	1,801,179
Total income from finance activities using the effective profit method	<u>599,348,633</u>	<u>401,763,833</u>
26.2 Profit paid on customer accounts & others - measured at amortised cost		
General investment accounts	68,155,991	49,943,503
Savings accounts	41,405,426	22,288,783
Inter-bank financing	21,081,074	5,235,927
	<u>130,642,491</u>	<u>77,468,213</u>
26.3 Net loss arising from modification of financial assets measured at amortised cost		

The bank has recognized additional losses from the modification of financial assets measured at amortized cost. These losses primarily relate to modifications made to restructuring and rescheduling of financing facilities.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31ST DECEMBER 2024

26 NET PROFIT EARNED FROM FINANCING ACTIVITIES (CONTINUED)

26.3 Net loss arising from modification of financial assets measured at amortised cost (Continued)

	2024			2023		
	Murabaha	Diminishing Musharakah	Total	Murabaha	Diminishing Musharakah	Total
Amortised cost before modification	7,063,998	63,513,976	70,577,974	255,017	11,166,061	11,421,078
Loss on modification	(213,520)	(2,837,809)	(3,051,329)	(10,645)	(963,601)	(974,246)
Unwinding effect during the year	583,452	2,114,722	2,698,174	493,475	2,281,950	2,775,425
Net impact to profit or loss	369,932	- 723,087	- 353,155	482,830	1,318,349	1,801,179

27 NET FEE AND COMMISSION INCOME

	2024 MVR	2023 MVR
Fee and commission income (Note 27.1)	145,540,120	75,122,199
Fee and commission expense (Note 27.2)	(32,999,413)	(13,490,924)
Net fee and commission income	112,540,707	61,631,275

27.1 Disaggregation of fee and commission income

In the following table, fee and commission income from contracts with customers in the scope of IFRS 15 is disaggregated by major type of services. The table also includes a reconciliation of the disaggregated fee and commission income with the Bank's reportable segments.

	Corporate and retail banking		ATM card and electronic banking		Total	
	2024 MVR	2023 MVR	2024 MVR	2023 MVR	2024 MVR	2023 MVR
Banking services	38,950,898	28,370,810	-	-	38,950,898	28,370,810
Trade finance services	2,734,732	884,211	-	-	2,734,732	884,211
Remittances	30,507,874	20,880,160	-	-	30,507,874	20,880,160
ATM, POS, Faisa Net and Gateway services	-	-	73,340,695	24,987,018	73,340,695	24,987,018
Other fees and commissions income	5,921	-	-	-	5,921	-
Total fee and commission income from contracts with customers	72,199,425	50,135,181	73,340,695	24,987,018	145,540,120	75,122,199

27.2 Fee and commission expense

Fund transfer expenses	1,788,514	770,820	31,210,899	12,720,104	32,999,413	13,490,924
	1,788,514	770,820	31,210,899	12,720,104	32,999,413	13,490,924

28 NET FOREIGN EXCHANGE (LOSS)/GAIN

	2024 MVR	2023 MVR
Net foreign exchange (loss)/gain	(99,170)	305,875

Net foreign exchange gain represent net income received from buying and selling of foreign currency.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31ST DECEMBER 2024

29 INCOME FROM INVESTMENTS IN EQUITY SECURITIES

	2024	2023
	MVR	MVR
Dividend income from investment measured at FVOCI	5,001,000	4,726,400
	<u>5,001,000</u>	<u>4,726,400</u>

The dividend income represents the dividend received during the year from investments in the quoted shares of Dhivehi Raajjeyge Gulhun PLC ("Dhiraagu") and Ooredoo Maldives PLC ("Ooredoo"). The dividend income includes, from Dhiraagu, MVR 5.84 per share as final dividend for 2023 and interim dividend of MVR 1.66 per share for 2024 (2023: Final of MVR 5.67 for 2022 and MVR 1.66 per share as interim dividend of 2023), from Ooredoo, MVR 3.27 per share as the final dividend for 2023. (2023: final dividend of MVR 3.04 for 2022).

30 NET INCOME FROM OTHER FINANCIAL INSTRUMENTS**30.1 Investments in other financial instruments mandatorily measured at FVTPL**

	2024	2023
	MVR	MVR
Mudharabah income mandatorily measured at FVTPL	12,208,946	11,219,410
	<u>12,208,946</u>	<u>11,219,410</u>

30.2 Income from investments measured at amortised cost

	2024	2023
	MVR	MVR
Income from Wakalah Bi Al-Istithmar & SLBF	94,771,204	62,261,393
Income from Commodity Murabaha placement	12,118,739	11,120,293
Income from Wakalah Bi Al-Istithmar inter-bank facility	4,009,115	-
	<u>110,899,058</u>	<u>73,381,686</u>

31 PERSONNEL EXPENSES

	2024	2023
	MVR	MVR
Salaries and wages	80,116,975	64,299,625
Housing allowance	13,919,908	10,877,195
Annual and ramadhan bonus	35,661,581	23,716,982
Contribution to defined contribution plans	4,849,799	3,712,885
Medical insurance (Takaful)	4,427,355	2,334,787
Other staff expenses	9,857,046	5,414,015
Training and development	4,840,496	3,782,963
Executive allowance	1,358,846	1,059,708
Uniforms	98,097	384,975
	<u>155,130,103</u>	<u>115,583,135</u>

32 GENERAL AND ADMINISTRATIVE EXPENSES

	2024	2023
	MVR	MVR
Technology related expenses	22,523,094	16,642,633
Financing expenses on lease liabilities	5,051,593	5,272,498
Connectivity and internet charges	6,626,443	4,544,962
Electricity expenses	5,984,828	4,580,727
Marketing and advertising expenses	11,751,136	7,284,387
Premises security and insurance	4,523,700	4,010,613
Directors allowance and board related expenses	8,486,192	5,101,187
Other operating expenses	11,752,673	3,008,885
Stationary costs	2,075,999	2,363,687
Legal and professional expenses	13,964,712	2,467,656
Communication expenses	2,933,367	1,781,801
Financing related expenses	3,398,612	1,961,154
Utility expenses	2,241,853	1,268,947
Maintenance expense	5,875,066	4,322,918
Travelling expenses	1,868,937	2,205,172
Shari'ah committee related expenses	1,454,913	1,009,060
Rent	15,818	-
	<u>110,528,936</u>	<u>67,826,287</u>

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31ST DECEMBER 2024

33 DEPRECIATION AND AMORTISATION

	2024	2023
	MVR	MVR
Depreciation on property plant and equipment (Note 13)	22,896,903	16,812,320
Depreciation on right of use assets (Note 14)	15,406,579	14,162,563
Amortisation on intangible assets (Note 15)	5,484,610	4,337,460
	<u>43,788,092</u>	<u>35,312,343</u>

34 INCOME TAX**34.1 Amounts recognised in profit or loss**

	2024	2023
	MVR	MVR
Current tax (Note 34.3)	95,414,503	63,366,214
Deferred tax asset (Note 34.5)	(4,451,397)	(6,155,442)
	<u>90,963,106</u>	<u>57,210,772</u>

34.2 Amounts recognised in other comprehensive income*Items that will not be reclassified to profit or loss;*

Deferred tax liability / (asset) on movement in fair value reserve (equity instruments) (Note 34.5)	3,625,000	2,600,000
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34.3 Current tax

The bank is liable to pay income tax (at the rate of 25%) in accordance with the Income Tax Act (Law Number 25/2019) issued on 17 December 2019 by the Government of Maldives. A reconciliation between taxable profit and the accounting profit is as follows.

	2024	2023
	MVR	MVR
Accounting profit before tax	368,884,396	233,740,805
Tax effect at the Income tax rate - 25%	92,221,099	58,435,201
Tax effect of non-deductible expenses	14,826,667	11,073,097
Tax effect of deductible expenses	(11,633,263)	(6,142,084)
Current tax	<u>95,414,503</u>	<u>63,366,214</u>

Numerical reconciliation of income tax expense to prima facie tax payable

Accounting profit before tax	368,884,396	233,740,805
Tax effect at the Income tax rate - 25%	92,221,099	58,435,201
Tax effect of non-deductible expenses	9,537,056	3,808,764
Tax effect of deductible expenses	(7,248,878)	(2,433,193)
Income tax expense reported in the statement of comprehensive income	<u>94,509,277</u>	<u>59,810,772</u>
Effective tax rate (Excluding deferred tax)	<u>26%</u>	<u>27%</u>
Effective tax rate (Including deferred tax)	<u>25%</u>	<u>25%</u>

34.4 Current tax liability

	2024	2023
	MVR	MVR
As at 1 st January	39,560,190	35,155,893
Current tax	95,414,503	63,366,214
Tax paid during the year	(70,221,046)	(58,961,917)
As at 31 st December	<u>64,753,647</u>	<u>39,560,190</u>

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31ST DECEMBER 2024

34 INCOME TAX (CONTINUED)

34.5 Deferred tax (asset) / liability

	2024 MVR	2023 MVR
As at 1 st January	(4,193,876)	(638,434)
Recognition in profit or loss		
Deferred tax asset recognized during the year	(4,451,397)	(6,155,442)
Recognition in other comprehensive income		
Deferred tax liabilities recognised during the year	3,625,000	2,600,000
As at 31 st December	<u>(5,020,273)</u>	<u>(4,193,876)</u>

34.6 Deferred tax liability / (asset) attributable for following:

	2024		2023	
	Temporary difference	Tax effect	Temporary difference	Tax effect
	MVR	MVR	MVR	MVR
Property and equipment	(16,715,240)	(4,178,810)	(8,916,484)	(2,229,121)
Intangible assets	2,920,468	730,117	6,031,312	1,507,828
Investments in equity securities	80,000,000	20,000,000	65,500,000	16,375,000
Impairment loss allowance on receivables from financing activities	(86,286,320)	(21,571,580)	(79,390,332)	(19,847,583)
	<u>(20,081,092)</u>	<u>(5,020,273)</u>	<u>(16,775,504)</u>	<u>(4,193,876)</u>

Deferred tax assets and liabilities are calculated on all taxable and deductible temporary differences arising from the differences between accounting bases and tax bases of assets and liabilities. Deferred tax is provided at the rate of 25% (2023: 25%).

Movement in deferred tax (asset) / liability

	Balance as at 1st January 2024 MVR	Recognized in profit or loss MVR	Recognized in OCI MVR	Balance as at 31st December 2024 MVR
Property and equipment	(2,229,121)	(1,949,689)	-	(4,178,810)
Intangible assets	1,507,828	(777,711)	-	730,117
Investments in equity securities	16,375,000	-	3,625,000	20,000,000
Impairment loss allowance on receivables from financing activities	(19,847,583)	(1,723,997)	-	(21,571,580)
	<u>(4,193,876)</u>	<u>(4,451,397)</u>	<u>3,625,000</u>	<u>(5,020,273)</u>

35 BASIC AND DILUTED EARNINGS PER SHARE

35.1 The calculation of basic and diluted earnings per share is based on profit for the year attributable to the ordinary shareholders and weighted average number of ordinary shares outstanding as at reporting date. Basic earnings/(loss) per share is calculated as follows:

	2024 MVR	2023 MVR
Profit attributable to ordinary shareholders	277,921,290	176,530,033
Weighted average number of ordinary shares	22,500,007	22,500,007
Basic earnings per share - MVR	<u>12.35</u>	<u>7.85</u>
35.2 Net assets per share as of 31 st December	<u>51.18</u>	<u>41.25</u>

37 FINANCIAL RISK MANAGEMENT

The Bank has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk
- Operational risk

This note presents information about the Bank's objectives, policies and processes for measuring and managing risk.

The Bank's Board of Directors has overall responsibility for the establishment and oversight of the Bank's risk management framework. The Board of Directors has established the Risk Management and Compliance Unit (RMCU), which is responsible for developing and monitoring risk management policies.

The Bank's risk management policies are established to identify and analyze the risks faced by the Bank, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. The risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Bank's activities. The Bank, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Board Audit Committee (BAC) oversees how management monitors compliance with the Bank's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Bank. The BAC is assisted in its oversight role by Internal Audit. Internal Audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the BAC.

The Board of Directors has overall responsibility for the establishment and oversight of the Bank's risk management framework.

(i) Credit risk

'Credit risk' is the risk of financial loss to the Bank if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Bank's financing to customers and deposits and placements with other banks, and investment in securities. For risk management reporting purposes, the Bank considers and consolidates all elements of credit risk exposure (such as individual obligor default risk, country and sector risk).

The market risk in respect of changes in value in trading assets arising from changes in market prices applied to securities and specific assets included in trading assets is managed as a component of market risk.

The Bank's exposure to credit risk is influenced mainly by the individual characteristics of each customer. There is no concentration of credit risk geographically.

Settlement risk

The Bank's activities may give rise to risks at the time of settlement of transactions and trades. Settlement risk is the risk of loss due to the failure of an entity to honor its obligations to deliver cash, securities or other assets as contractually agreed.

For certain types of transactions, the Bank mitigates this risk by conducting settlements through a settlement/clearing agent to ensure that a trade is settled only when both parties have fulfilled their contractual settlement obligations. Settlement limits form part of the credit approval/limit monitoring process described earlier. Acceptance of settlement risk on free-settlement trades requires transaction-specific or counterparty-specific approvals from RMCU.

37 FINANCIAL RISK MANAGEMENT (CONTINUED)**(i) Credit risk (Continued)*****Management of credit risk***

The Board of Directors has delegated responsibility for the oversight of credit risk to its Board Risk and Compliance Committee (BRCC). A separate Risk Management Department, reporting to the board of directors, is responsible for managing the Bank's credit risk, including the following:

- Formulating credit policies in accordance with the financing manual approved by the Board and in consultation with business units, covering collateral requirements, credit assessment, risk grading and reporting, documentary and legal procedures, and compliance with regulatory and statutory
- Establishing the authorization structure for the approval and renewal of credit facilities. Authorization limits are allocated to Financing & Investment Committee (FIC) of the Management. Larger facilities require approval by the Board of Directors as appropriate.
- Reviewing and assessing credit risk: FIC of the Management assesses all credit exposures within its designated limits while exposures are assessed by BRCC in excess of designated limits, before facilities are committed to customers by the business unit concerned. Renewals and reviews of facilities are subject to the same review process.
- Limiting concentrations of exposure to counterparties, geographies and industries (for financing receivable and advances "financing", financial guarantees and similar exposures), and by issuer, credit rating band, market liquidity and country (for investment securities).
- Developing and maintaining risk grading system to categorize exposures according to the degree of risk of financial loss faced and to focus management on the attendant risks. The risk grading system is used in determining where impairment provisions may be required against specific credit exposures. The current risk grading framework consists of five grades reflecting varying degrees of risk of default. The responsibility for setting risk grades lies with the Business department while its validation and regular reviews is the responsibility of the RMCU.
- Reviewing compliance of business units with agreed exposure limits, including those for selected industries, country risk and product types. Regular reports on the credit quality of local portfolios are provided to FIC, which may require appropriate corrective action to be taken.
- Providing advice, guidance and specialist skills to business units to promote best practice throughout the Bank in the management of credit risk.

The business unit is required to implement Bank's credit policies and procedures and is responsible for the quality and performance of its credit portfolio and for monitoring and controlling all credit risks in its portfolios.

Regular audits of business units and RMCU's processes are undertaken by internal audit department.

Diversification of financing and investment activities;

Reviewing compliance, on an ongoing basis, with agreed exposure limits relating to counterparties, industries and countries and reviewing limits in accordance with risk management strategy and market trends.

In addition, the Bank manages the credit exposure by obtaining security where appropriate and limiting the duration of exposure. In certain cases, the Bank may also close out transactions or assign them to other counterparties to mitigate credit risk.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31ST DECEMBER 2024

37 FINANCIAL RISK MANAGEMENT (CONTINUED)

(i) Credit risk (Continued)

(a) i. Credit quality analysis

The following table sets out information about the credit quality of financial assets measured at amortised cost. Unless specifically indicated, for financial assets, the amounts in the table represent gross carrying amounts. For financing commitments (undrawn financing facilities), the amounts in the table represent the amounts committed respectively.

Explanation of terms "Stage 1", "Stage 2" and "Stage 3" is included in Note 4.8 (vii)

<i>Receivable from financing activities measured at amortised cost - gross carrying amount</i>	2024						2023							
	Stage 1		Stage 2		Stage 3		Stage 1		Stage 2		Stage 3		Total	
	MVR	MVR	MVR	MVR	MVR	MVR	MVR	MVR	MVR	MVR	MVR	MVR	MVR	MVR
Grade 1 - low risk (0 days)	5,173,331,172	-	-	-	-	-	3,792,142,346	-	-	-	-	-	-	3,792,142,346
Grade 2 - low risk (1 - 30 days)	373,434,813	-	-	-	-	-	176,760,151	-	-	-	-	-	-	176,760,151
Grade 3 - fair risk (31 - 60 days)	-	47,785,972	-	-	-	-	-	40,787,547	-	-	-	-	-	40,787,547
Grade 4 - fair risk (61 - 89 days)	-	36,900,889	-	-	-	-	-	33,942,854	-	-	-	-	-	33,942,854
Grade 5 - default (over 90 days)	-	-	-	259,806,141	-	-	-	-	-	-	174,100,117	-	-	174,100,117
Loss allowance	5,546,765,985	84,686,861	84,686,861	259,806,141	259,806,141	5,891,258,987	3,968,902,497	74,730,401	74,730,401	174,100,117	174,100,117	(78,803,675)	4,217,733,015	
Carrying amount	(21,834,349)	(8,258,360)	(8,258,360)	(116,710,096)	(116,710,096)	(146,802,805)	(27,136,656)	(6,028,125)	(6,028,125)	(78,803,675)	(78,803,675)	(111,968,456)	(111,968,456)	
	5,524,931,636	76,428,501	76,428,501	143,096,045	143,096,045	5,744,456,182	3,941,765,841	68,702,276	68,702,276	95,296,442	95,296,442	4,105,764,559	4,105,764,559	
<i>Receivable from financing activities measured at amortised cost - gross carrying amount</i>														
Current	5,173,331,172	-	-	-	-	-	3,792,142,346	-	-	-	-	-	-	3,792,142,346
Overdue < 30 days	373,434,813	-	-	-	-	-	176,760,151	-	-	-	-	-	-	176,760,151
Overdue > 30 days	-	84,686,861	84,686,861	259,806,141	259,806,141	344,493,002	-	74,730,401	74,730,401	174,100,117	174,100,117	248,830,518	248,830,518	
Total	5,546,765,985	84,686,861	84,686,861	259,806,141	259,806,141	5,891,258,987	3,968,902,497	74,730,401	74,730,401	174,100,117	174,100,117	4,217,733,015	4,217,733,015	
<i>Financing commitments (undrawn financing facilities)</i>														
Grades 1-4: low-fair risk	1,172,292,826	831,079	831,079	97,063	97,063	1,173,220,968	1,354,690,292	194,623	194,623	97,063	97,063	1,354,981,978	1,354,981,978	
Loss allowance	(2,939,048)	(112,924)	(112,924)	-	-	(3,051,972)	(7,088,587)	(8,872)	(8,872)	-	-	(7,097,459)	(7,097,459)	

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31ST DECEMBER 2024

37 FINANCIAL RISK MANAGEMENT (CONTINUED)

(i) Credit risk (Continued)

(a) ii. Cash and cash equivalents

The Bank held cash and cash equivalents of MVR 1,192,298,166 as at 31st December 2024 (31st December 2023 - MVR 679,831,850). The cash and cash equivalents are held with central banks and financial institution counterparties which have got minimum credit risk exposure.

(b) i. Collateral held and other credit enhancement

Type of credit exposure

	Note	Percentage of exposure that is subject to collateral requirements		Principal type of collateral held
		2024	2023	
Receivable from financing activities				
Education financing		0%	0%	None
Tawarruq		4%	5%	Land and property
Murabaha		15%	15%	Land and property
Wakala		100%	-	Land and property
Istisna'		100%	100%	Land and property
Diminishing Musharaka		100%	100%	Land and property

ii. Finance-to-value ratio

The table below stratify credit exposures from financing facilities to customers by ranges of Finance-to-value (FTV) ratio. FTV is calculated as the ratio of the gross amount of the finance facility or the amount committed for finance facility commitments to the value of the collateral. The value of the collateral is based on the collateral value at origination updated to reflect the current market values. For credit-impaired finance the value of collateral is based on the most recent appraisals.

FTV Ratio	2024	2023
	MVR	MVR
Less than 50%	1,627,427,140	1,218,466,380
51% - 70%	803,149,063	665,099,920
71% - 90%	686,490,586	440,463,825
91% - 100%	417,615,803	425,803,971
No collateral required (consumer financing)	2,356,576,395	1,467,898,919
Total	5,891,258,987	4,217,733,015
Credit-impaired financing		
Less than 50%	177,130,021	123,737,521
51% - 70%	2,245,539	3,133,317
More than 70%	-	-
No collateral required (consumer financing)	80,430,581	47,229,279
	259,806,141	174,100,117

As at 31st December 2024, the Bank did not hold any financial instruments for which no loss allowance is recognized because of collateral.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31ST DECEMBER 2024

37 FINANCIAL RISK MANAGEMENT (CONTINUED)

(i) Credit risk (Continued)

(b) ii. Finance-to-value ratio (Continued)

Receivable from financing activities given to corporate customers

As at 31st December 2024, the net carrying amount of credit impaired financing facilities granted to corporate customers is MVR 91,356,912 (2023: MVR 47,705,667) and the value of identifiable collateral (mainly land and property) held against those financing facilities amounted to MVR 445Mn (2023: MVR 127Mn). For each financing facility, the value of disclosed collateral is capped at the nominal amount of the finance facility that it is held against.

Receivable from financing facilities mandatorily measured at FVTPL

As at 31st December 2024, the maximum exposure to credit risk of investment securities measured at FVTPL was their carrying amount of MVR 121,682,729 (2023: MVR 120,501,238). The bank has minimized the credit risk exposure of all of these financing activities by obtaining sovereign guarantee.

(c) Amounts arising from expected credit loss ("ECL")

Inputs, assumptions and techniques used for estimating impairment

(c) i. Significant increase in credit risk

When determining whether the risk of default on a financial instrument has increased significantly since initial recognition, the bank considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the bank's historical experience and expert credit assessment and including forward-looking information.

The objective of the assessment is to identify whether a significant increase in credit risk has occurred for an exposure by comparing:

- the remaining lifetime probability of default (PD) as at the reporting date; with
- the remaining lifetime PD for this point in time that was estimated at the time of initial recognition of the exposure (adjusted where relevant for changes in prepayment expectations).

The bank uses below criteria for determining whether there has been a significant increase in credit risk:

- quantitative test based on movement in PD;
- qualitative indicators; and
- a backstop of 30 days past due.

(c) ii. Generating the term structure of Probability of Default (PD)

Days past due has taken as the primary input into determination of the term structure of PD for exposures. The bank collects performance and default information about its credit risk exposures analyzed by type of product and customer.

The bank employs statistical models to analyze the data collected and generate estimates of the remaining lifetime PD of exposures and how these are expected to change as a result of the passage of time.

For all financing portfolios except for Trade Finance Murabaha, a Transition Matrix based on days past due is used. For the Trade Finance Murabaha portfolio, since the above methods did not provide a statistically significant output, flow rate analysis is used.

This analysis includes the identification and calibration of relationship between changes in default rates and changes in key macro-economic factors as well as in-depth analysis of the impact of the certain other factors (e. g. forbearance experience) on the risk of default. For forward looking adjustments, the bank has performed historical analysis and identified the key economic variables impacting credit risk and expected credit losses for the loan (financing) portfolio.

The bank has used a score card approach for further refining the ECL model in order to obtain a more realistic default rate. The score card incorporates qualitative and quantitative macro-economic factors which are selected based on the relevancy and appropriateness. Each factor is assigned a weightage based on the relative interdependence with the default rate. Quantitative factors include GDP growth rate, inflation, unemployment rate and qualitative factors include management outlook on loan (financing) portfolio, regulatory impact, government policies and industry and business. Quantitative factors are based on economic data and forecasts published by IMF.

Using variety of external actual and forecasted information, the bank formulates a "Base Case" view of the future direction of relevant economic variables (mainly GDP Growth, inflation, unemployment with lag effect of these variable) as well as representative range (Best Case and Worst Case) of other possible forecast scenarios. The bank then uses the forecasts to adjust its estimates of PDs.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31ST DECEMBER 2024

37 FINANCIAL RISK MANAGEMENT (CONTINUED)**(i) Credit risk (Continued)****(c) Amounts arising from expected credit loss ("ECL") (Continued)****(c) iii. Determining whether credit risk has increased significantly**

The bank assesses whether credit risk has increased significantly since initial recognition at each reporting date. Determining whether an increase in credit risk is significant depends on the characteristics of the financial instrument and the borrower (customer).

As a backstop, the Bank considers that a significant increase in credit risk occurs no later than when an asset is equal or more than 30 days past due. Days past due are determined by counting the number of days since the earliest elapsed due date in respect of which full payment has not been received.

If there is evidence that there is no longer a significant increase in credit risk relative to initial recognition, then the loss allowance on an instrument returns to being measured as 12-month ECL. When contractual terms of a loan (financing facility) have been modified, evidence that the criteria for recognising lifetime ECL are no longer met includes a history of up-to-date payment performance against the modified contractual terms.

The Bank monitors the effectiveness of the criteria used to identify significant increases in credit risk by regular reviews.

(c) iv. Definition of default

The Bank considers a financial asset to be in default when:

- the customer is unlikely to pay its credit obligations to the Bank in full, without recourse by the Bank to actions such as realising security (if any is held);
- the customer is more than 90 days past due on any material credit obligation to the Bank. Overdrafts are considered as being past due once the customer has breached an advised limit or been advised of a limit smaller than the current amount outstanding; or
- it is becoming probable that the borrower (customer) will restructure the asset as a result of bankruptcy due to the customer's inability to pay its credit obligations.

In assessing whether a borrower (customer) is in default, the bank considers indicators that are:

- qualitative: e.g. extension to terms granted, arrears within the last 12 months, significant changes in business, financial and/or economic conditions of the customer and actual or expected restructuring.
- quantitative: e.g. overdue status and non-payment on another obligation of the same issuer to the Bank; and
- based on data developed internally and obtained from external sources.

The definition of default largely aligns with that applied by the Group for regulatory capital purposes

(c) v. Incorporation of Forward-looking Information

The Bank incorporates forward-looking information into its measurement of ECL.

The bank has used a score card approach for further refining the ECL model in order to obtain a more realistic default rate. The score card incorporates qualitative and quantitative macro-economic factors which are selected based on the relevancy and appropriateness. Each factor is assigned a weightage based on the relative interdependence with the default rate. Quantitative factors include GDP growth rate, inflation, unemployment rate and qualitative factors include management outlook on loan (financing) portfolio, regulatory impact, government policies and industry and business. Quantitative factors are based on economic data and forecasts published by IMF.

The Bank has identified and documented key drivers of credit risk and credit losses for each portfolio of financial instruments and, using an analysis of historical data, has estimated relationships between macroeconomic variables and credit risk and credit losses.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31ST DECEMBER 2024

37 FINANCIAL RISK MANAGEMENT (CONTINUED)

(i) Credit risk (Continued)

(c) Amounts arising from expected credit loss ("ECL") (Continued)

(c) v. Incorporation of forward-looking information (Continued)

Periodically, the Bank carries out stress testing of more extreme shocks to calibrate its determination of the upside and downside representative scenarios. A comprehensive review is performed at least annually on the design of the scenarios the Bank's internal team.

The Bank has identified and documented key drivers of credit risk and credit losses for each portfolio of financial instruments and, using an analysis of historical data, has estimated relationships between macroeconomic variables and credit risk and credit losses.

The economic scenarios used as at 31st December 2024 included the following key indicators for Maldives for the years ending 31st December 2025 to 2029.

		2025	2026	2027	2028	2029
GDP growth rate	Base	4.7%	4.8%	4.5%	4.5%	4.5%
	Upside	8.0%	8.0%	7.8%	7.8%	7.7%
	Downside	1.4%	1.5%	1.3%	1.3%	1.2%
Inflation rate	Base	4.5%	2.2%	2.0%	2.0%	2.0%
	Upside	3.8%	1.5%	1.3%	1.3%	1.3%
	Downside	5.2%	2.8%	2.7%	2.7%	2.7%
Unemployment rate	Base	3.8%	4.2%	4.2%	4.2%	4.2%
	Upside	2.9%	3.3%	3.3%	3.3%	3.3%
	Downside	4.7%	5.1%	5.1%	5.1%	5.1%

Predicted relationships between the key indicators and default and loss rates on various portfolios of financial assets have been developed based on analysing historical data over the past 6 years.

Economic variable assumptions

The below table reflects the sensitivity of Expected Credit Losses as at 31st December 2024 to reasonably possible changes to the key economic factor adjustments held constant in the ECL model.

	-1%	No Change	+1%
Inflation rate	145,638,984	149,854,777	153,960,385
GDP growth rate	150,173,737	149,854,777	149,534,987
Unemployment rate	143,764,980	149,854,777	155,698,422

(c) vi. Modified financial assets

The contractual terms of a loan (financing facility) may be modified for a number of reasons, including changing market conditions, customer retention and other factors not related to a current or potential credit deterioration of the customer. An existing loan (financing facility) whose terms have been modified may be derecognised and the renegotiated loan (financing facility) recognised as a new loan (financing facility) at fair value.

When the terms of a financial asset are modified and the modification does not result in derecognition, the determination of whether the asset's credit risk has increased significantly by analysing both qualitative and based on the delinquency status before the modification of terms of the contract.

The bank renegotiates loans (financing facilities) to customers in financial difficulties (referred to as "forbearance activities") to maximise collection opportunities and minimise the risk of default.

The revised terms usually include extending the maturity, changing the timing of profit payments and amending the terms of loan (financing) covenants.

For financial assets modified as part of the bank's forbearance policy, the estimate of PD reflects whether the modification has improved or restored the bank's ability to collect profit and principal and the bank's previous experience of similar forbearance action. As part of this process, the bank evaluates the borrower(customer)'s payment performance against the modified contractual terms and considers various behavioural indicators.

37 FINANCIAL RISK MANAGEMENT (CONTINUED)**(i) Credit risk (Continued)****(c) Amounts arising from expected credit loss ("ECL") (Continued)****(c) vii. Measurement of ECL**

The key inputs into the measurement of ECL are the term structure of the following variables:

Probability of default (PD)

Loss given default (LGD)

Exposure at default (EAD)

ECL for exposures in Stage 1 is calculated by multiplying the 12-month PD by LGD and EAD. Lifetime ECL is calculated by multiplying the lifetime PD by LGD and EAD.

Probability of default (PD)

PD estimates are estimates at a certain date, which are calculated based on statistical models, and assessed using various categories based on homogenous characteristics of exposures. These statistical models are based on internally compiled data comprising both quantitative and qualitative factors. Where it is available, market data may also be used to derive the PD for large corporate counterparties.

The methodology of estimating PDs is discussed above under the heading 'Generating the term structure of PD.'

Loss given default (LGD)

LGD is the magnitude of the likely loss if there is a default. The bank estimates LGD parameters based on the history of recovery rates of claims against defaulted counterparties. The LGD models consider the structure, collateral, seniority of the claim and recovery costs of any collateral that is integral to the financial asset. For financings secured by retail property, FTV ratios are a key parameter in determining LGD. LGD estimates are recalibrated for different economic scenarios and, for real estate financing, to reflect possible changes in property prices. They are calculated on a discounted cash flow basis using the effective profit rate as the discounting factor.

Exposure at default (EAD)

EAD represents the expected exposure in the event of a default. The bank derives the EAD from the current exposure to the counterparty and potential changes to the current amount allowed under the contract including amortization. The EAD of a financial asset is its gross carrying amount. For financing commitments and financial guarantees, the EAD includes the amount drawn, as well as potential future amounts that may be drawn under the contract, which are estimated based on historical observations and forward-looking forecasts.

As described above, and subject to using a maximum of a 12-month PD for financial assets for which credit risk has not significantly increased, the bank measures ECL considering the risk of default over the maximum contractual period over which it is exposed to credit risk. even if, for risk management purposes, the bank considers a longer period. The maximum contractual period extends to the date at which the bank has the right to require repayment (payment) of an advance or terminate a loan (financing) commitment or guarantee.

However, for Murabahah Trade Financing facilities that include both a financing and an undrawn commitment component, the bank measures ECL over a period longer than the maximum contractual period if the bank's contractual ability to demand repayment (payment) and cancel the undrawn commitment does not limit the bank's exposure to credit losses to the contractual notice period. These facilities do not have a fixed term or repayment (payment) structure and are managed on a collective basis. The bank can cancel them with immediate effect but this contractual right is not enforced in the normal day-to-day management. but only when the bank becomes aware of an increase in credit risk at the facility level.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31ST DECEMBER 2024

37 FINANCIAL RISK MANAGEMENT (CONTINUED)

(i) Credit risk (Continued)

(c) Amounts arising from expected credit loss ("ECL") (Continued)

(c) vii. Measurement of ECL (Continued)

Exposure at default (EAD) (Continued)

Where modelling of a parameter is carried out on a collective basis, the financial instruments are grouped on the basis of shared risk characteristics that include:

- instrument type
- collateral type
- remaining term to maturity

The groupings are subject to regular review to ensure that exposures within a particular group remain appropriately homogeneous.

(c) viii. Loss allowance

The following tables show reconciliations from the opening to the closing balance of the loss allowance by class of financial instruments.

	31 st December 2024			
	Stage 1 MVR	Stage 2 MVR	Stage 3 MVR	Total MVR
<i>Receivable from financing activities measured at amortised cost and undrawn financing facilities.</i>				
Balance as at 01 st January 2024	18,544,688	4,018,153	96,503,074	119,065,915
Transfers:				
Transfer from Stage 1 to Stage 2	(753,299)	3,614,301	-	2,861,002
Transfer from Stage 1 to Stage 3	(902,342)	-	19,372,768	18,470,426
Transfer from Stage 2 to Stage 3	-	(1,794,838)	6,500,004	4,705,166
Transfer from Stage 3 to Stage 2	-	785,357	(242,638)	542,719
Transfer from Stage 3 to Stage 1	15,254	-	(10,940,884)	(10,925,630)
Transfer from Stage 2 to Stage 1	119,979	(2,582,790)	-	(2,462,811)
Net remeasurement of loss	(19,574,910)	(527,244)	3,482,497	(16,619,657)
New financial assets originated	11,747,524	2,735,449	19,734,674	34,217,647
Balance as at 31st December 2024	9,196,894	6,248,388	134,409,495	149,854,777
	31 st December 2023			
	Stage 1 MVR	Stage 2 MVR	Stage 3 MVR	Total MVR
<i>Receivable from financing activities measured at amortised cost and undrawn financing facilities.</i>				
Balance as at 01 st January 2023	5,780,644	3,795,418	86,404,623	95,980,685
Transfers:				
Transfer from Stage 1 to Stage 2	(546,289)	3,413,853	-	2,867,564
Transfer from Stage 1 to Stage 3	(253,429)	-	2,934,878	2,681,449
Transfer from Stage 2 to Stage 3	-	(2,434,063)	5,366,912	2,932,849
Transfer from Stage 3 to Stage 2	-	129,877	(215,802)	(85,925)
Transfer from Stage 3 to Stage 1	20,794	-	(6,977,264)	(6,956,470)
Transfer from Stage 2 to Stage 1	95,130	(1,601,125)	-	(1,505,995)
Net remeasurement of loss	(1,828,521)	(755,569)	8,786,393	6,202,303
New financial assets originated	15,276,359	1,469,762	203,334	16,949,455
Balance as at 31st December 2023	18,544,688	4,018,153	96,503,074	119,065,915

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 ST DECEMBER 2024

37 FINANCIAL RISK MANAGEMENT (CONTINUED)

(i) Credit risk (Continued)

(c) Amounts arising from expected credit loss ("ECL") (Continued)

(c) viii. Loss allowance (Continued)

Credit-impaired financial assets

The following table sets out a reconciliation of changes in the gross carrying amount of credit impaired financing facilities to customers.

	2024	2023
	MVR	MVR
Opening balance of credit-impaired financing facilities to customers	174,100,117	161,469,757
Classified as credit-impaired during the year	153,377,317	44,915,854
Transferred to not credit-impaired during the year	(58,808,608)	(25,333,410)
Change in carrying amount of facilities that remained credit-impaired	(8,862,684)	(6,952,084)
Closing balance of credit-impaired financing facilities to customers	259,806,141	174,100,117

(d) Concentration of credit risk

Bank reviews on regular basis its concentration of credit granted in each of the products offered. The diversification was made to ensure that an acceptable level of risk in line with the risk appetite of the Bank is maintained. The diversification decision was made at the Assets-Liability Committee (ALCO), where it sets targets and present strategies to the Management and optimising the diversification. The product development team of the Bank is advised on the strategic decisions taken in diversification of the portfolio to align their product development activities accordingly.

The Bank monitors concentration of credit risk by Industry and by whether the customer is a business customer or an individual customer. An analysis of concentrations of credit risk from loans and advances (financing) to customers and loan commitments (financing commitments) and financial guarantees issued are shown below.

	Receivable from financing activities		Finance commitments and financial guarantees issued	
	2024	2023	2024	2023
<i>Concentration by Industry</i>	MVR	MVR	MVR	MVR
Consumer goods	2,340,123,764	1,493,272,859	580,268,985	299,815,603
Transport and communications	175,775,645	77,292,302	14,653,954	62,989,896
Commerce - wholesale and retail trade	330,260,504	247,449,457	363,535,910	305,405,437
Construction - residential financing	2,202,651,352	1,717,391,706	136,649,121	598,124,797
Construction - commercial building financing	436,804,474	400,014,623	131,150,338	142,011,207
Electricity, lighting and power	11,802,451	16,629,976	-	-
Tourism	337,831,613	197,647,551	46,217,896	6,000,000
Fishing	48,348,931	67,496,789	-	637,031
Others	7,660,253.00	537,752.00	-	-
Total	5,891,258,987	4,217,733,015	1,272,476,204	1,414,983,971
<i>Concentration by sector</i>				
Business	1,337,206,495	964,221,091	633,853,641	684,581,731
Individual	4,554,052,492	3,253,511,924	638,622,563	730,402,240
Total	5,891,258,987	4,217,733,015	1,272,476,204	1,414,983,971

(ii) Liquidity risk

Liquidity risk is the risk that the Bank will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial assets. The Bank's management reviews the asset and liability position of the Bank on a regular basis to ensure that there is no mismatch of assets and liabilities.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31ST DECEMBER 2024

37 FINANCIAL RISK MANAGEMENT (CONTINUED)

(ii) Liquidity risk**Management of liquidity risk**

The bank's board of directors sets the bank's strategy for managing liquidity risk. Board has approved the liquidity policy for the bank whereby responsibility for oversight of the implementation of this policy is delegated to Management Committee (MC). MC oversees bank's liquidity policies and procedures implementation. Treasury function manages the bank's liquidity position on a day-to-day basis and reviews daily reports covering the liquidity position of the bank. A summary report, including any exceptions and remedial action taken, is submitted regularly to MC.

The bank's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the bank's reputation. The key elements of the bank's liquidity strategy are as follows.

- Maintaining a diversified funding base consisting of customer deposits (both retail and corporate) and wholesale market deposits and maintaining contingency facilities. encumbered and so not available as potential collateral for obtaining funding.
- Carrying a portfolio of highly liquid assets, diversified by currency and maturity.
- Monitoring liquidity ratios, maturity mismatches, behavioral characteristics of the bank's financial assets and financial liabilities, and the extent to which the bank's assets are encumbered and so not available as potential collateral for obtaining funding.
- Carrying out stress testing of the bank's liquidity position.

Treasury function receives information from other business units regarding the liquidity profile of their financial assets and financial liabilities and details of other projected cash flows arising from projected future business. Treasury function then maintains a portfolio of short-term liquid assets, largely made up of short-term liquid investment securities, financing and advances to banks and facilities, to ensure that sufficient liquidity is maintained within the bank as a whole.

Regular liquidity stress testing is conducted under a variety of scenarios covering both normal and more severe market conditions. The scenarios are developed taking into account both bank-specific events (e.g. a rating downgrade) and market-related events (e.g. prolonged market illiquidity, reduced fungibility of currencies, natural disasters or other catastrophes).

(a) Exposure to liquidity risk

The key measure used by the bank for managing liquidity risk is the ratio of liquid assets to liquid liabilities. For this purpose, liquid assets are those assets that are traded in active and primary market and include, Cash in hand, Current account balances with MMA, Balances with other banks including placements, Un-encumbered approved government securities, Investments in shares (held for trading), and Units of open-ended mutual funds. Liquid liabilities are amounts which fall due for immediate payment, e.g. demand liabilities etc. Details of the reported bank ratio of liquid assets to liquid liabilities at the reporting date were as follows.

	2024	2023
As at the reporting date	63.24%	62.93%

(b) Maturity analysis for financial liabilities and financial assets

The amounts shown in the maturity analysis below have been compiled by applying discounted cash flows which exclude future applicable profits. for the Issued financial guarantee contracts, and unrecognised finance commitments, earliest possible contractual maturity has been considered. For issued financial guarantee contracts, the maximum amount of the guarantee is allocated to the earliest period in which the guarantee could be called. Some estimated maturities will vary due to changes in contractual cash flows such as early repayment (payment) option of financing. As part of the management of liquidity risk arising from financial liabilities, the bank holds liquid assets comprising cash and cash equivalents and balances with Maldives Monetary Authority.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31ST DECEMBER 2024

37 FINANCIAL RISK MANAGEMENT (CONTINUED)

(b) Maturity analysis for financial liabilities and financial assets (Continued)

(ii) Liquidity risk (Continued)

The following tables set out the remaining contractual maturities of the Bank's financial liabilities and financial assets.

As at 31 st December 2024	Carrying amount	Gross nominal inflow (outflow)	0-12 Months	1-2 Years	2-5 Years	More than five years
	MVR	MVR	MVR	MVR	MVR	MVR
Financial assets by type - Non derivative						
Cash and balances with other banks	416,135,436	416,373,239	416,373,239	-	-	-
Balances with Maldives Monetary Authority	1,620,234,331	1,620,234,331	1,620,234,331	-	-	-
Due from banks	153,992,319	154,026,975	154,026,975	-	-	-
Investments in equity securities *	127,000,000	127,000,000	-	-	-	127,000,000
Investments in other financial instruments *	2,897,867,398	2,898,502,288	2,634,280,659	264,221,629	-	-
Net receivables from financing activities	5,744,456,182	8,488,476,513	2,004,940,844	1,422,231,786	2,628,716,855	2,432,587,028
Other assets	253,102,465	253,102,465	253,102,465	-	-	-
	<u>11,212,788,131</u>	<u>13,957,715,811</u>	<u>7,082,958,513</u>	<u>1,686,453,415</u>	<u>2,628,716,855</u>	<u>2,559,587,028</u>
Financial liability by type - Non derivative						
Deposits from customers *	9,127,012,881	9,127,012,881	8,482,793,525	376,667,983	267,551,373	-
Due to banks and other financial institutions *	955,364,134	955,364,134	955,364,134	-	-	-
Lease liabilities	85,558,849	103,790,753	17,033,395	15,045,213	43,223,665	28,488,480
Other liabilities	69,355,756	69,355,756	69,355,756	-	-	-
	<u>10,237,291,620</u>	<u>10,255,523,524</u>	<u>9,524,546,810</u>	<u>391,713,196</u>	<u>310,775,038</u>	<u>28,488,480</u>
Net gap	<u>975,496,511</u>	<u>3,702,192,287</u>	<u>(2,441,588,297)</u>	<u>1,294,740,219</u>	<u>2,317,941,817</u>	<u>2,531,098,548</u>
As at 31st December 2023						
As at 31 st December 2023	Carrying amount	Gross nominal inflow (outflow)	0-12 Months	1-2 Years	2-5 Years	More than five years
	MVR	MVR	MVR	MVR	MVR	MVR
Financial assets by type - Non derivative						
Cash and balances with other banks	419,351,119	419,831,032	419,831,032	-	-	-
Balances with Maldives Monetary Authority	921,280,143	921,280,143	921,280,143	-	-	-
Investments in equity securities *	112,500,000	112,500,000	-	-	-	112,500,000
Investments in other financial instruments *	2,277,083,866	2,277,375,009	2,017,876,567	160,824,723	98,673,719	-
Net receivables from financing activities	4,105,764,559	6,445,051,572	1,639,290,947	1,293,167,290	1,763,654,621	1,748,938,714
Other assets	168,277,449	168,277,449	168,277,449	-	-	-
	<u>8,004,257,136</u>	<u>10,344,315,205</u>	<u>5,166,556,138</u>	<u>1,453,992,013</u>	<u>1,862,328,340</u>	<u>1,861,438,714</u>
Financial liability by type - Non derivative						
Deposits from customers *	6,837,876,381	6,837,876,381	6,119,615,448	397,844,410	320,416,523	-
Due to banks and other financial institutions *	258,051,674	258,051,674	258,051,674	-	-	-
Lease liabilities	90,556,067	112,081,230	15,759,002	15,799,001	42,437,216	38,086,011
Other liabilities	70,066,449	70,066,449	70,066,449	-	-	-
	<u>7,256,550,571</u>	<u>7,278,075,734</u>	<u>6,463,492,573</u>	<u>413,643,412</u>	<u>362,853,738</u>	<u>38,086,011</u>
Net gap	<u>747,706,565</u>	<u>3,066,239,471</u>	<u>(1,296,936,434)</u>	<u>1,040,348,601</u>	<u>1,499,474,601</u>	<u>1,823,352,703</u>

* Changes to share prices in future cannot be determined at this point in time thus carrying amount of equity investments are taken as gross nominal inflow. Future profit receivable from investments in other financial instruments & profit payable to customers cannot be determined as at the year end as they are on Mudharaba basis, thus the carrying amount is taken as gross nominal inflow/outflow.

Management believes that in spite of substantial portion of customer accounts being on demand, diversification of these deposits by numbers and type of depositors and the past experience of the bank indicate that these customer accounts provide a long-term and stable source of funding for the bank.

(c) Liquidity reserves

The following table sets out the components of the Bank's liquidity reserves. The carrying value of the balances equals the fair value of such balances.

	2024 MVR	2023 MVR
Balances with Maldives Monetary Authority	1,620,234,331	921,280,143
Balances with other banks	144,572,197	252,178,887
Other cash and cash equivalents	271,563,239	167,172,232
Total liquidity reserves	<u>2,036,369,767</u>	<u>1,340,631,262</u>

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31ST DECEMBER 2024

37 FINANCIAL RISK MANAGEMENT (CONTINUED)

(iii) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and profit rates will affect the Bank's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

Management of market risk

Board has approved Market Risk policy defining parameters for each type of risk in aggregate and for portfolios. MC is set-up with authority to implement these policies and monitor limits on day-to-day basis with market liquidity being a primary factor in determining the level of exposures set for trading portfolios within the defined parameters.

The Bank employs a range of tools to monitor and limit market risk exposures. These are discussed below.

Exposure to market risk - Non-trading portfolios

The principal risk to which non-trading portfolios are exposed is the risk of loss from fluctuations in the future cash flows or fair values of financial instruments because of a change in market profit rates. Profit rate risk is managed principally through monitoring profit rate gaps and by having pre-approved limits for repricing bands. MC is the monitoring body for compliance with these limits and is assisted by Treasury function in its day-to-day monitoring activities.

Equity price risk is subject to regular monitoring by MC, but is not currently significant in relation to the overall results and financial position of the Bank.

The Bank monitors any concentration risk in relation to any individual foreign currency or in regard to the translation of foreign currency transactions and monetary assets and liabilities into the functional currency of the Bank in accordance with the Foreign Exchange Exposure Limits (FEEL) and Net Open Position (NOP) thresholds stipulated by Maldives Monetary Authority.

(a) Exposure to market risk

The following table sets out the allocation of assets and liabilities subject to market risk.

	Carrying amount	
	2024	2023
	MVR	MVR
Assets subject to market risk		
Cash and cash equivalents	138,289,083	62,972,601
Receivables from financing activities	2,748,610,359	1,842,682,995
Investment in equity securities	127,000,000	112,500,000
Investment in money market securities and other investments	121,682,729	120,501,238
	<u>3,135,582,171</u>	<u>2,138,656,834</u>
Liabilities subject to market risk		
Deposits	6,351,338,514	5,079,405,581
Lease liabilities	85,558,849	90,556,067
	<u>6,436,897,363</u>	<u>5,169,961,648</u>

(b) Exposure to profit rate risk - Non-trading portfolios

Profit rate risk exists in profit-bearing assets, due to the possibility of a change in the asset's value resulting from the variability of profit rates. Since profit rate risk management has become imperative, the Bank takes proactive measures to manage the exposure by forecasting the rate fluctuations.

At the reporting date, the Banks profit rate-bearing financial instruments were:

	2024	2023
	MVR	MVR
Fixed rate instruments		
<i>Financial assets</i>		
Net receivables from financing activities	5,744,456,182	4,105,764,559
Investments measured at amortised cost	2,776,819,559	2,156,873,771
	<u>8,521,275,741</u>	<u>6,262,638,330</u>
<i>Financial liabilities</i>		
Customers' accounts	6,351,338,514	5,079,405,581
Due to banks and other financial institutions	955,364,134	258,051,674
	<u>7,306,702,648</u>	<u>5,337,457,255</u>
Variable rate instruments		
<i>Financial assets</i>		
Investments mandatorily measured at FVTPL	121,682,729	120,501,238

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31ST DECEMBER 2024

37 FINANCIAL RISK MANAGEMENT (CONTINUED)

(iii) Market risk (Continued)

(c) Profit rate sensitivity

The table below analyses the bank's profit rate risk exposure on financial assets and liabilities. Financial assets and liabilities are included at carrying amount.

	Profit-bearing										Non-profit bearing		Total		
	0 - 12 Months		1 - 2 Years		2 - 5 Years		More than 5 Years		Non-profit bearing		Total				
	MVR		MVR		MVR		MVR		MVR		MVR				
As at 31st December 2024															
Assets															
Cash and balances with other banks	-	-	-	-	-	-	-	-	416,135,436	-	-	-	416,135,436		
Balances with Maldives Monetary Authority	-	-	-	-	-	-	-	-	1,620,234,331	-	-	-	1,620,234,331		
Due from banks	154,026,975	-	-	-	-	-	-	-	-	-	-	-	154,026,975		
Net receivables from financing activities	1,305,842,291	965,991,394	1,841,626,844	1,630,995,653	-	-	-	-	-	-	-	-	5,744,456,182		
Investments in other financial instruments	2,633,645,769	264,221,629	-	-	-	-	-	-	-	-	-	-	2,897,867,398		
	4,093,515,035	1,230,213,023	1,841,626,844	1,630,995,653	-	-	-	-	2,036,369,767	-	-	-	10,832,720,322		
Liabilities															
Customer's liabilities	5,707,119,158	376,667,983	267,551,373	-	-	-	-	-	2,775,674,367	-	-	-	9,127,012,881		
Due to banks and other financial institutions	955,364,134	-	-	-	-	-	-	-	-	-	-	-	955,364,134		
Lease liabilities	12,551,737	11,233,130	35,733,300	26,040,682	-	-	-	-	69,355,756	-	-	-	85,558,849		
Other liabilities	-	-	-	-	-	-	-	-	-	69,355,756	-	-	69,355,756		
	6,675,035,029	387,901,113	303,284,673	26,040,682	-	-	-	-	2,845,030,123	-	-	-	10,237,291,620		
Profit rate sensitivity gap	(2,581,519,994)	842,311,910	1,538,342,171	1,604,954,971	-	-	-	-	(808,660,356)	-	-	-	595,428,702		
As at 31st December 2023															
Assets															
Cash and balances with other banks	-	-	-	-	-	-	-	-	419,351,119	-	-	-	419,351,119		
Balances with Maldives Monetary Authority	-	-	-	-	-	-	-	-	921,280,143	-	-	-	921,280,143		
Net receivables from financing activities	707,062,218	976,189,560	1,247,416,537	1,175,096,244	-	-	-	-	-	-	-	-	4,105,764,559		
Investments in other financial instruments	2,017,585,424	160,824,723	98,673,719	-	-	-	-	-	-	-	-	-	2,277,083,866		
	2,724,647,642	1,137,014,283	1,346,090,256	1,175,096,244	-	-	-	-	1,340,631,262	-	-	-	7,723,479,687		
Liabilities															
Customer's liabilities	4,361,144,648	397,844,410	320,416,523	-	-	-	-	-	1,758,470,800	-	-	-	6,837,876,381		
Due to banks and other financial institutions	258,051,674	-	-	-	-	-	-	-	-	-	-	-	258,051,674		
Lease liabilities	10,946,999	11,606,690	33,506,294	34,496,084	-	-	-	-	70,066,449	-	-	-	90,556,067		
Other liabilities	-	-	-	-	-	-	-	-	-	70,066,449	-	-	70,066,449		
	4,630,143,321	409,451,100	353,922,817	34,496,084	-	-	-	-	1,828,537,249	-	-	-	7,256,550,571		
Profit rate sensitivity gap	(1,905,495,679)	727,563,183	992,167,439	1,140,600,160	-	-	-	-	(487,905,987)	-	-	-	466,929,116		

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31ST DECEMBER 2024

37 FINANCIAL RISK MANAGEMENT (CONTINUED)

(iii) Market risk (Continued)

(d) Exposure to currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to change in foreign exchange rates and arises from financial instrument denominated in foreign currency. In accordance with MMA's prudential regulations, the foreign exchange risk exposure in any single currency, shall not exceed 25% of a bank's capital base for a long position, and 15% of a bank's capital base for a short position. The overall foreign currency exposure (short and long currency positions) for all currencies and on-balance sheet and off-balance sheet combined, using spot mid-rates and the shorthand method shall not exceed 40% of a bank's capital base.

(d) i. Exposure to currency risk - Non-trading Portfolios

The bank's exposure to foreign currency risk is as follows based on notional amount.

	2024	2023
	US\$	US\$
Cash and balances with other banks	17,368,419	20,279,740
Balances with Maldives Monetary Authority	52,882,561	22,118,241
Investments in other financial instruments	20,273,105	16,008,237
Net receivables from financing activities	51,843,449	42,728,954
Other assets	11,840,777	9,398,241
Customers' accounts	(131,638,802)	(101,436,275)
Other liabilities	(2,346,257)	3,070,598
Net statement of financial position exposure	20,223,252	12,167,736

The following significant exchange rates were applied during the year:

	Average rate		Reporting date spot rate	
	Year ended	Year ended	Year ended	Year ended
	2024	2023	2024	2023
1 US\$: Maldivian Rufiyaa	15.395	15.395	15.395	15.395

In respect of the monetary assets and liabilities denominated in US\$, the Bank has a limited currency risk exposure on such balances since the Maldivian Rufiyaa is pegged to the US Dollar within a band to fluctuate within $\pm 20\%$ of the mid-point of exchange rate.

(e) Exposure to equity price risk

Equity price risks arises as a result of fluctuations in market prices of individual equities.

For equity investments designated as FVOCI equity investments, a 10% decrease in the prices of Maldives Stock Exchange would have decreased equity and Investments measured at FVOCI as at 31st December 2024 by MVR 12,700,000 (2023: MVR 11,250,000).

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31ST DECEMBER 2024

37 FINANCIAL RISK MANAGEMENT (CONTINUED)**(iv) Operational risk**

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the bank's processes, personnel, technology and infrastructure, and from external factors other than credit, market and liquidity risks, such as those arising from legal and regulatory requirements and generally accepted standards of corporate behaviour. Operational risks arise from all of the bank's operations.

The bank's objective is to manage operational risk so as to balance the avoidance of financial losses and damage to the bank's reputation with overall cost effectiveness and innovation. In all cases, the bank's policy requires compliance with all applicable legal and regulatory requirements.

The board of directors has delegated responsibility for operational risk to the bank's management committee, which is responsible for the development and implementation of controls to address operational risk. This responsibility is supported by the development of overall the bank standards for the management of operational risk in the following areas:

- Requirements for appropriate segregation of duties, including the independent authorisation of transactions;
- Requirements for the reconciliation and monitoring of transactions;
- Compliance with regulatory and other legal requirements;
- Documentation of controls and procedures;
- Requirements for the periodic assessment of operational risks faced, and the adequacy of controls and procedures to address the risks identified;
- Requirements for the reporting of operational losses and proposed remedial action;
- Development of contingency plans;
- Training and professional development;
- Ethical and business standards; and
- Risk mitigation, including insurance where this is cost effective.

Compliance with the bank's standards is supported by a programme of periodic reviews undertaken by Internal Audit. The results of internal audit reviews are submitted to the audit committee and senior management of the bank.

38 CAPITAL MANAGEMENT

The bank has in place a capital management policy to support its long term capital objectives, risk appetite and business activities, as well as to meet its regulatory requirements. The bank's objectives when managing capital are:

1. Maintain sufficient capital to meet minimum regulatory capital requirements set by the Maldives Monetary Authority ("MMA")
2. Hold sufficient capital to support the bank's risk appetite.
3. Allocate capital to support the bank's strategic objectives.
4. Ensure that the bank maintains capital in order to achieve debt rating objectives and to withstand the impact of potential stress events.

(a) Regulatory capital adequacy

MMA, as the regulator of the bank sets and monitors capital requirements for the bank. In implementing current capital ratio requirements, MMA requires the bank to maintain prescribed minimum ratios.

Maldives Monetary Authority has allowed the bank to recognize the full impact on the adoption of the impairment requirements under IFRS 9 and has requested the banks that the banks may recognize the additional impairment provision under its equity when Regulatory impairment provision exceeds the impairment provision calculate under the requirement of IFRS 9.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31ST DECEMBER 2024

38 CAPITAL MANAGEMENT

(a) Regulatory capital adequacy (continued)

The bank's regulatory capital consists of the sum of the following elements;

	2024 MVR	2023 MVR
Tier 1 ("Core") Capital		
Share capital	337,500,070	337,500,070
Retained earnings (shown as previous year amount as MMA requirement)	310,132,211	191,184,997
Statutory reserve (shown as previous year amount as MMA requirement)	150,000,000	150,000,000
Less: Future income tax benefits	(20,568,876)	(14,413,434)
Total Tier 1 Capital	<u>777,063,405</u>	<u>664,271,633</u>
Tier 2 ("Supplementary") Capital		
Current year-to-date profit	277,921,290	176,530,033
Valuation adjustment (discounted 55%)	27,000,000	22,106,250
General provisions (limited to 1.25% of RWA)	28,571,090	20,293,137
Sub total	<u>333,492,380</u>	<u>218,929,420</u>
Eligible Tier 2 Capital (Limited to 100% of Tier 1 Capital)	<u>333,492,380</u>	<u>218,929,420</u>
Total Tier 1 and Tier 2 Capital	<u>1,110,555,785</u>	<u>883,201,053</u>
Core capital (Tier 1 Capital)	777,063,405	664,271,633
Capital base (Tier 1 and Tier 2 Capital)	1,110,555,785	883,201,053
Risk-weighted assets	7,495,616,603	5,822,943,604
Tier 1 Risk based capital ratio (minimum 6%)	10.4%	11.4%
Total risk based capital ratio (minimum 12%)	<u>14.8%</u>	<u>15.2%</u>

The risk-weighted assets have been calculated by multiplying the value of each category of asset using the risk weight specified by the Maldives Monetary Authority.

The bank's policy is to maintain a strong capital base to maintain investor, creditor and market confidence and to sustain the future development of the business. The impact of the level of capital on shareholders' return is also recognised and the Bank recognises the need to maintain a balance between the higher returns that might be possible with greater gearing and the advantages and security afforded by a sound capital position.

The bank complied with Basel I framework as adopted by the MMA.

(b) Capital allocation

Management uses regulatory capital ratios to monitor its capital base. The allocation of capital between specific operations and activities is, to a large extent, driven by optimisation of the return achieved on the capital allocated. The amount of capital allocated to each operation or activity is based primarily on regulatory capital requirements, but in some cases the regulatory requirements do not fully reflect the varying degree of risk associated with different activities. In such cases, the capital requirements may be flexed to reflect differing risk profiles, subject to the overall level of capital to support a particular operation or activity not falling below the minimum amount required for regulatory purposes. The process of allocating capital to specific operations and activities is undertaken independently of those responsible for the operation by Risk Management and Compliance Unit (RMCU), and is subject to review by the Board Risk and Compliance Committee (BRCC).

Although maximisation of the return on risk-adjusted capital is the principal basis used in determining how capital is allocated to particular operations or activities, it is not the sole basis used for decision making. Account is also taken of synergies with other operations and activities, the availability of management and other resources, and the fit of the activity with longer-term strategic objectives of the bank. The bank's policies in respect of capital management and allocation are reviewed regularly by the board of directors.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31ST DECEMBER 2024

39 (a) Valuation models

The bank measures fair values using the following fair value hierarchy, which reflects the significance of the inputs used in making the measurements.

Level 1: Inputs that are quoted market prices (unadjusted) in active markets for identical instruments.

Level 2: Inputs other than quoted prices included within Level 1 that are observable either directly (i.e. as prices) or indirectly (i.e. derived from prices). This category includes instruments valued using: quoted market prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are considered less than active; or other valuation techniques in which all significant inputs are directly or indirectly observable from market data.

Level 3: Inputs that are unobservable. This category includes all instruments for which the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments for which significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

Valuation techniques include discounted cash flow models. Assumptions and inputs used in valuation techniques include risk-free and benchmark interest rates, credit spreads and other premiums used in estimating discount rates.

The objective of valuation techniques is to arrive at a fair value measurement that reflects the price that would be received to sell the asset or paid to transfer the liability in an orderly transaction between market participants at the measurement date.

The bank uses widely recognised valuation models to determine the fair value of common and simple financial instruments, such as profit rate, that use only observable market data and require little management judgment and estimation. Observable prices or model inputs are usually available in the market for listed equity securities. The availability of observable market prices and model inputs reduces the need for management judgment and estimation and also reduces the uncertainty associated with determining fair values. The availability of observable market prices and inputs varies depending on the products and markets and is prone to changes based on specific events and general conditions in the financial markets.

(b) Valuation framework

The bank has an established control framework with respect to the measurement of fair values. This framework includes a Product Control function, which is independent of front office management and reports to the Head of Finance, and which has overall responsibility for independently verifying the results of trading and investment operations and all significant fair value measurements. Specific controls include:

- Verification of observable pricing;
- Re-performance of model valuations;
- A review and approval process for new models and changes to models involving both Product Control and Bank Market Risk;
- Quarterly calibration and back-testing of models against observed market transactions;

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31ST DECEMBER 2024

39 FAIR VALUE OF FINANCIAL INSTRUMENTS (CONTINUED)

(b) Valuation Framework (Continued)

- Analysis and investigation of significant daily valuation movements; and
- Review of significant unobservable inputs, valuation adjustments and significant changes to the fair value measurement of Level 3 instruments compared with the previous month, by a committee of senior Product Control and Bank Market Risk personnel. When third party information, such as broker quotes or pricing services, is used to measure fair value, Product Control assesses and documents the evidence obtained from the third parties to support the conclusion that such valuations meet the requirements of IFRS. This includes:
 - Verifying that the broker or pricing service is approved by the Bank for use in pricing the relevant type of financial instrument;
 - Understanding how the fair value has been arrived at, the extent to which it represents actual market transactions and whether it represents a quoted price in an active market for an identical instrument;
 - When prices for similar instruments are used to measure fair value, how these prices have been adjusted to reflect the characteristics of the instrument subject to measurement; and
 - If a number of quotes for the same financial instrument have been obtained, then how fair value has been determined using those quotes.
- Significant valuation issues are reported to the Audit Committee.

The bank uses widely recognised valuation models to determine the fair value of common and simple financial instruments. The availability of observable market prices and model inputs reduces the need for management judgement and estimation and also reduces the uncertainty associated with determining fair values. The Bank uses observable market prices and inputs to determine the value investment securities designated at FVOCI.

(c) Fair value hierarchy - financial instruments measured at fair value

The following table analyses financial instruments measured at fair value at the reporting date, by the level in the fair value hierarchy into which the fair value measurement is categorized. The amounts are based on the values recognized in the statement of financial position. The fair values include any deferred differences between the transaction price and the fair value on initial recognition when the fair value is based on a valuation technique that uses unobservable inputs.

Measured at fair value	Level 1 MVR	Level 2 MVR	Level 3 MVR	Total MVR
31st December 2024				
Investments mandatorily measured at FVTPL	-	121,682,729	-	121,682,729
Investments				
Equity investments measured at FVOCI	127,000,000	-	-	127,000,000
	<u>127,000,000</u>	<u>121,682,729</u>	<u>-</u>	<u>248,682,729</u>
Measured at fair value	Level 1 MVR	Level 2 MVR	Level 3 MVR	Total MVR
31st December 2023				
Investments mandatorily measured at FVTPL	-	120,501,238	-	120,501,238
Investments				
Equity investments measured at FVOCI	112,500,000	-	-	112,500,000
	<u>112,500,000</u>	<u>120,501,238</u>	<u>-</u>	<u>233,001,238</u>
<i>Total gains and losses recognised in OCI:</i>			2024 MVR	2023 MVR
Fair value reserve (equity instruments) - net change in fair value (excluding tax) (Note 10.2)			14,500,000	10,400,000

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31ST DECEMBER 2024

39 FAIR VALUE OF FINANCIAL INSTRUMENTS (CONTINUED)

(d) Level 3 fair value measurements

i. Reconciliation

Except for one instrument, all the other financial instruments which needs to be measure mandatorily at fair value has got profit reset option to the bank for each 3 months and accordingly, the maximum fair value exposure would be for the next 3 months variation of the profit rate as the instruments are backed with the Sovereign guarantees. Further, the remaining maturity of the remaining financial instrument is 07 months and since the counterparty is a reputed financial institution, there had not been any significant fair value adjustment through that instrument and accordingly, it has been concluded that the carrying value of the instrument provides a fair approximation of the fair value.

ii. Observable inputs used in measuring fair value - Level 2

The Bank has determined the indicative profit rates in order to determine fair value of the instrument as the inputs used as at 31st December 2022 in measuring financial instruments categorised as Level 2 in the fair value hierarchy.

iii. The effect of observable inputs on fair value measurement

Although the bank believes that its estimates of fair value are appropriate, the use of different methodologies or assumptions could lead to different measurements of fair value. However, as the bank only has done the fair valuation of the financial instruments mandatorily measured at FVTPL which are in short term nature with minor impact of the fair valuation due to the fact that those facilities are largely provided for 3 months period where the profit would be reset in each 3 months if required and one facility only with a total period of 1 year, there is no such fair value impact of those instruments and the change of methods or assumptions would not result in any major change to those fair values. Valuation technique for investments mandatorily measured at FVTPL are based on discount cashflow analysis and key inputs to the model is estimated cashflows and indicative profit rates.

(e) Financial instruments not measured at fair value

The following table sets out the fair values of financial instruments not measured at fair value. For the majority of the financial assets and liabilities, the fair values are not materially different from their carrying amounts, since the profit payable on these borrowings (fundings) is either close to market rates or the borrowings (fundings) are of a short-term nature.

	Financial assets at amortised cost	Financial liabilities at amortised cost	Total carrying amount
31 st December 2024	MVR	MVR	MVR
Assets			
Cash and balances with other banks	416,135,436	-	416,135,436
Balances with Maldives Monetary Authority	1,620,234,331	-	1,620,234,331
Due from banks	154,026,975	-	154,026,975
Investments in other financial instruments measured at amortised cost	2,776,819,559	-	2,776,819,559
Receivables from financing activities	5,744,456,182	-	5,744,456,182
Other assets	253,102,465	-	253,102,465
	<u>10,964,774,948</u>	<u>-</u>	<u>10,964,774,948</u>
Liabilities			
Customers' accounts	-	9,127,012,881	9,127,012,881
Due to banks and other financial institutions	-	955,364,134	955,364,134
Lease liabilities	-	85,558,849	85,558,849
Other liabilities	-	69,355,756	69,355,756
	<u>-</u>	<u>10,237,291,620</u>	<u>10,237,291,620</u>

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31ST DECEMBER 2024

39 FAIR VALUE OF FINANCIAL INSTRUMENTS (CONTINUED)

(e) Financial instruments not measured at fair value (continued)

	Financial assets at amortised cost	Financial liabilities at amortised cost	Total carrying amount
	MVR	MVR	MVR
31st December 2023			
Assets			
Cash and balances with other banks	419,351,119	-	419,351,119
Balances with Maldives Monetary Authority	921,280,143	-	921,280,143
Investments in other financial instruments measured at amortised cost	2,156,873,771	-	2,156,873,771
Receivables from financing activities	4,105,764,559	-	4,105,764,559
Other assets	168,277,449	-	168,277,449
	<u>7,771,547,041</u>	<u>-</u>	<u>7,771,547,041</u>
Liabilities			
Customers' accounts	-	6,837,876,381	6,837,876,381
Due to banks and other financial institutions	-	258,051,674	258,051,674
Lease liabilities	-	90,556,067	90,556,067
Other liabilities	-	70,066,449	70,066,449
	<u>-</u>	<u>7,256,550,571</u>	<u>7,256,550,571</u>

Where they are available, the fair value of loans and advances (financing) is based on observable market transactions. Where observable market transactions are not available, fair value is estimated using valuation models, such as discounted cash flow techniques.

To improve the accuracy of the valuation estimate for retail and smaller commercial loans (financing facilities), homogeneous loans (financing facilities) are grouped into portfolios with similar characteristics such as vintage, LTV ratios, the quality of collateral, product and borrower (customer) type, prepayment and delinquency rates, and default probability.

The fair value of deposits from customers is estimated using discounted cash flow techniques, applying the rates that are offered for deposits of similar maturities and terms. The fair value of deposits payable on demand is the amount payable at the reporting date.

40 RELATED PARTY TRANSACTIONS

40.1 The bank carried out transactions in the ordinary course of business on an arm's length basis at commercial rates with parties who are defined as related parties as per the International Accounting Standard – IAS 24 on "Related Party Disclosures".

40.2	Name of the related party	Relationship	Product	Nature of the transaction	Amount	
					2024 MVR	2023 MVR
	ICD	Shareholder	Commodity	Opening balance	31,009,207	93,027,623
Murabaha			Profit for the period	506,171	3,192,461	
(borrowing)			Settlement	(31,515,378)	(65,210,877)	
				-	31,009,207	
	Government of Maldives	Shareholder	Islamic	Opening balance	1,760,427,983	1,253,341,460
T-Bills			New investments	467,900,000	542,370,000	
			Profit recognised for the period	106,980,150	73,480,803	
			Profit received for the period	(170,180,585)	(108,641,682)	
			Impairment allowance	(592,228)	(122,598)	
				<u>2,164,535,320</u>	<u>1,760,427,983</u>	

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31ST DECEMBER 2024

40 RELATED PARTY TRANSACTIONS (CONTINUED)

40.2	Name of the related party	Relationship	Product	Nature of the transaction	Amount 2024 MVR	Amount 2023 MVR
	Government of Maldives	Shareholder	Istisna'	Opening balance	7,563,615	10,400,188
				Profit for the period	570,484	869,458
				Settlement	(3,720,814)	(3,706,031)
					4,413,285	7,563,615
				Impairment allowance	(993)	(1,021)
					4,412,292	7,562,594
	Maldives Monetary Authority	Related to a shareholder	Central Bank Reserve	Minimum Reserve Requirement	844,309,404	661,279,325
				Balance in Excess of MRR with MMA	775,924,927	260,000,818
					1,620,234,331	921,280,143
	Maldives Monetary Authority	Related to a shareholder	Commodity Murabaha	Investment in Commodity Murabaha	469,000,000	116,000,000
				Profit recognised for the period	12,118,739	11,120,293
				Profit received for the period	(11,965,628)	(10,843,907)
				Impairment allowance	(42,662)	(15,663)
					469,110,449	116,260,723
	Maldives Monetary Authority	Related to a shareholder	Wakala Bi Al-Isthithmar	Investment in Wakala	307,900,000	-
				Profit recognised for the period	3,542,959	-
					311,442,959	-
	Maldives Pension Administration Office	Shareholder	Deposit	Opening balance	588,343,006	476,403,899
				Transactions during the year	300,918,501	111,939,107
					889,261,507	588,343,006
	Amana Takaful (Maldives) Plc.	Shareholder	Deposit	Opening balance	43,249,014	36,760,014
				Transactions during the year	(6,788,896)	6,489,000
					36,460,118	43,249,014

40.3 Collectively, but not individually, significant transactions

The Government of Maldives holds 28% of the shareholding of the Bank. The Bank conducted transactions with entities directly or indirectly controlled by the Government of Maldives through its authorities, agencies, affiliations and other organizations, collectively referred to as government entities. The Bank conducted transactions with other government related entities including but not limited to Investments, financing and deposits.

40.4 Transactions with key management personnel

The aggregate values of transactions and outstanding balances related to key management personnel were as follows.

	Transaction values for the year ended 31 December		Maximum balance for the year ended 31 December		Balance outstanding as at 31 December	
	2024	2023	2024	2023	2024	2023
	Secured financing	4,171,811	1,173,597	27,601,657	5,359,508	17,615,722
Other financing	2,697,085	354,097	3,652,703	523,498	3,304,077	470,428
Deposits received	77,935,905	84,309,672	10,380,556	25,780,325	8,021,961	3,217,234
	84,804,801	85,837,365	41,634,916	31,663,331	28,941,761	7,362,145

The profit charged on balances outstanding from related parties amounted to MVR 922,635 (2023: MVR 179,851). The profit paid on balances outstanding to related parties amounted to MVR 29,484 (2023: 19,015). The mortgages and secured financing granted are secured over property of the respective borrowers (customers). Other balances are not secured and no guarantees have been obtained.

No impairment losses have been recorded against balances outstanding during the period with key management personnel, and no specific allowance has been made for impairment losses on balances with key management personnel and their immediate relatives at the reporting date.

The key management personnel are the members of the Board of Directors and Executive members. The Bank has paid an amount of MVR 29,404,044 as short-term employment benefits to the key management personnel during the year ended 31st December 2024 (2023: MVR 9,567,972).

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31ST DECEMBER 2024

41 Maturity analysis for liabilities and assets

The table below shows the assets and liabilities according to when they are expected to be recovered or settled.

	31st December 2024			31st December 2023		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
	MVR	MVR	MVR	MVR	MVR	MVR
ASSETS						
Cash and balances with other banks	416,135,436	-	416,135,436	419,351,119	-	419,351,119
Balances with Maldives Monetary Authority	1,620,234,331	-	1,620,234,331	921,280,143	-	921,280,143
Due from banks	153,992,319	-	153,992,319	-	-	-
Investments in equity securities	-	127,000,000	127,000,000	-	112,500,000	112,500,000
Investments in other financial instruments	2,633,645,769	264,221,629	2,897,867,398	2,017,585,424	259,498,442	2,277,083,866
Net receivables from financing activities	1,305,842,291	4,438,613,891	5,744,456,182	707,062,218	3,398,702,341	4,105,764,559
Property and equipment	-	118,284,687	118,284,687	-	91,979,547	91,979,547
Right-of-use assets	-	105,995,474	105,995,474	-	115,065,782	115,065,782
Intangible assets	-	12,014,527	12,014,527	-	11,292,622	11,292,622
Other assets	261,404,312	-	261,404,312	176,377,600	-	176,377,600
Deferred tax asset	5,020,273	-	5,020,273	4,193,876	-	4,193,876
Total assets	6,396,274,731	5,066,130,208	11,462,404,939	4,245,850,380	3,989,038,734	8,234,889,114
LIABILITIES						
Customers' accounts	8,482,793,525	644,219,356	9,127,012,881	6,119,615,448	718,260,933	6,837,876,381
Due to banks and other financial institutions	955,364,134	-	955,364,134	258,051,674	-	258,051,674
Provisions	-	3,051,972	3,051,972	-	7,097,459	7,097,459
Current tax liability	64,753,647	-	64,753,647	39,560,190	-	39,560,190
Lease liabilities	12,551,737	73,007,112	85,558,849	10,946,999	79,609,068	90,556,067
Other liabilities	75,001,643	-	75,001,643	73,631,800	-	73,631,800
Total liabilities	9,590,464,686	720,278,440	10,310,743,126	6,501,806,111	804,967,460	7,306,773,571
Net assets / (liabilities)	(3,194,189,955)	4,345,851,768	1,151,661,813	(2,255,955,731)	3,184,071,274	928,115,543

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31ST DECEMBER 2024

42 COMMITMENTS	2024 MVR	2023 MVR
(i) Financial commitments		
Letter of credits	47,623,685	34,745,136
Guarantees and bonds	35,004,531	9,286,096
Bill collection acceptance	16,627,020	15,970,761
	<u>99,255,236</u>	<u>60,001,993</u>
(ii) Financing commitments		
Undrawn financing facilities	1,173,220,968	1,354,981,978
	<u>1,173,220,968</u>	<u>1,354,981,978</u>
Total	<u>1,272,476,204</u>	<u>1,414,983,971</u>

43 CAPITAL COMMITMENTS

During the year, the Bank has entered into several agreements with suppliers for the implementation of a new data recovery center and the building of a new office space. As at 31st December 2024, the capital commitments of the Bank is MVR 17,859,755 (year ended 31st December 2023 - MVR 20,956,429).

44 EVENTS AFTER THE REPORTING DATE

On 19th March 2025 the Board of Directors has recommended a total dividend of MVR 103,050,032.06 equivalent to MVR 4.58 per ordinary share for the year ended on 31st December 2024.

The total dividend consists of both cash and bonus shares, with a payment of 50% cash dividend of MVR 2.29 per share and the remaining MVR 2.29 per share to be distributed as bonus shares in lieu of cash dividend, at the issue price of MVR 35 per share.

This dividend recommendation is subject to the final approval of the shareholders at the 15th Annual General Meeting ("AGM") of the Bank.

No other circumstances have risen since the reporting date which require adjustments to/or disclosure in the financial statements.

45 TERMINOLOGY USED IN FINANCIAL STATEMENTS

As mentioned in Note 2 (i) " Basic of Preparation", these financial statements have been prepared and presented in accordance with International Financial Reporting Standards ("IFRSs"). The following comparison is given for the readers of the financial statements to understand the terminologies as in line with Shari'ah Law.

IFRSs Terminology	Shari'ah Terminology
Borrower	Customer
Lender	Financier (Bank)
Borrowing	Financing
Loan	Financing facility
Interest rate	Profit / Rental rate
Incremental Borrowing rate	Incremental Financing rate
Repayment	Payment



MALDIVES ISLAMIC BANK



mib.com.mv



info@mib.com.mv