

Reference Number: MIB-PR-2021-02

Date: 7 March 2021

PRESS RELEASE

MIB celebrates 10 years of Service

Making a Difference: The Success Story of Maldives Islamic Bank

Male' (7th March 2021). This March Maldives Islamic Bank PLC (MIB) celebrates 10 years of banking.

By the grace of Allah s.w.t., Maldives Islamic Bank ("MIB") was officially launched on 7th March 2011. MIB is the first and only full-fledged Islamic Bank operating in the Maldives. The Bank was set up by the Islamic Corporation for the Development of the Private Sector ("ICD") – the private sector arm of the Islamic Development Bank ("IsDB") Group in collaboration with the Government of Maldives.

Establishing an Islamic bank in Maldives was conceived in early 2009, post global financial meltdown when the early parts of the journey were not particularly pleasant; sceptics and naysayers had to only refer to the overall economic mood, and the fact that a Shariah-compliant financial institution has never been launched in the country before. Very few investors were open to looking at new opportunities. Investors who were initially interested walked away! ICD took the bold step to support the initiative and with participation of the Government of Maldives went ahead to start the bank in Maldives.

Vision, Mission and Objectives

The vision of the bank is to become the leader and preferred partner in Sharia banking and an active player in promoting the growth and development of Islamic finance in the Maldives. 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. The primary goal was to offer the people of this 100%-Muslim nation the opportunity to be part of the fast-growing Islamic banking community worldwide.

Since its inception MIB have embarked on this challenging yet rewarding journey with a mission to offer a comprehensive range of sharia compliant banking product and services to the Maldivian people providing an option of pursuing their



aspiration of carrying out their financial transactions in conformity with Islamic values and principles. Today MIB is active in all the major spheres of economic activities in Maldives.

Initial Capital and Evolution of Growth Capital

Paving the foundation of MIB, ICD invested 85% of the capital supported by Government of Maldives investing the remaining 15% of the MVR150 million initial capital. In 2015, an additional capital of MVR30 million was infused by both ICD and Government of Maldives to ensure the bank maintained the minimum capital requirement. Subsequently, ICD transferred 5% share to Amana Takaful (Maldives) Plc. in 2016 and 10% of the equity stake to Government of Maldives in 2017.

Aiming for enhancing the capital base to facilitate the expansion of the operations, the bank launched its IPO in July 28th 2019, where it offered 6,975,000 Shares at an offer price of MVR 35 per ordinary share with an IPO size of MVR 244,125,000. The IPO was successfully completed in 22nd September 2019. The Bank was listed in Maldives Stock Exchange on November 17th 2019.

The IPO was unique and very different from all the IPOs that have taken place in Maldives, celebrating one of the most successful IPO's in the recent history of Maldives.

It was oversubscribed by 46%. Applications were received from 144 island from 20 Atolls across Maldives. 16,000 + individuals (comprising 99.6% of new shareholders) and 60 Institutional investors successfully became MIB Shareholders. Participation was international with people from 7 countries from Europe, South Asia & South East Asia subscribing to MIB shares. 42% Shares were taken up by women and 58% by men across a diverse age group starting from below 10 year to over 60's. More than 65% of the offer value were taken up by the individual Maldivians, making MIB truly a Bank for all Maldivians.

This was an overwhelming affirmation from our Customers and people from all walks of life in Maldives to the trust and confidence they have in MIB, the bank of their choice.

Operational and Financial Performance

MIB's journey is a story of breaking new grounds and going from strength to strength in a market where the Bank is a pioneer in Islamic Banking. Despite the concentrated operations in the capital city, over the 10 years, bank's operational and financial performance have grown exponentially. Focusing mainly into the consumer and Medium to Small businesses, the bank has been thriving on



attracting more and more customers both from deposit and financing segments. Commendably, deposit base from savings has grown to reach at par with the largest players in the banking industry reflecting the overwhelming demand for sharia compliant savings among the people.

Branch Network, Innovation and Digitalization

From a humble beginning, MIB is now represented in 6 major population centres, across 5 atolls. The Bank started with a single branch operating in the capital city, Male'. Responding to overwhelming demand from the public, the Bank quickly expanded its' physical branches across major population centres; namely Male' City (Main Branch and Baazaar Service Center in Male' and Hulhumale' Branch), Addu City, Fuvahmulah City, G.Dh. Thinadhoo and Kulhuduffushi City.

The Bank is the champion in innovating Sharia compliant treasury bills with the assistance from the Ministry of Finance and the MMA. As of today, the bank has a large outstanding of treasury instruments to manage its liquidity making all efforts to assist the profitability of the bank given the very nascent capital and money market of the country.

The Bank has strengthened its distribution capabilities by offering a proprietary debit card "Faisa Card" which is used by 56,000 active customers; complimented with POS machines at merchant locations. Additionally, 20 ATM machines are currently in operation across various locations. These include 6 Electronic Cash Recycler Machines, capable of providing cheque deposit, and card less deposit functionality, which is a first in the Maldives.

In 2015 the Bank established the Internet Banking platform which was later expanded to integrate an award winning Mobile Banking application providing one of the best customer experiences with a "drag and drop" user interface and many unique features such as self-registration, monitoring the status of financing facilities along with cheque monitoring and control. These platforms are now used by more than 20,000 customers.

Growing with Community

The Bank's contribution towards economic growth and societal progress remains significant over the years. The Bank currently has more than 100,000 deposit accounts across various product lines such as Current Accounts, Savings Accounts and General Investment Accounts.

MIB's financing portfolio plays a pivotal role in assisting businesses and individuals to achieve their goals. Ujalaa Dhiriulun Consumer Financing is the most popular and in-demand financing product in the market with the quickest turnaround time.



Additionally, the Bank has financed more than 1000 housing units across various categories ranging from social housing to premium condominium units.

MIB plays a key role in supporting the economy of the local communities by financing more than 80 fishing, cargo and passenger sea going vessels. It is also the first bank to fund solar panels for home installation.

Furthermore, MIB is the premier institution moulding human resources in the field of banking and Islamic finance. The Bank employs 230 staff with 50:50 Male to Female ratio making it an equal opportunity employer!

Market recognition and awards.

MIB is recognized for its products and growth by many organizations, locally and internationally. It has won 10 prestigious awards including the following.

- 2011 – Award for Best New Bank [given by] Islamic Business and Finance Awards
- 2020 - Islamic Bank of the Year [given by] Islamic Finance Forum of South Asia
- 2020 – Islamic Finance Entity of the Year [given by] Islamic Finance Forum of South Asia

The Bank envisions to fuel its growth through considerable investments in FINTECH and Digital Banking. Leveraging from these investments the Bank aims to reduce the boundaries and make access to finance a key driver of its expansion strategy. The Bank is also on the verge of launching an International Payment Card Scheme to enable interoperability within the local banking infrastructure.

Going forward MIB aspires to be the second largest Bank in Maldives by 2025 and to enrich the Islamic Banking Model in Maldives.

The vision of MIB is to become the largest digital financial service provider in Maldives providing best in market service proposition and offering a full range of products within the next 5 years. The Bank plans to invest heavily to build a technology based digital eco-system which will enable the bank to significantly increase its distribution capabilities while reducing reliance on traditional brick and mortar branches. The plan is to exploit the potential of Mobile Financial Services opportunities to reach all Maldivians for financial inclusion, particularly in the Consumer & SME Business segments.



As MIB reaches out to the farthest corners of Maldives through the digital transformation, it envisions to touch the lives of all Maldivians for a better and prosperous future. Maldives Islamic Bank is here for good!

MIB could not have achieved this milestone without the support and patronage of all our valued customers, shareholders, regulators and all the other stakeholders and we thank them for being with us! We look forward to the continued support in our journey into the future.

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