



**DRAFT MINUTES OF THE
12th ANNUAL GENERAL MEETING**

MALDIVES ISLAMIC BANK PLC

30th MAY 2022

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Company Registration Number: C-0255/2010

Minutes of the Twelfth Annual General Meeting of the shareholders of Maldives Islamic Bank PLC. (“the Company” or “the Bank”) held on Monday, 30th May 2022 at 3:00 p.m. using “Fahivote”, an online General Meetings Management System developed by Maldives Securities Depository Pvt Ltd.

1. Opening of the Meeting

- The meeting commenced with the recitation of the Holy Quran by Mr. Abdul Rahman Hussain.
- The Chairman declared the meeting open at 3:00 p.m. announcing that the meeting was quorate with the presence of 25 shareholders representing 17,910,636 of the Bank’s shares.
- The meeting was opened by the Chairman by extending a warm welcome to all the shareholders who had joined the meeting and the special invitees for taking part in the meeting which was also webcasted.
- The Chairman informed all the Shareholders that, in case of any disconnection with the system from his side as the Chairman; Board of Directors has decided that Mr. Nasser Mohammed Al-Thekair would preside as Chairman, and if he also gets disconnected, Uz. Mohamed Naseem Ibrahim would preside as the Chairman of this AGM.

2. Review of the Year and Chairman’s Remarks

- Before moving on with the formal proceedings of the Meeting, the Chairman spotlighted on the Bank’s performance during the year of 2021.
- The Chairman began by noting that 2021 was a milestone year for Maldives Islamic Bank (“MIB”) as it marked a decade of successful and sustainable provision of Islamic Financial services to the Maldivian community. He highlighted that until the inception of MIB, Islamic Finance was a relatively new concept. However, with the commitment and strategic actions of the Bank, MIB became one of the most sought-after banks in Maldives.
- The Chairman stated that MIB has proven its resilience over the years as the Bank outlived the second year of the pandemic by adopting a cautious growth business model during 2021. He noted that as a result of this, the Bank ended the year in a position of strength, with a growing customer base and a robust capital position.
- The Chairman noted that MIB recorded Revenues of MVR 276.4 million during 2021, the highest recorded in revenues during the past two years. He added that the Bank’s Balance Sheet position reached MVR 5.5 billion for the first time in the Bank’s history. He noted that customers demonstrated their confidence in the Bank as more than MVR 4.4 billion was entrusted in deposits by customers. The Chairman also added that an incremental deposit portfolio of over MVR 1 billion was generated last year.

- The Bank's Net Profit for the year, Earnings Per Share, Net Asset Position and Cash Flow per Equity all remained steady by the end of 2021 as highlighted by the Chairman.
- The Chairman stated that during 2021, the Bank accelerated its digital agenda as the people, processes and infrastructure were reoriented to embrace digitalization. He added that the Bank's sustainable and responsible business practices have supported the vision of becoming the leader and preferred partner in Shari'ah banking in Maldives.
- The Chairman stated that the Bank announced several changes to the Board composition and implemented governance changes and enhancement of internal control measures during latter half of 2021. He noted that the Bank's Articles of Association were restated and adopted in order to align the Bank's governance practices to the most up to date regulatory guidelines. He added that internal governance reviews were conducted, and necessary improvements were adopted as part of strengthening the internal operations and governance mechanisms.
- The Chairman also noted that it is greatly rewarding to complete another year as the only fully-fledged Shari'ah compliant bank in Maldives. He highlighted that it is the foundation on which the Bank is built on and will continue to be the keystone in all dealings of the Bank.
- Before concluding his remarks, the Chairman conveyed his appreciation to the Board of Directors, the Shari'ah Committee, the Bank's management team and the staff members of the Bank.
- The Chairman assured that even though there are pressing challenges lurking around, the Bank remains fully alert and cautious of them, and noted that the Bank is proactively seeking ways of containing possible impacts on the performance of the Bank pertaining to the macroeconomic situation.
- The Chairman further assured all shareholders that the Bank remains steadfast in delivering higher productivity, steady income growth and operational excellence, whilst retaining the sustainable and prudential status attained by the Bank over the past decade.

Before proceeding with the formal proceedings of the Meeting, Chairman briefed shareholders on the voting processes at the AGM.

- He informed that as the meeting was conducted virtually using the Fahivote platform, voting would be conducted through a poll as per the Article 30 (thirty) of the Articles of Association of the Bank. He stated that this means every shareholder present by self or by proxy should have 1 (one) vote for every share he or she holds. He further instructed that if a shareholder did not vote, it would be noted as abstained and would not be counted towards vote results.

3. Chairman of Meeting

Mr. Najmul Hassan, Chairman of the Board of Directors, chaired the meeting.

4. Attendance

The Chairman announced that:

- Mr. Moez Beccar was representing and voting on behalf of the Islamic Corporation for the Development of the Private Sector (“ICD”).
- Mr. Anas Abdul Sattar was representing and voting on behalf of the Government of Maldives as represented by Ministry of Finance.
- Ms. Mariyam Hana was representing and voting on behalf of the Maldives Pension Administration Office (“MPAO”).
- Mr. Hareez Sulaiman was representing and voting on behalf of the Amana Takaful (Maldives) PLC.

- Board of Directors in Attendance

- | | |
|---|------------------------------------|
| i) Mr. Najmul Hassan | Chairman, Non-Executive Director |
| ii) Mr. Mohammed Aatur-Rahman Chowdhury | Non-Executive Director |
| iii) Mr. Nasser Mohammed Al-Thekair | Non-Executive Director |
| iv) Uz. Mohamed Naseem Ibrahim | Non-Executive Director |
| v) Mr. Hassan Mohamed | Non-Executive Director |
| vi) Mr. Ali Shareef | Non-Executive Director |
| vii) Mr. Ahmed Ali | Non-Executive Independent Director |
| viii) Mr. KAM Majedur Rahman | Non-Executive Independent Director |
| ix) Mr. Rajiv Nandlal Dvivedi | Non-Executive Independent Director |
| x) Mr. Ali Wasif | CFO, Executive Director |

- By Invitation

- | | |
|---------------------------------|-----------------------------|
| i) Mr. Ahmed Riza | Acting CEO, MIB |
| ii) Mr. Duminda Rathinadiwakara | KPMG |
| iii) Mr. Ahmed Arshad | CMDA |
| iv) Mr. Aushan Latheef | MSE |
| v) Ms. Muna Farouk | Maldives Monetary Authority |
| vi) Mr. Hussain Niyazy | Auditor General’s Office |
| vii) Ms. Shirumeena Hussain | Auditor General’s Office |
| viii) Mr. Mohamed Shan | Auditor General’s Office |
| ix) Ms. Nazmeena Mohamed | Auditor General’s Office |
| x) Ms. Aishath Junaina Ahmed | SHC Lawyers LLP |
| xi) Mr. Rakitha Chandrasekara | Head of Internal Audit, MIB |

- Secretary

Mr. Hussain Ali Habeeb

5. Agenda

The Agenda of the 12th Annual General Meeting was published on 15th May 2022 and was read as follows.

Agenda Item 1	Recitation of the Holy Qur'an
Agenda Item 2	Opening Remarks by the Chairman of the Board of Directors
Agenda Item 3	Approval of the Agenda of the 12 th Annual General Meeting
Agenda Item 4	Approval of the Minutes of the 11 th Annual General Meeting
Agenda Item 5	Approval of the minutes of the Extraordinary General Meeting held during 2021
Agenda Item 6	Approval of the Directors' Report and Audited Financial Statements for the year ended 31 st December 2021
Agenda Item 7	Approval of the Final dividend for the year ended 31 st December 2021
Agenda Item 8	Approval of the appointment of the External Auditors of the Bank for the year 2022 and fixation of their remuneration
Agenda Item 9	Appointment / Re-appointment of Nominee Directors
Agenda Item 10	Appointment / Re-appointment of Executive Director
Agenda Item 11	Other Matters
Agenda Item 12	Conclusion of the AGM

As there were no comments or requests for amendments from shareholders, the Agenda of the 12th Annual General Meeting was taken to be approved and adopted by the shareholders as read.

Following this Agenda item, the Chairman briefed the attendees about some matters regarding the meeting for the information of the shareholders.

- The Chairman mentioned that as highlighted in the Notice of the AGM, the floor will not be open for questions of shareholders. Since the meeting is held virtually, the shareholders were requested to send any query or question to the Bank's Investor Relations Department on or before 1200hrs of 28th May 2022. The Chairman mentioned that the questions and queries received before the deadline would be responded under Agenda No. 11: Other Matters.
- He further informed that, during the AGM, a messaging option would be activated at various intervals, for shareholders and proxy holders to submit their questions and queries for particular items of the Agenda.
- As the meeting was conducted through "Fahivote", a small video presentation regarding the "Fahivote" system demonstrating the voting process and participation in the meeting was then shown for the benefit of all shareholders.

6. Approval of the Minutes of the 11th Annual General Meeting

- The minutes of the 11th Annual General Meeting held on 31st May 2021 through Fahivote was published on 09th May 2022, requesting shareholders to submit comments and amendments to the minutes by 22nd May 2022.
- No comments were received from the shareholders by the deadline.
- It was therefore confirmed that the minutes of 11th AGM held on 31st May 2021 as correct and approved.

7. Approval of the Minutes of Extraordinary General Meeting held during 2021

- The minutes of the Extraordinary General Meeting held on 28th October 2021 through Fahivote were published on 09th May 2022, requesting shareholders to submit comments and amendments to the minutes by 22nd May 2022.
- No comments were received from the shareholders by the deadline.
- It was therefore confirmed that the minutes of the Extraordinary General Meeting held on 28th October 2021 as correct and approved.

8. Approval of the Directors' Report and Audited Financial Statements for the year ended 31st December 2021

- The Agenda Item No. 6 was the Approval of the Directors' Report and Audited Financial Statements for the year ended 31st December 2021.
- The Chairman informed that on 30th April 2022, the Bank has published the Annual Report of the Bank for the year ended 31st December 2021, the Directors' Report, and Audited Financial Statements together with the Auditors Report, as stipulated in the relevant laws & regulations and the Articles of Association of the Bank.
- Before putting the resolution for the vote of the shareholders, the Chairman gave 2 (two) minutes for shareholders to send their questions on the Agenda No. 6 through the messaging function of Fahivote.
- The only question received was relating to the Dividend Policy of the Bank. The Chairman noted that the same question was set to be answered under Agenda No. 11 Other Matters, hence would not be taken up under this Agenda item.
- A Poll Voting was conducted and the shareholders unanimously voted to approve and ratify the Audited Financial Statements inclusive of the Statement of Financial Position, Statement of Comprehensive Income, Statement of Changes in Equity, Statement of Cash Flows, Notes to the Financial Statements and the Auditors Report together with the Directors' Report for the year ended 31st December 2021.

Details of the Vote:		
Vote Choice	No. of Votes Received	% of Votes Received
Approved	17,909,548	100.00%
Not Approved	00	0.00%
Total	17,909,548	100.00%
Abstained: 4,249		

9. Approval of the Final dividend for the year ended 31st December 2021

- The Agenda Item No. 7 was the Approval of the Final dividend for the year ended 31st December 2021.
- The Chairman informed that the Board of Directors of the Bank, during its meeting held on 24th April 2022 has recommended a cash dividend of MVR 33,480,010.42 equivalent to MVR 1.488 per ordinary share for the year ended on 31st December 2021. The Dividend will be payable to shareholders of the Bank registered as at the Book closure date of 19th May 2022.
- Before putting the resolution for the vote of the shareholders, the Chairman gave 2 (two) minutes for shareholders to send their questions on the Agenda no. 7 through the messaging function of Fahivote. No questions were received within the allocated time.
- A Poll voting was conducted and the shareholders unanimously voted to approve the final dividend for the year 31st December 2021.

Details of the Vote:		
Vote Choice	No. of Votes Received	% of Votes Received
Approved	17,910,298	100.00%
Not Approved	00	00%
Total	17,910,298	100.00%
Abstained: 3,499		

- Before proceeding to the next Agenda Item, Chairman reminded all shareholders that as per the Income Tax Act of Maldives, dividends paid to shareholders are subject to deduction of 10% Non-Resident Withholding Tax if a shareholder has not declared his / her residency status to the Bank. The Chairman therefore urged those shareholders who have not updated their residential status to do so at the earliest and prior to disbursement of dividends.

10. Approval of the appointment/re-appointment of the External Auditors of the Bank for the year 2022 and fixation of their remuneration

- The Agenda Item No. 8 was the appointment/re-appointment of the External Auditors of the Bank for the year 2022 and fixation of their remuneration.
- The Chairman informed that, 02 (two) parties expressed their interest and submitted the proposals to hold the office as External Auditors of the Bank for 2022. The parties are (i) PWC, with a proposed fee of USD 34,779 (thirty four thousand seven hundred and seventy nine United States Dollars) and (ii) Ernst & Young, with a proposed fee of USD 34,821 (thirty four thousand eight hundred and twenty one United States Dollars).
- The Chairman informed that the Board of Directors on its meeting held on 24th January 2022 resolved to recommend PWC as the External Auditor of the Bank for the year 2022, for a remuneration of USD 34,779 (thirty four thousand seven hundred and seventy nine United States Dollars). He added that the appointment of PWC was made public on the Notice of the AGM dated 15th May 2022.
- Before putting the resolution for the vote of the shareholders, the Chairman gave 2 (two) minutes for shareholders to send their questions on the Agenda no. 8 through the messaging function of Fahivote. No questions were received within the allocated time.
- A Poll voting was conducted and the shareholders unanimously voted to approve the appointment of PWC as the Bank’s External Auditors for the year 2022 for a remuneration of USD 34,779 (thirty-four thousand seven hundred and seventy nine United States Dollars).

Details of the Vote:		
Vote Choice	No. of Votes Received	% of Votes Received
Approved	15,539,938	100.00%
Not Approved	00	0.00%
Total	15,539,938	100.00%
Abstained: 2,373,859		

11. Appointment / Re-Appointment of Nominee Directors

- The Agenda Item No. 9 was the appointment / Re-appointment of Nominee Directors.
- The Chairman informed that as per Article 41 (forty-one) of the Bank’s Articles of Association, Islamic Corporation for the Development of the Private Sector (“ICD”) is entitled to nominate 3 (three) Directors, to the Board of the Bank.
- He informed that in this regard, ICD as the owner of the Bank’s 36% issued share capital has nominated Mr. Moez Baccar, Mr. Najmul Hassan and Mr. Nasser M. Al-Thekair as their Nominee Directors. The term of appointment is 3 (three) years from the date of appointment.

- Shareholders were informed that Mr. Moez Baccar will be replacing Mr. Mohammed Aatur-Rahman Chowdhury, who was retiring at the AGM. He added that the name of Mr. Moez Baccar was cleared by Maldives Monetary Authority under Fit and Proper requirements.
- The Chairman highlighted that other nominated candidates Mr. Najmul Hassan and Mr. Nasser M. Al-Thekair are both continuing directors. As informed by the Chairman, a brief profile of Mr. Moez Baccar was published on the Bank's website on 15th May 202.
- A Poll voting was conducted to confirm the appointment of Nominee Directors from ICD, and the shareholders unanimously voted to approve and confirm the appointment of Mr. Moez Baccar, and the re-appointment of Mr. Najmul Hassan and Mr. Nasser M. Al-Thekair as the Nominee Directors to represent ICD in the Board of the Bank.

Details of the Vote:		
Vote Choice	No. of Votes Received	% of Votes Received
Approved	17,904,342	100.00%
Not Approved	00	0.00%
Total	17,904,342	100.00%
Abstained: 9,455		

12. Appointment / Re-Appointment of Executive Director

- The Agenda Item No. 10 was the appointment / Re-appointment of Executive Director.
- The Chairman informed that as per Article 37 (thirty-seven) of the Bank's Articles of Association, upon receiving the approval from Regulatory Authorities to list the Bank's shares on Maldives Stock Exchange, 02 (two) Executive Directors shall be appointed to the Board who shall be a holder of a senior management position in the Company.
- He informed that in this regard, the Bank has appointed its Chief Financial Officer Mr. Ali Wasif as an Executive Director on 27th June 2019 for a term of 03 years and has now proposed his re-appointment for a successive term of 03 (three) years, upon expiry of his current term.
- A Poll voting was conducted to confirm the re-appointment of Executive Director, and the shareholders unanimously voted to approve and confirm the re-appointment of Mr. Ali Wasif as the Executive Director of the Bank.

Details of the Vote:		
Vote Choice	No. of Votes Received	% of Votes Received
Approved	11,603,862	100.00%
Not Approved	00	0.00%
Total	11,603,862	100.00%
Abstained: 6,309,935		

13. Other Matters

- The Agenda Item No. 11 was Other Matters.
- The Chairman informed that the Bank had received some questions from Mr. Hassan Rasheed, FlowerGe, S. Meedhoo to be addressed under this Agenda item. He noted that Mr. Rasheed is the only shareholder who posed questions for this Agenda item and thanked him for raising some very important questions which were in the interest of all other shareholders.
- The Chairman proceeded to respond to the questions one by one. Questions that were read at the AGM and the answers given by the Chairman are noted below:

- **Q1: What is the bank's dividend policy? Can you please share it for the benefit of the ordinary shareholders?**

Ans: The dividend proposed by the Board of Directors is approved by the Shareholders at the AGM. Each year after the financial statements are finalized, the Board of Directors deliberate and propose the dividend after considering the regulatory requirements, economic, and financial conditions.

- **Q2: How much time is given to the auditors to complete the annual audit? Why don't you target to complete the process by January or mid-February and hold the AGM in the first quarter?**

Ans: The Audit process begins in the last quarter of the year and the draft report is usually completed by the end of February, the following year. The Bank sets the AGM date within the time frame stipulated by the regulators.

- **Q3: What or who are you protecting by not disclosing the individual remuneration paid to Board of Directors and key Management Personnel? As a public listed company are you not required to observe CG code issued by CMDA? Can you please elaborate on your arguments ("...details are deemed to place the Bank in a relative disadvantage against the key industry players." page 74 of the Annual Report 2021) for violating the spirit of Article 2.4 of Corporate Governance Code.**

Ans: The aggregate remuneration of Board of Directors and key management personnel is disclosed on page 74 of Annual report. The detail disclosure would place the Bank at a relative disadvantage against the key industry players in the market who do not disclose such information. For instance, there are HR agencies who source key resource for financial institutions and provision of detail information may pose the key resources of the bank as their potential targets.

- **Q4: Can you please elaborate on the background and investigations that preceded the decision mentioned as the last point under matters related to governance and**

compliance on page 61 of the Annual Report 2021. “Resolved that Managing Director & CEO be dismissed effective from 30th December 2021, and he is not Fit & Proper as per the applicable laws and regulations.”

Ans: As disclosed in our Annual Report 2021, we note that the Board of Directors had mandated an internal audit into executive remuneration matters (for senior management personnel). The irregularities noted in the internal Audit Report, was further investigated by an independent legal firm hired by the Board of Directors. Based on the outcome of the inquiry into executive remuneration matters, it was noted that Mr. Muhaimen had failed to adhere to the Fit & Proper requirements that he is bound by (as per law and regulations). It is also noted that the Bank also took the steps to notify the Maldives Monetary Authority and the Capital Market Development Authority of these inquiries and outcomes.

- **Q5: In the aftermath of the dismissal of former CEO & MD, did you not find others in the Bank who failed to be honest and diligent in carrying their duties? What actions, if any, were taken against the wrong-doers?**

Ans: We regret to note that we are not able to provide further details on this matter as it pertains to ongoing litigation on the subject matter. We will ensure that the relevant information will be disclosed in due course and in accordance with our obligations to make such disclosures.

- **Q6: When the former CEO & MD’s suspected wrong doing was reported in the local press/social media, the Bank issued a short press release on 28 Oct 2021, which basically was a dishonest statement and an attempt to clear MD’s name by denying any suspension order or letter was issued against the MD. But when a fresh press release was issued on 30 Oct 2021, it was stated that certain action was taken on MD on 26th Oct 2021, two days before the previous press release attempted to downplay the media stories. Do you believe dishonesty and cover-ups are the best ways for damage control? How do you attempt to build the trust of customers and shareholders, when you have proved that you do not hesitate to tell part of the story and confuse the public amid negative media reports? Is it acceptable when you have to cover up potential wrong doing of people at senior positions? What changes were brought to your policies to prevent occurrence of similar incidents in the future?**

Ans: We note that the Bank had sought to provide real time updates and information to its shareholders and stakeholders with respect to a developing situation regarding the former MD. We consider it our utmost duty to provide prompt and accurate disclosure on critical

matters. Accordingly, we had released our first press release on 28 October 2021 to confirm that, as of that date, the Bank had not issued any suspension orders on to the former Managing Director. The Bank had only issued a 'temporary placement off-duty direction' to the former Managing Director on 30th October 2021, 2 days after the first press release. This was also promptly disclosed in a second press release.

We would like to reiterate that the Board of Directors had closely monitored the matter and had carried out internal enquiry, audit & review processes before taking action, that is, terminating the former Managing Director.

We note that the Bank will continue to uphold the highest standards of conduct for its senior personnel and its Board of Directors.

The Board of Directors had mandated actions into further strengthening corporate governance of the Bank, including directions to the management and updating the Terms of Reference of Board Committees to include broader and more comprehensive corporate governance oversight.

- **Q7: What are your plans for expanding your branch network to the outer islands?**
Ans: The Bank is implementing the business plans as approved by the Board of Directors. This includes expansion of the Bank's operations physically and through digital means. The shareholders will be kept updated on the business developments at least on a quarterly basis through quarterly reports of the Bank.
- **Q8: What is your forecast for the Bank's performance in the current year?**
Ans: The current year's performance is expected to be in line with the Board approved business plan. The financial results are being disclosed to the shareholders via quarterly reports.
- **Q9: When would you appoint a new CEO/MD?**
Ans: The Bank is in the final stages of processing the appointment of a new MD & CEO, and subject to the necessary clearances from the Maldives Monetary Authority, we hope to be able to appoint the new Managing Director and CEO very soon.

14. Conclusion

- Before concluding the Meeting, the Chairman thanked the Board of Directors for their presence at the AGM.

- The Chairman conveyed his gratitude to the retiring Board of Director, Mr. Mohammed Aatur-Rahman Chowdhury for his invaluable contribution as a Board member of the Bank for over 9 and a half years.
- The Chairman also congratulated and introduced Mr. Moez Baccar, the newly appointed Nominee Director of the Bank, who will be representing ICD on the Board of the Bank.
- The Chairman also thanked all the attendees who participated in the Meeting by invitation, including the representatives from Maldives Monetary Authority (MMA), Capital Market Development Authority (CMDA), Maldives Stock Exchange, Auditor General’s Office, Bank’s Auditor for 2021 KPMG and the Legal Counsel to the Board SHC Lawyers LLP.
- He conveyed a special thanks to Maldives Securities Depository for their guidance and technical support with “Fahivote” system, connecting all the shareholders from all over the world and ensuring a successful AGM is conducted.
- The Chairman also thanked all the shareholders who participated and contributed at the Meeting.
- There being no other business for which due notice has been given; the 12th Annual General Meeting of Maldives Islamic Bank PLC. was brought to a close at 4:00pm.

Confirmed by:

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Hussain Ali Habeeb
Secretary

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Najmul Hassan
Chairman

Dated: