Report No: FIN-2026-40(E)

8th March 2026

DEVELOPMENT BANK OF MALDVES LIMITED

FOR THE PERIOD 21 JULY 2024 TO 31 DECEMBER 2024

AUDITOR GENERAL'S OFFICE

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بسم الله الرحمن الرحيم

AUDITOR GENERAL'S OFFICE

AUDITOR GENERAL'S REPORT

TO THE SHAREHOLDER AND BOARD OF DIRECTORS OF DEVELOPMENT BANK OF MALDIVES LIMITED

Opinion

We have audited the financial statements of Development of Maldives Limited (the "Bank") which comprise the statement of financial position as of 31 December 2024, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the period from 21 July 2024 to 31 December 2024, and notes to the financial statements, including 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 its financial performance and its cash flows for the period from 21 July 2024 to 31 December 2024 in accordance with IFRS Accounting Standards.

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 are independent of the Bank in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in the audit of the financial statements of the current period. These matters were addressed in the context of the audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

Key Audit Matters	How our audit addressed the key audit matter
Other expenses As disclosed in Note 7 to the financial statements, the Bank recognised Other Expenses amounting to MVR 2,108,642 for the period. This was a key audit matter due to the materiality of the amounts reported.	**Our audit procedures included the following key procedures:** • Obtaining an understanding of the nature and composition of the items included under Other Expenses • Performed analytical procedures to understand and assess the reasonableness of the expenses reported • Obtained an independent confirmation from the Ministry of Finance and Planning of the Government of Maldives in respect of the amount contributed during the period. • Our audit procedures included testing the details of transactions by agreeing them to supporting documentation such as contracts, invoices, bank statements, and other relevant documents. Our procedures also involved assessing whether the expenses were recorded in the appropriate accounting period. We also assessed the adequacy of the disclosures in Notes 7 to the financial statements

Responsibilities of Management and those Charged with Governance for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with IFRS Accounting Standards, 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 or 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 based on these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional skepticism 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.

We also provide those charged with governance with a statement that we have complied with ethical requirements in accordance with IESBA 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, action taken to eliminate threats or safeguards applied.

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.

08th March 2026

H. Niyazy

Hussain Niyazy
Auditor General

DEVELOPMENT BANK OF MALDIVES LIMITED
STATEMENT OF COMPREHENSIVE INCOME
PERIOD FROM INCEPTION ON 21 JULY TO 31 DECEMBER 2024

	Note	2024 MVR
Interest income		-
Fee and commission income		-
Total operating income		-
Less: Expenses		
Personal expenses	**6**	909,763
Other expenses	**7**	2,108,642
Loss before tax		**(3,018,405)**
Tax credit	**8**	754,601
Total comprehensive loss for the period		**(2,263,804)**

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 Bank set out on pages 8 to 22. The report of the independent auditors is given on pages 1 to3.

DEVELOPMENT BANK OF MALDIVES LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2024

	Note	2024 MVR
Assets		
Cash and cash equivalents	**9**	2,320,134
Deferred tax asset	**8.2**	754,601
Total assets		3,074,735
Liabilities		
Other liabilities	**10**	2,338,539
Total liabilities		2,338,539
Equity		
Share capital	**11**	3,000,000
Accumulated losses		(2,263,804)
Total equity		736,196
Total equity and liabilities		3,074,735

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 Bank set out on pages 8 to 22. The report of the independent auditors is given on pages 1 to 3.

The Board of Directors is responsible for the preparation and presentation of these financial statements. The financial statements were approved on 08 March 2026 by the Board and signed on its behalf by;

Aruni Goonetilleke
Chairperson

Nizardeen Kumardeen
Chief Executive Officer

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DEVELOPMENT BANK OF MALDIVES LIMITED
STATEMENT OF CHANGES IN EQUITY
PERIOD FROM INCEPTION ON 21 JULY TO 31 DECEMBER 2024

	Share Capital MVR	Accumulated Losses MVR	Total Equity MVR
Balance at 21 July 2024	-	-	-
Shares issued during the period	3,000,000	-	3,000,000
Loss for the period	-	(2,263,804)	(2,263,804)
Balance at 31 December 2024	3,000,000	(2,263,804)	736,196

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 Bank set out on pages 8 to 22. The report of the independent auditors is given on pages 1 to 3.

DEVELOPMENT BANK OF MALDIVES LIMITED
STATEMENT OF CASH FLOWS
PERIOD FROM INCEPTION ON 21 JULY TO 31 DECEMBER 2024

	2024 MVR
Cash Flows from Operating Activities:	
Loss before tax	(3,018,405)
Net Cash used in Operating Activities	**(3,018,405)**
Changes In	
Other payables	2,338,539
Net cash from operating activities	**2,338,539**
Cash flows from financing activities	
Proceeds from share issued	3,000,000
Net cash flows from financing activities	3,000,000
Net increase in cash and cash equivalents	**2,320,134**
Cash and cash equivalents at the beginning of the year	**-**
Cash and cash equivalents at the end of the year	**2,320,134**

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 8 to 22. The report of the independent auditors is given on pages 1 to 3.

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1. Reporting Entity

1.1 Corporate Information

Development Bank of Maldives Limited ("the Bank") was established on July 21, 2024, as a state-owned entity, empowered by the President under Section 15 of the Companies Act (Act No. 7/2023). The service office of the Bank is situated at Ma. Allied Building, 2nd Floor, Chaandhanee Magu, K. Male', Maldives.

1.2 Principal Business Activities and Nature of Operations

The principal activities of the Bank are "Banking and financial service activities". At the reporting year bank has not commenced business activities.

2. Basis of preparation

2.1 Statement of Compliance

The financial statements of the Bank, which comprise the Statement of Financial Position, Statement of Comprehensive income, Statement of Changes in Equity, Statement of Cash Flows and Notes to the Financial Statements have been prepared and presented in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB).

2.2 Basis of measurement

The financial statements have been prepared under the historical cost convention whereby the transactions are recorded at the values prevailing on the dates when the assets were acquired, the liabilities were incurred or the capital obtained except for assets and liabilities which are stated at their fair value.

2.3 Going concern

The Board of Directors made an assessment of the Bank's ability to continue as a going concern and is 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 the Bank's operations. Therefore, the financial statements continue to be prepared on the going concern basis.

2.4 Functional and Presentation Currency

These financial statements are presented in Maldivian Rufiyaa, which is the Bank's functional currency. except as otherwise indicated, all financial information is presented in Maldivian Rufiyaa.

2.5 Offsetting

Financial assets and financial liabilities are offset and the net amount reported in the Statement of Financial Position. only when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or to realize the assets and settle the liabilities simultaneously. Income and expenses are not oft-set in the Income Statement, unless required or permitted by an Accounting Standard or Interpretation (issued by the International Financial Reporting Interpretations Committee and Standard Interpretation Committee) and as specially disclosed in the Accounting Policies of the Bank.

3. Significant accounting judgments, estimates and assumptions

The preparation of the financial statements in conformity with IFRSs and IASs adopted, requires the management to make judgements, estimates and assumptions which affect the application of 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 accounting estimates are recognized prospectively.

Measurement of fair values

Several accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

The Bank has an established control framework with respect to the measurement of fair values. When measuring the fair value of an asset or a liability, the Bank uses observable market data as far as possible. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follow.

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).

Level 3: inputs for the asset or liability that are not based on observable market data (Unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

4. Material Accounting Policy Information

The Bank has consistently applied the following accounting policies to all periods presented in these financial statements. except if mentioned otherwise.

4.1 Functional and presentation currency

The financial statements of the Group are presented in Maldivian Rufiyaa (MVR), which is the currency of the primary economic environment in which the Bank operates. Financial information presented in MVR has been rounded to the nearest thousand unless indicated otherwise.

The Bank determines its own functional currency and items included in the financial statements are measured using that functional currency. There was no change in the Bank’s presentation and functional currency during the period under review.

4.2 Presentation of financial statements

The Bank’s items presented in the statements of financial position are grouped by nature and are listed in an order that reflects their relative liquidity and maturity pattern. No adjustments have been made for inflationary factors affecting the financial statements. An analysis of recovery or settlement within 12 months after the reporting date (current) and more than 12 months after the reporting date (non-current) is presented in Note 18 to the financial statements.

4. Material Accounting Policy Information (Continued)

4.3 Financial Assets and Financial Liabilities

(i) Recognition and Initial Measurement

The Bank initially recognizes Cash and cash equivalents, amounts due from related party, amounts due to related party etc. on the date on which they are originated. All other financial instruments (including regular-way purchases and sales of financial assets) are recognized 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.

(ii) Classification

Financial Assets

On initial recognition. a financial asset is classified as measured at: amortized cost, FVOCI or FVTPL.

A financial asset is measured at amortized 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 interest ("SPP|').

In addition, on initial recognition. the Bank may irrevocably designate a financial asset that Otherwise meets the requirements to be measured at amortized cost if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

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 earing contractual interest revenue, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of the liabilities that are funding those assets or realizing 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 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 realized.

Financial assets that are neither held to collect contractual cash flows nor held both to collect contractual cash flows and to sell financial assets.

4. Material Accounting Policy Information (Continued)

4.3 Financial Assets and Financial Liabilities (Continued)

Assessment Whether Contractual Cash Flows are Solely Payments of Principal and Interest

For the purposes of this assessment. 'principal ' is defined as the fair value of the financial asset on initial recognition. ‘Interest’ is defined as consideration for the time value of money and for the credit risk associated with principal amount outstanding during a particular period of time and for other basic lending risks and costs (eg. Liquidity risk and administrative costs), as well as profit margin.

ln assessing whether the contractual cash flows are solely payments of principal and interest, 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 liming of cash flows;
- Leverage features;
- Prepayment and extension terms;
- Terms that limit the Corporation's claim to cash flows from specified assets (e.g. non-recourse asset arrangements): and
- Features that modify consideration of the time value of money- e.g. periodical reset of interest rates.

Reclassification

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.

Finance Liabilities

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.

(iii) 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 assets 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.

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 had been recognised in OCI is recognised in profit or loss.

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. Examples of such transactions are securities lending and sale-and repurchase transactions.

When assets are sold to a third party with a concurrent total rate of return swap on the transferred assets, the transaction is accounted for as a secured financing transaction similar to sale-and repurchase transactions, because the Corporation retains all or substantially all of the risks and rewards of ownership of such assets. In transactions in which the Bank neither retains nor transfers substantially all of the risks and rewards of ownership of a financial asset and it retains control over the asset, the Bank continues to recognize 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.

4. Material Accounting Policy Information (Continued)

4.3 Financial Assets and Financial Liabilities (Continued)

Finance Liabilities

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

4. 4 Impairment of Non-financial Assets

At each reporting date, the Bank reviews the carrying amounts of its non-financial assets to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

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 amortization, if no impairment loss had been recognized.

4.5 Employee Benefits

(i) Short-term Employee Benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognized 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.

(ii) Defined Contribution Plans

All Maldivian employees of the Corporation are members of the retirement pension scheme established in the Maldives. Both employer and employee contribute 7% each respectively to this scheme of such employees' pensionable wage. Employers' obligation for contribution to pension scheme is recognized as an employee benefit expense in profit or loss in the periods during which services are rendered by employees.

4.6 Provisions

A provision is recognized 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.

4.7 Contingent Liabilities and Commitments

Contingent liabilities are possible obligations whose existence will be confirmed only by uncertain future events or present obligations where the transfer of economic benefit is not probable or cannot be readily measured as defined in International Accounting Standard IAS 37 on Provisions. Contingent Liabilities and Contingent Assets.

In the normal course of business, the Bank makes various irrecoverable commitments and incurs certain liabilities with legal recourse to its customers. Even though these obligations may not recognized the date of the Statement of Financial Position, they do contain credit risk and are therefore form part of the overall risk profile of the Bank.

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4. Material Accounting Policy Information (Continued)

4.8 Operating Expense

All expenses incurred in the running of the business and in maintaining the capital assets in a state of efficiency has been charged to the revenue in arriving at profit or loss for the year. Expenditure 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 business has been treated as capital expenses.

4.9 Tax Expense

Tax expense comprises current and deferred tax. Current tax and deferred tax are recognized in profit or loss. The Bank has determined that interest and penalties related to income taxes, 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.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted at the reporting date.

Deferred tax is recognized 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 is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the tax rate 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 liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

A deferred tax assets is recognized for unused tax losses, tax credits deductible temporary difference to the extent that is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it no longer probable that the related tax benefits will be provided.

4.10 Statement of the Cash Flows

The statement of cash flows has been prepared by using the 'Indirect Method' of preparing cash flows in accordance with the International Accounting Standard IAS 7 on 'Statement of Cash Flows'. Cash and cash equivalents comprise of short term, highly liquid investments that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value.

5. New and amended Accounting Standards and Interpretation

The new and amended standards and interpretations that are issued up to the date of issuance of the Bank financial statements but are not effective for the current annual reporting period, are disclosed below. The Bank intends to adopt these new and amended standards and interpretations, if applicable, when they become effective.

Lack of exchangeability – Amendments to IAS 21

In August 2023, the IASB issued amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates to specify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking.

The amendments also require disclosure of information that enables users of its financial statements to understand how the currency not being exchangeable into the other currency affects, or is expected to affect, the entity's financial performance, financial position and cash flows.

5. New and amended Accounting Standards and Interpretation (Continued)

The amendments will be effective for annual reporting periods beginning on or after 1 January 2025. Early adoption is permitted but will need to be disclosed. When applying the amendments, an entity cannot restate comparative information.

The amendments are not expected to have a material impact on the Bank's financial statement.

IFRS 18 Presentation and Disclosure in Financial Statements

In April 2024, the IASB issued IFRS 18, which replaces IAS 1 Presentation of Financial Statements. IFRS 18 introduces new requirements for presentation within the statement of profit or loss, including specified totals and subtotals. Furthermore, entities are required to classify all income and expenses within the statement of profit or loss into one of five categories: operating, investing, financing, income taxes and discontinued operations, whereof the first three are new.

It also requires disclosure of newly defined management-defined performance measures, subtotals of income and expenses, and includes new requirements for aggregation and disaggregation of financial information based on the identified 'roles' of the primary financial statements (PFS) and the notes.

In addition, narrow-scope amendments have been made to IAS 7 Statement of Cash Flows, which include changing the starting point for determining cash flows from operations under the indirect method, from 'profit or loss' to 'operating profit or loss' and removing the optionality around classification of cash flows from dividends and interest. In addition, there are consequential amendments to several other standards.

IFRS 18, and the amendments to the other standards, is effective for reporting periods beginning on or after 1 January 2027, but earlier application is permitted and must be disclosed. IFRS 18 will apply retrospectively.

The Bank is currently assessing the impact the amendments will have on current practice.

IFRS 9 and IFRS 7 Classification and Measurement of Financial Instruments

On 30 May 2024, the IASB issued Amendments to IFRS 9 and IFRS 7, Amendments to the Classification and Measurement of Financial Instruments (the Amendments). The Amendments include:

- A clarification that a financial liability is derecognised on the 'settlement date' and introduce an accounting policy choice (if specific conditions are met) to derecognise financial liabilities settled using an electronic payment system before the settlement date
- Additional guidance on how the contractual cash flows for financial assets with environmental, social and corporate governance (ESG) and similar features should be assessed
- Clarifications on what constitute 'non-recourse features' and what are the characteristics of contractually linked instruments
- The introduction of disclosures for financial instruments with contingent features and additional disclosure requirements for equity instruments classified at fair value through other comprehensive income (OCI).

The amendments will be effective for annual reporting periods beginning on or after 1 January 2026. Entities can early adopt the amendments that relate to the classification of financial assets plus the related disclosures and apply the other amendments later.

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The Bank is currently assessing the impact the amendments will have on current practice.

5. New and amended Accounting Standards and Interpretation (Continued)

Amendments to IFRS 9 and IFRS 7 – Contracts Referencing Nature-dependent Electricity

In December 2024, IASB issued amendments to IFRS 9 and IFRS 7, contracts referencing nature-dependent Electricity, which clarify the application of 'own-use' requirements, permitting these contracts to be used as a hedge instruments and adding new disclosure requirements.

The amendments will be effective for annual reporting periods beginning on or after 1 January 2026. Entities can early adoption is permitted and must be disclosed.

The amendments are not expected to have a material impact on the Bank's financial statement.

Annual improvements to IFRS Accounting Standards – Volume II: Annual improvements in the form of clarifications, update to language and/ or cross references have been made to the following IFRS Accounting Standards. These improvements are effective for annual reporting periods beginning on or after beginning on or after 1 January 2026. Earlier application is permitted.

These improvements are effective for annual reporting period beginning on or after 1st January 2026. Earlier application is permitted.

- IFRS 1 First-time Adoption of International Financial Reporting Standards
- IFRS 9 Financial Instruments
- IFRS 7 Financial Instruments: Disclosures
- IFRS 10 Consolidated Financial Instruments
- IAS 7 Statement of Cashflows

The Bank is currently assessing the impact the amendments will have on current practice.

6. Personal expenses

	2024 MVR
Salaries and salary related expenses	843,336
Pension contribution	12,735
Other staff related expenses	53,692
	909,763

7. Other expenses

	2024 MVR
Rent expense	1,130,597
Maintenance fee	61,304
Travelling expense	214,483
Audit fees	39,690
Directors remuneration	311,300
Electrity Expenses	340,261
Bank charges	11,007
	2,108,642

8. Income tax credit

	2024 MVR
Tax on business profit (Note 8.1)	-
Deferred tax on temporary differences (Note 8.2)	754,601
	754,601

8.1 Income Tax on Profit

Loss before tax	(3,018,405)
Add:	
Disallowable expense	324,035
Less:	
Allowable expense	(324,035)
Taxable loss before adjustments	**(3,018,405)**
Income tax for the period	-
Tax loss brought forward	-
Tax loss for the year	3,018,405
Loss claimed during the year	-
Tax loss carried forward	**3,018,405**

8.2 Deferred tax

On accumulated tax losses	754,601
Total deferred tax assets as at 31 December	**754,601**

Movement in deferred tax

As at 21 July	-
Provision made during the year	754,601
As at 31 December	**754,601**

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9. Cash and cash equivalents

	2024 MVR
Cash in banks	2,320,134
	2,320,134

10. Other liabilities

	2024 MVR
Amounts due to directors	311,300
Rent payable	1,130,597
Accrued expenses	896,642
	2,338,539

11 Share capital

	2024 MVR
Authorized share capital	
3,000 ordinary shares of MVR 100,000	300,000,000
	300,000,000
Issued share capital	
30 ordinary shares of MVR 100,000	3,000,000
	3,000,000

12. Capital Commitments and Contingent Liabilites

The Bank had no capital commitments contingent liabilities as at 31 December 2024.

13. Events Subsequent to the Reporting Period

There have been no significant events, occurring after the reporting date that require adjustments to or disclosure in the financial statements.

AUDITOR GENERAL'S OFFICE

DEVELOPMENT BANK OF MALDIVES LTD C14822024

14. Related Party Disclosures

The Bank has 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 ' Related Party Disclosures'.

14.1 Key Management Personnel (KMPs) and their Close Family Members (CFMs)

Key Management Personnel are defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Bank. Such Key Management Persons include the Corporate Management of the Bank. Close family members of an Individual are those family members who may be expected to influence, or to be influenced by, that individual in their dealings with the entity. They may include individual’s domestic partner and children, children of the individual’s domestic partner and dependents of the individual or the individual’s domestic partner.

14.2 Transactions with Key Management Personnel (KMPs) and their Close Family Members (CFMs)

For the period from 21 July 2024 to 31st December 2024	2024 MVR
Short-term Employee Benefits	311,300
	311,300

14.3 Transactions with Related Entities

The Government of Maldives holds 100% of the voting rights of the Bank as at 31 December 2024 and has control over the financial and operating policies of the Bank. Accordingly, the Bank has considered the Government of Maldives and its related entities as related parties according to International Accounting Standards 24 Related Party Disclosures.

14. Related Party Disclosures (Continued)

14.3 Transactions with Related Entities (Continued)

During the year ended 31 December 2024, the Bank has carried out transactions with the Government of Maldives and in the ordinary course of business.

Name of the Related Party	Relationship	Shares issued MVR	Cash received MVR
Ministry of Finance	Ministry of the Government	3,000,000	(3,000,000)
		3,000,000	(3,000,000)

During the year the expediture incurred on development of office premises were born by the Government. As such, no property, plan and equipments were reflected in these financial statements as at the reporting date.

15 FINANCIAL INSTRUMENTS - FAIR VALUES AND RISK MANAGEMENT

15.1 Classification of financial assets and liabilities as per IFRS 9 - "Financial instruments"

The table below provides a reconciliation between the line items in the Statement of Financial Position and categories of financial assets and financial liabilities of the Bank.

As at 31st December 2024	Financial assets measured at amortized cost MVR	Financial liabilities measured at amortized cost MVR	Total MVR
Financial Assets			
Cash and cash equivalents	2,320,134	-	2,320,134
Total Financial Assets	**2,320,134**	**-**	**2,320,134**
Financial Liabilities			
Other liabilities	-	2,338,539	2,338,539
Total Financial Liabilities	**-**	**2,338,539**	**2,338,539**

15.2 Measurement of Fair Values

15.2.1 Financial Instruments Not measured at Fair Value and Fair Value Hierarchy

The fair value information for financial assets and financial liabilities not measured at fair value has not been disclosed if the carrying amounts are reasonable approximation of fair values. For financial assets and liabilities with short term maturities or with short term re-pricing intervals, it is assumed that the carrying amounts approximate to their fair value.

15.2.2 Determination of fair value and fair value hierarchy

The following table set out the fair values of financial assets and liabilities not measured at fair value and related fair value hierarchy used

As at 31 December 2024	Level 1 MVR	Level 2 MVR	Level 3 MVR	Total MVR
Financial assets				
Cash and cash equivalents	-	2,320,134	-	2,320,134
Total financial assets	**-**	**2,320,134**	**-**	**2,320,134**
Financial liabilities				
Other liabilities	-	2,338,539	-	2,338,539
Total financial liabilities	**-**	**2,338,539**	**-**	**2,338,539**

16. Financial Risk Management

16.1 Introduction and Overview

As a financial intermediary, the Bank is exposed to various types of risks including credit, market, liquidity and operational risks which are inherent in the Bank's activities. Managing these risks are critical for the sustainability of the Bank and plays a pivotal role in all activities of the Bank. Risk Management function strives to identify potential risks in advance, analyze them and take precautionary steps to mitigate the impact of risk whilst optimizing through risk adjusted returns within the risk appetite of the Bank.

The Bank has exposure to the following risks from financial instruments:

Market Risk
Liquidity Risk

16. Financial Risk Management (Continued)

16.2 Market Risk

Markel risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise four types of risk: interest rate risk, currency risk & other price risk such as commodity price risk.

The Bank is not significantly exposed to foreign currency risk on transactions that ore denominated in a currency other than the respective functional currency of the Bank.

The tables below analyze the Bank's interest rate risk exposure on financial assets and financial liabilities.

As at 31st December 2024	Up to 3 Months	3 to 12 Months	1 to 3 Years	3 to 5 Years	More than 5 Years	Non-Sensitive	Total as at 31/12/2024
Financial Assets							
Cash and cash equivalents	-	-	-	-	-	2,320,134	2,320,134
Total Financial Assets	**-**	**-**	**-**	**-**	**-**	**2,320,134**	**2,320,134**
Financial Liabilities							
Other liabilities						2,338,539	2,338,539
Total Financial Liabilities	**-**	**-**	**-**	**-**	**-**	**2,338,539**	**2,338,539**

16.3 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 asset. The Bank's approach to managing liquidity is to ensure as far as possible, that it will have sufficient liquidity to meet its liabilities when due, under both normal and difficult conditions, without incurring unacceptable losses or risking damage to Bank's reputation.

Remaining contractual period to maturity as at the date of Statement of Financial Position of the financial assets and the liabilities employed by the Bank is detailed below.

As at 31 December 2024	Carrying Amount MVR	Gross Nominal Cashflows MVR	Up to 3 Months MVR	3 to 12 Months MVR	1 to 3 Years MVR	3 to 5 Years MVR
Financial Assets						
Cash and cash equivalents	2,320,134	2,320,134	2,320,134	-	-	-
	2,320,134	**2,320,134**	**2,320,134**	**-**	**-**	**-**
Financial Liabilities						
Other liabilities	2,338,539	2,338,539	2,338,539	-	-	-
	2,338,539	**2,338,539**	**2,338,539**	**-**	**-**	**-**
Net Gap	**(18,405)**	**(18,405)**	**(18,405)**	**-**	**-**	**-**

17. Maturity analysis of assets and liabilities

The table below shows the assets and liabilities analysed according to when they are expected to be recovered or settled.

	2024		
	Within 12 months MVR	**After 12 months MVR**	**Total MVR**
Assets			
Cash and cash equivalents	2,320,134	-	2,320,134
Deferred tax asset	-	754,601	754,601
Total assets	**2,320,134**	**754,601**	**3,074,735**
Liabilities			
Other liabilities	2,338,539	-	2,338,539
Total liabilities	**2,338,539**	**-**	**2,338,539**
Net assets/ (liabilities)	**(18,405)**	**754,601**	**736,196**

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