

Maldives Monetary Authority

# Annual Report 2024





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# | Preface

In accordance with Article 35 (b) of the Maldives Monetary Authority Act 1981, this Annual Report covers policies adopted by the MMA during the year 2024 to achieve its main objectives, and the activities and developments of the MMA for the year 2024. It also covers developments in the domestic economy during 2024 and presents an overview of events in the global economy during the year. An outlook for 2025 is also included in the report. All analyses are based on information relating to the year 2024, received from relevant government authorities, financial sector agencies, public enterprises and other private sector sources. All data is as of April 2025. The views expressed in this report, however, are those of the MMA and do not necessarily represent those of the source of data. This report also includes a copy of the Financial Statements for the year ended 31 December 2024 that have been examined and certified by the external auditors. We thank all those who have contributed to the publication of this report including the provision of the information contained herein.

# Executive Summary

The Maldivian economy continued to strive in 2024 amidst a challenging global environment marked by persistent geopolitical tensions and tightened financial conditions across major economies. Accordingly, the domestic economy is estimated to have expanded by 5.1%, an acceleration from the 4.7% observed in 2023. Despite the headwinds, the Maldivian economy demonstrated resilience and adaptability, driven by the growth from the tourism sector and sectors related to the tourism sector, including the transportation and communication sector and wholesale and retail trade sector. Meanwhile, the fisheries and construction sector remained subdued.

As for inflation in the domestic economy, the average rate of inflation decelerated to 1.4% in 2024 compared to the previous year, owing to downward inflationary pressures from prices of information and communications services as well as prices of energy-related services. However, downward inflationary pressures were partly offset by the higher prices of food items and tobacco, together with the increased cost of services of restaurants and cafés.

In 2024, the current account deficit narrowed slightly, owing to the significant improvement in the services account, driven by the growth in the tourism sector and increase in travel receipts. However, the merchandise trade deficit widened, reflecting increased imports and decline in exports of goods. Meanwhile, the net inflows from financial account mainly comprised inflows from FDIs and other investments. Overall, the balance of payments recorded a surplus in 2024, while gross international reserves recorded a slight increment, primarily owing to US\$400 million swap obtained from Reserve Bank of India (RBI) in October 2024.

According to the growth forecasts estimated jointly by the MMA and the Ministry of Finance and Planning in October 2024, real GDP is projected to grow by 6.4% in 2025, driven primarily by an uptick in real activity in the tourism sector. The risks to the growth outlook for 2025 remain mixed but tilted to the downside, with delayed fiscal reforms, global trade tensions and commodity price volatility, particularly fuel and food. On the upside, operationalisation of the new passenger terminal of Velana International Airport could boost tourism activity and economic growth. Looking into inflationary pressures, domestic policy adjustments and expenditure consolidation measures could exert upward pressure on domestic prices. Further, geopolitical tensions and supply chain disruptions may also drive higher import prices.

In 2024, the MMA continued to adopt an accommodative monetary policy to maintain price stability and support sustained economic growth, while mitigating pressures in the foreign exchange market. To strengthen the regulatory framework, Regulation on Foreign Currency was brought into effect on 1 October 2024, superseding the longstanding Monetary Regulation of 1987, and was later repealed with the enactment of the Foreign Currency Act. Further efforts to ease the US dollar shortage

were sustained through continued intervention in the foreign exchange market. Despite the post-pandemic improvements in foreign currency liquidity, the banking system observed a reduction in foreign currency liquidity during the year. To alleviate the shortage, the MMA lowered the foreign currency minimum reserve requirement (MRR) from 10.0% to 7.5% effective 24 October 2024.

The financial sector continues to demonstrate resilience reflected by the ongoing efforts of the MMA to uphold a stable and robust financial system. Commercial banks, which hold over 90% of the sector's assets, contributed to the sector's strength and remained well-capitalized, demonstrating resilience through asset growth, robust capital strength and high profitability indicators. The sector also indicated a stable level of non-performing loans (NPLs) and liquidity buffers at prudent levels. The performance of other financial institutions also remained stable, with finance companies remaining well capitalized and the general insurance sector recording strong growth and sound capitalization, supported by an increase in gross written premiums (GWP). In line with efforts to strengthen the legal framework of the foreign exchange market and support financial sector stability, the Regulation on Money Changing Business was issued on October 1, 2024.

The MMA continued its efforts to enhance the development of the financial sector by promoting financial inclusion, strengthening consumer protection and modernizing financial infrastructure. As such, MMA spearheaded the formulation of National Financial Inclusion Strategy (NFIS), with preparations underway for the official launch in 2025. Throughout the year, the MMA prioritized advancing the growth and development of Islamic finance in the Maldives through targeted policy initiatives.

The MMA also inaugurated its first Research Conference and the Joint Research Workshop in collaboration with Asia-Pacific Applied Economics Association (APAEA) and Asian Development Bank Institute (ADBI) during the year. The aim of both the conference and workshop was to foster dialogue between policymakers, industry experts and academics, while promoting research collaborations between the MMA and external researchers on topics relevant to the MMA. During the conference, the MMA Research Fund was launched, establishing an initial allocation of MVR1.0 million, with the aim of promoting research culture.

Recognizing the critical role of human capital in advancing the financial system and institutional progress, the MMA remained steadfast in its effort to attract, develop and retain a highly skilled taskforce. And as part of this commitment, three staff members were given the opportunity to pursue postgraduate studies in the fields of Cybersecurity Management, Forensic Accounting and Accounting and Data Analytics. Further, employees participated in various short-term trainings aimed at enhancing professional competencies across key areas. The MMA also continued to support staff members by extending financial benefits, which included short-term loan through initiatives such as staff loan schemes.

The Maldivian economy remained on a steady path of recovery during the year, despite ongoing global and domestic uncertainties. Against this backdrop, the MMA continued to uphold its mandate of price stability and fostering inclusive, stable, and sustainable economic growth.

# Objectives



The Maldives Monetary Authority (MMA) functions as the central bank of the Maldives and was established on 1 July 1981 under the Law no. 6/81 (Maldives Monetary Authority Act 1981).

The primary objectives of the MMA are as follows:

- Maintain price stability conducive to the sustainable growth of the economy.
- Without prejudice to maintaining price stability, maintain financial stability.
- Without prejudice to maintaining price stability and financial stability, support the government in achieving macroeconomic stability and economic growth.

# Board of Directors



**Ahmed Munawar**  
Governor



**Idham Hussain**  
Advisor



**Uz. Makhzoom Saleem**  
Private Sector



**Fathimath Shafeega**  
Private Sector



**Mohamed Ahmed**  
Ministry of Economic  
Development and Trade



**Ahmed Mazin**  
Ministry of Finance and Planning

# Executive Committee



**Ahmed Munawar**  
Governor



**Mohamed Muaz**  
Managing Director  
Financial Stability



**Aishath Asha Ali**  
Managing Director  
Banking Operations



**Aishath Asna Hamdi**  
Managing Director  
Financial Sector Development



**Mariyam Rashfa**  
Managing Director (Acting)  
Monetary Policy, Research &  
Statistics



**Abdul Rasheed Abdulla**  
Managing Director (Acting)  
Corporate Services



**Leena Mohamed Zahir Hussain**  
Assistant Executive Director  
Governor's Office

# Senior Management

## Idham Hussain

Advisor

## Mariyam Hussain Didi

Advisor

## Mariyam Shifa

Advisor

## Leena Mohamed Zahir Hussain

International Relations Section

## Mohamed Nasih

Media and Communications Section

## Uza. Sheeza Ahmed

Legal Section

## Safiyuddeen Rasheed

Strategic Planning and Monitoring Section

## Moosa Ahmed Manik

Data and Innovation Group

## Hawwa Ibrahim

Risk and Compliance Unit

## Mohamed Nizam

Governor's Office

## Hawwa Shafeea Riza

Governor's Office

## Mariyam Rashfa

Monetary Policy, Economics and Statistics

## Aminath Shafwath

Monetary Policy Economics Division

## Mansoor Zubair

Statistics Division

## Mohamed Muaz

Financial Stability

## Mariyam Najeela

Financial Stability

## Hamida Shakeela

Banks and Other Financial Institutions Division

## Uz. Hassan Fiyaz

Insurance Division

### **Aishath Asna Hamdi**

Financial Sector Development

### **Fathimath Sadiq**

Financial Inclusion and Consumer Division

### **Ibrahim Shaugee**

Financial Sector Development and Licensing Division

### **Aishath Asha Ali**

Banking and Market Operations

### **Aishath Nadhiya**

Banking and Market Operations

### **Muna Ibrahim**

Banking Service Division

### **Aminath Shaheeda**

Cash and Payments Division

### **Hawwa Latheef**

Payment Systems and Oversight Division

### **Rushaha Ahmed Shareef**

Foreign Exchange Division

### **Siya Ahmed Najeeb**

Internal Audit

### **Abdul Rasheed Abdulla**

Corporate Services

### **Mohamed Ishan**

Financial Controls Division

### **Ahmed Asif**

Information Technology Division

### **Fathimath Jawza**

General Services Division

### **Ahmed Shihad Abdul Hameed**

Facility Management Division

### **Lubna Abdul Gadir**

MMA Institute for Research and Training

### **Aminath Shaznie**

Centre for Banking and Financial Training

### **Shifneen Rasheed**

Centre for Central Banking Research

### **Abdullah Ashraf**

Financial Intelligence Unit

### **Uz. Abudhullah Zaahir**

Board Secretariat

# Abbreviations and Acronyms

<b>ACH</b>	Automated Clearing House
<b>ADB</b>	Asian Development Bank
<b>ADBI</b>	Asian Development Bank Institute
<b>AFI</b>	Alliance for Financial Inclusion
<b>AML/CFT</b>	Anti-Money Laundering and Combating the Financing of Terrorism
<b>AMLO</b>	Anti-Money Laundering Office
<b>APAEA</b>	Asia-Pacific Applied Economics Association
<b>APG</b>	Asia-Pacific Group on Money Laundering
<b>BML</b>	Bank of Maldives
<b>BOP</b>	balance of payments
<b>bps</b>	basis points
<b>CD</b>	Capacity Development
<b>CIB</b>	Credit Information Bureau
<b>CIR</b>	Credit Information Reports
<b>CMDA</b>	Capital Market Development Authority
<b>CPI</b>	consumer price index
<b>DAG</b>	Data Analytics Group
<b>DNFBP</b>	Designated Non-Financial Businesses & Professions
<b>ECB</b>	European Central Bank
<b>ERM</b>	Enterprise Risk Management
<b>FAO</b>	Food and Agriculture Organisation
<b>FDI</b>	foreign direct investment
<b>FIU</b>	Financial Intelligence Unit
<b>FSAP</b>	Financial Sector Assessment Program
<b>FX</b>	foreign exchange
<b>f.o.b</b>	freight on board
<b>GAIN</b>	Global Actuarial Initiative
<b>GDP</b>	gross domestic product
<b>G-GST</b>	general goods and services tax
<b>GIR</b>	gross international reserves
<b>GVA</b>	gross value added
<b>GWP</b>	gross written premium
<b>HICP</b>	Harmonised Index of Consumer Prices

<b>HRD</b>	Human Resource Development
<b>IFRS</b>	International Financial Reporting Standards
<b>IGF</b>	Inclusive Green Finance
<b>IMF</b>	International Monetary Fund
<b>INR</b>	Indian Rupee
<b>IUM</b>	Islamic University of Maldives
<b>JCR</b>	Joint Committee on Remuneration
<b>LPR</b>	Loan Prime Rate
<b>MCM</b>	Monetary and Capital Markets Department
<b>MERPD</b>	Monetary and Exchange Rate Policy Division
<b>MIPS</b>	Maldives Instant Payment System
<b>MIRA</b>	Maldives Inland Revenue Authority
<b>MITRS</b>	Maldives International Transactions Reporting System
<b>MMA TI</b>	MMA Training Institute
<b>MOF</b>	Ministry of Finance
<b>MoU</b>	Memoranda of Understanding
<b>MPSD</b>	Maldives Payment System Development Project
<b>MRR</b>	minimum reserve requirement
<b>MRTGS</b>	Maldives Real Time Gross Settlement
<b>MSME</b>	micro, small and medium enterprises
<b>MVR</b>	Maldivian Rufiyaa
<b>NCG</b>	net claims on central government
<b>NDA</b>	net domestic assets
<b>NFA</b>	net foreign assets
<b>NFIS</b>	National Financial Inclusion Strategy
<b>NPI</b>	new policy initiative
<b>NPL</b>	non-performing loan
<b>NWP</b>	net written premium
<b>ODF</b>	overnight deposit facility
<b>OECD</b>	Organisation for Economic Co-operation and Development
<b>OFC</b>	Other financial corporations
<b>OLF</b>	overnight lombard facility
<b>OMO</b>	open market operations
<b>OPEC</b>	Organization of the Petroleum Exporting Countries
<b>PBA</b>	Public Bank Account
<b>PIRI</b>	Pacific Islands Regional Initiative

<b>PNFC</b>	Public non-financial corporation
<b>PPG</b>	public and public guaranteed debt
<b>PSIP</b>	Public Sector Investment Program
<b>PSP</b>	payment service providers
<b>QEB</b>	Quarterly Economic Bulletin
<b>QBS</b>	Quarterly Business Survey
<b>QNA</b>	Quarterly National Accounts
<b>RBI</b>	Reserve Bank of India
<b>RCF</b>	Rapid Credit Facility
<b>ROA</b>	return on average assets
<b>ROE</b>	return on average equity
<b>SAARC</b>	South Asian Association for Regional Cooperation
<b>SARFII</b>	South Asia Region Financial Inclusion Initiative
<b>SARTTAC</b>	South Asian Regional Training and Technical Assistance Center
<b>SCoMMA</b>	Shariah council of the MMA
<b>SDFC</b>	SME Development Finance Corporation
<b>SIR</b>	Self-Inquiry Reports
<b>SMEs</b>	small and medium-sized enterprises
<b>SOEs</b>	state-owned enterprises
<b>SOPs</b>	Standard Operating Procedures
<b>SPDPS</b>	Strategic Planning and Development Projects Section
<b>STO</b>	State Trading Organisation
<b>TA</b>	Technical Assistance
<b>T-GST</b>	tourism goods and services tax
<b>TSD</b>	Technology Services Division
<b>UAE</b>	United Arab Emirates
<b>UAT</b>	User Acceptance Testing
<b>UK</b>	United Kingdom
<b>UNDP</b>	United Nations Development Programme
<b>UNWTO</b>	United Nations World Tourism Organization
<b>US</b>	United States
<b>VIA</b>	Velana International Airport
<b>WAIR</b>	weighted average interest rate
<b>WBG</b>	World Bank Group
<b>WEO</b>	World Economic Outlook

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# Economy in 2024

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# Economic Highlights 2024



## Tourism

8%

### Annual growth in resort bednights

The tourism sector observed an expansion in annual terms, primarily reflecting the growth in total tourist arrivals and increased resort bednights in 2024.



## Fisheries

-49%

### Significant decline in volume of fish exports

The performance of the fisheries sector is estimated to have significantly declined, in line with the sharp drop in the volume of fish exports.



## Construction

-7%

### Decrease in construction-related imports

Construction sector is estimated to have experienced a decline in annual growth, in line with the decrease in construction-related imports.



## Inflation

1.4%

### Inflation rate

Average inflation decelerated in 2024, primarily mirroring the impact of domestic policy changes such as dissipation of base effects of the G-GST rate increase from previous year.



## External Sector

17.8%

### Current account deficit as a percentage of GDP

The current account deficit narrowed largely due to an improvement in the services account surplus, despite the widening of merchandise trade deficit.



## Public Finance

14.1%

### Fiscal deficit as a percentage of GDP

The fiscal deficit remained high due to higher total expenditure despite a better-than-expected growth in total revenue.



## Financial Sector

4%

### Annual growth in total assets of banks

The financial sector remained robust and demonstrated resilience through asset growth, strong capital and profitability indicators.



## Private Sector Credit

7%

### Growth in private sector credit

The financial sector remained robust and demonstrated resilience through asset growth, strong capital and profitability indicators.

# Overview

According to the latest Quarterly National Account (QNA) estimates, following a growth rate of 4.7% in 2023, the growth of the Maldivian economy is estimated to have expanded, registering a growth rate of 5.1% in 2024. However, this is 0.4 percentage points lower than the real gross domestic product (GDP) growth projected jointly by the Maldives Monetary Authority (MMA) and the Ministry of Finance and Planning in October 2024 for the Government Budget 2025. In 2024, real GDP growth was primarily led by the expansion of services related sectors which are closely linked to the tourism sector. In this regard, transportation and communication, tourism, and wholesale and retail trade sectors observed expansions during the year. In addition, public administration, real estate, and financial services sectors also registered growth while declines were observed in sectors such as fisheries, manufacturing and construction.

The average rate of inflation decelerated to 1.4% in 2024, from 2.9% in 2023, primarily mirroring the impact of domestic policy changes such as dissipation of base effects of the general goods and services tax (G-GST) rate increase from January 2023 onwards and discounts given by the government on utility bills during Ramadan in 2024. During the year, the primary drivers of upward inflationary pressures were prices of food items and tobacco, together with cost of services of restaurants and cafés. On the other hand, prices of information and communication services and price of energy-related items were the main contributors to downward inflationary pressures.

On the fiscal front, the fiscal deficit remained elevated at 14.1% of GDP in 2024, owing to the increase in total expenditure, despite the total revenue surpassing the budgeted target for the year. Total expenditure increased owing to higher recurrent expenditure, as expenditure consolidation measures which were planned to be implemented during mid-2024 were delayed. The growth in recurrent expenditure largely stemmed from the rise in expenditure on the salaries and wages, while a decline was observed in capital expenditure. Meanwhile, the growth in total revenue was driven by the growth in tax revenue which offset the decline in non-tax revenue. As such, the increase in tax revenue was driven by early payments of bank profit taxes, together with the robust performance of the tourism sector. During 2024, the fiscal deficit was financed primarily through domestic sources. As for public debt, the debt stock totalled MVR123.9 billion, while debt as a percentage of GDP rose to 114.1% of GDP in 2024 from 109.3% in 2023. Meanwhile, the stock of public debt including publicly guaranteed debt reached MVR145.0 billion, with debt as a percentage of GDP increasing to 133.5% of GDP in 2024 from 124.2% in 2023.

As for monetary developments, while the minimum reserve requirement (MRR) for local currency remained unchanged at 10%, MRR on foreign currency was lowered to 7.5% during October 2024. In 2024, broad money decreased marginally in annual terms owing to the decline in net foreign assets (NFA) of the banking system, which offset the increase in net domestic assets (NDA) of the banking

system. The decrease in NFA largely mirrored a significant increase in liabilities despite an increase in foreign asset accumulation, due to the US\$400 million foreign currency swap obtained from the Reserve Bank of India (RBI) in October 2024. Meanwhile, the increase in NDA primarily mirrored the growth in MMA's deposits at the commercial banks and the accumulation of retained earnings by the commercial banks. In addition, a decline was observed in overnight deposit facility (ODF) placements as well as in commercial banks' balances held at the MMA. In contrast, there was a rise in net claims on central government (NCG), as well as an increase in commercial banks' credit to the private sector.

During 2024, the financial sector remained strong and well capitalised. The banking sector— which holds over 90% of the financial institutions' assets—demonstrated resilience through robust asset growth while maintaining strong capital and profitability indicators. Further, liquidity buffers were maintained at prudent levels while non-performing loans (NPLs) also stood at stable levels. With regard to the insurance industry, the sector recorded

strong growth and sound capitalisation, together with an increase in gross written premiums (GWP). As for the non-bank financial sector, finance companies' capital remained strong, and the profitability increased during the year.

As for the balance of payments (BOP), the current account deficit narrowed slightly to 17.8% of GDP in 2024, from 21.3% in 2023, primarily due to significant improvement in services account, despite the widening of merchandise trade deficit. In this regard, the goods account continued to record a substantial deficit, while the services account—driven largely by the receipts from the tourism sector—has continuously maintained a surplus. In 2024, the current account deficit was financed mainly by foreign direct investment (FDI) inflows and other investments together with borrowings by the government and the private sector. Further, the current account deficit was offset by the net inflows from the financial account, and the overall BOP recorded a surplus of US\$84.4 million, while the gross international reserves (GIR or official reserve assets) stood at US\$673.9 million at the end of 2024.

# Macroeconomic Developments

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# International Economic Developments

## Global Output

The global economy regained momentum in 2024, buoyed by easing of inflation, strengthening labour markets and sustained trade activity. Global economic growth exhibited signs of steady recovery during the year, following a series of unprecedented shocks. Nevertheless, economic performance varied significantly across countries. Meanwhile, headline inflation tapered off, primarily due to favourable global commodity prices.

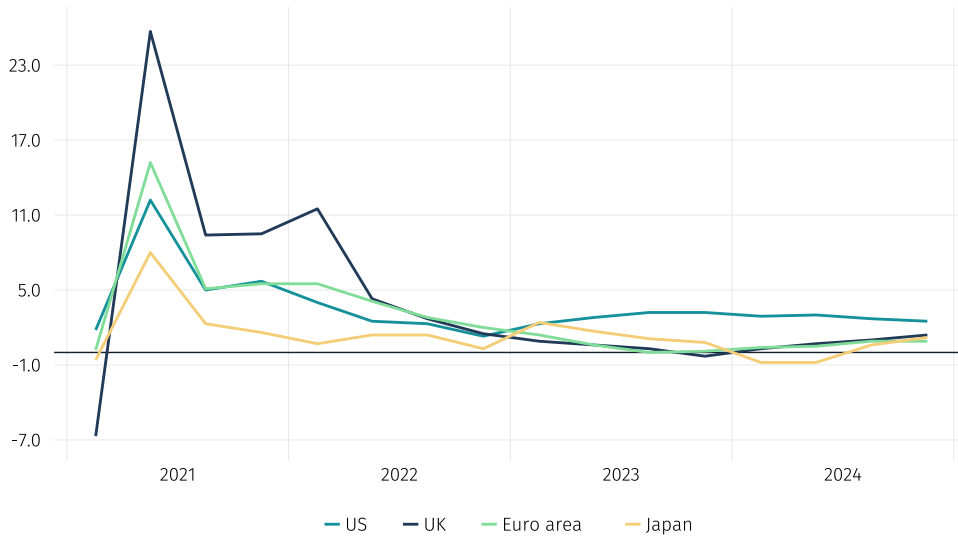
According to the International Monetary Fund (IMF) World Economic Outlook (WEO) April 2025 report, global growth is estimated to have slowed down to 3.3% in 2024 (0.1 percentage points higher than in the October 2024 WEO), from an estimated growth of 3.5% in 2023. Despite the slowdown, global economy showed signs of stability during the year, following a series of unprecedented shocks. Global growth was supported by inflation rates moving towards central bank targets, recovering labour markets, and resilient trade flows—especially from China. However, this growth occurred amid rising policy uncertainty,

including trade tensions and tariff changes, which affected sentiment and financial markets. Nevertheless, divergent performance in economic growth was observed across economies amid structural vulnerabilities that continue to test global resilience.

Looking at the advanced economies, activity in the United States (US) marginally decelerated and recorded a growth of 2.8% in 2024, following a growth of 2.9% in 2023 (Figure 1). The economic growth during 2024 was primarily driven by increases in consumer spending, investment, and government spending. The rise in consumer spending reflected higher expenditures on both services—particularly healthcare—and goods, led by recreational goods and vehicles. However, economic growth during the year was partly offset by the negative contribution from net exports as imports increased at a faster pace than exports.

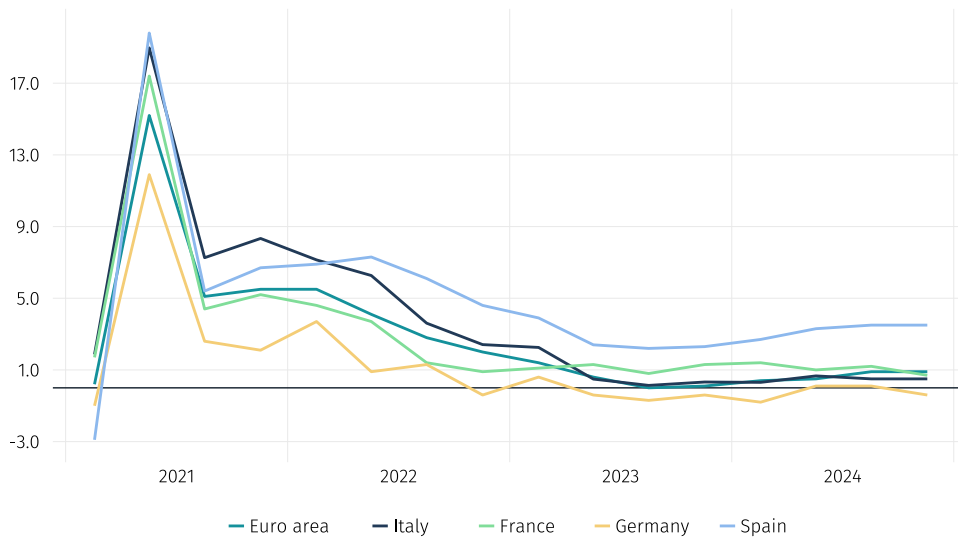
Following a significant moderation to 0.4% in 2023, the euro area recorded a growth of 0.9% in 2024 (Figure 2). Looking at the growth estimates of the main economies in the region, the German economy further contracted in 2024, reflecting increased competition in key German export markets, elevated energy costs, persistently high interest rates, and uncertain economic prospects. The French economy remained stable in 2024 after experiencing a slowdown in 2023, amid weak domestic

**Figure 1: Real GDP Growth in the Advanced Economies, 2021 - 2024**  
(annual percentage change)



Source: Bloomberg Database

**Figure 2: Real GDP Growth in the Euro Area, 2021 - 2024**  
(annual percentage change)



Source: Bloomberg Database

demand in the country. However, growth was supported by increased government consumption expenditure and an improvement in net foreign trade. Economic activity in Italy is expected to remain subdued in 2024, with growth primarily driven by net foreign demand, whereas weak domestic weighed down on the economy. As per initial estimations, economic growth accelerated in Spain during 2024 and is expected to exhibit the strongest growth among the main economies in the region, largely driven by domestic demand.

The Japanese economy—the third largest in the world—registered a growth of 0.1% in 2024, a deceleration compared to the growth of 1.5% recorded in 2023. Growth was driven by the increases in private non-resident investment, and government consumption. Additionally, positive contributions from increased domestic demand also boosted economic activity in the country. However, this was partially offset by negative contributions from private residential investments, private inventories, public investment and net exports as the increase in imports outweighed the increase in exports.

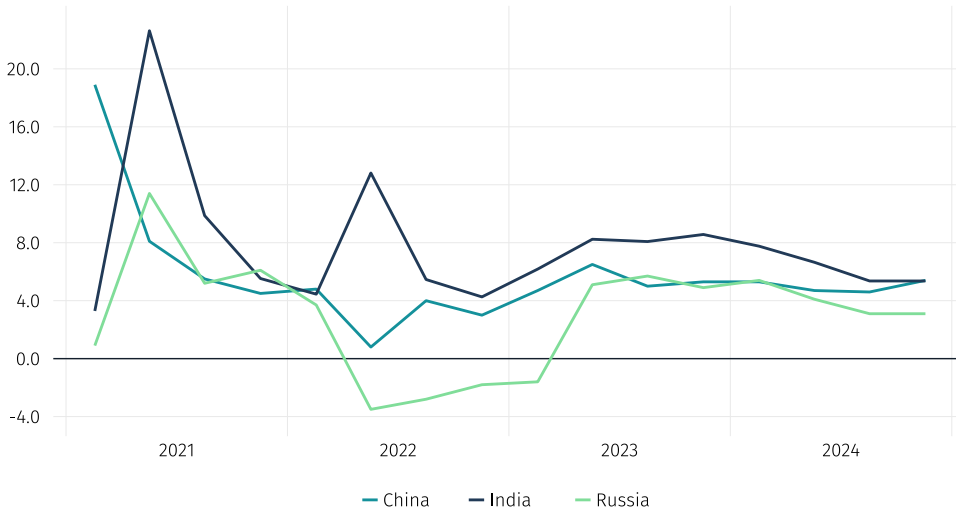
In the United Kingdom (UK), GDP growth slightly picked up to 0.9% in 2024 from a growth of 0.4% in 2023—the weakest growth recorded since the financial crisis in 2009, excluding 2020 (when the COVID-19 pandemic hit). The modest economic expansion during the year was primarily driven by increased general government consumption, while household consumption also contributed positively, albeit remaining subdued. However, the decline in exports, coupled with the rise in imports negatively contributed to growth. Economic growth in the UK was further supported by the expansion of the services sector, largely reflecting the increased output in professional, scientific administration and support services, health and social work services, public

administration, national defence and social security services as well as transport, storage and communications services.

In the emerging market and developing economies, economic growth across major emerging markets exhibited mixed trends in 2024, with growth in China and India experiencing slight slowdowns, albeit remaining relatively strong. Meanwhile, Russia maintained stable growth, driven by sectoral expansions and strong domestic demand. (Figure 3). As such, in China, growth slightly decelerated to 5.0% in 2024, from 5.3% in 2023. Economic growth in China was bolstered by the positive contributions from all major sectors of the economy, primarily driven by the increased output in manufacturing and services sectors. The growth in manufacturing sector reflected increased equipment and high-technology manufacturing as well as production of new energy vehicles. Meanwhile, services sector was largely driven by the expansion of information, transmission, software and IT services as well as leasing and business services. Additionally, fixed asset investment and foreign trade also boosted economic growth with total import and export volumes reaching record levels—mirroring renewed global demand for Chinese exports.

As for India, economic growth is estimated to have decelerated to 6.4% in 2024, following a growth of 8.2% in 2023. During the year, increased output was observed in agriculture and allied sector, construction sector as well as financial, real estate and professional services sector. Meanwhile, both private and government final consumption expenditure significantly increased during the year. The Russian economy is projected to grow by 4.1% in 2024, maintaining the same pace as in 2023, largely supported by strong domestic demand. Economic growth was driven by robust output

**Figure 3: Real GDP Growth in Emerging Markets and Developing Economies, 2021 - 2024**  
(annual percentage change)



Source: Bloomberg Database

in the information and communications, hotels and restaurants, wholesale and retail trade as well as manufacturing sectors. Additionally, increased household and government consumption, along with higher investment further contributed to economic activity.

## Global Inflation

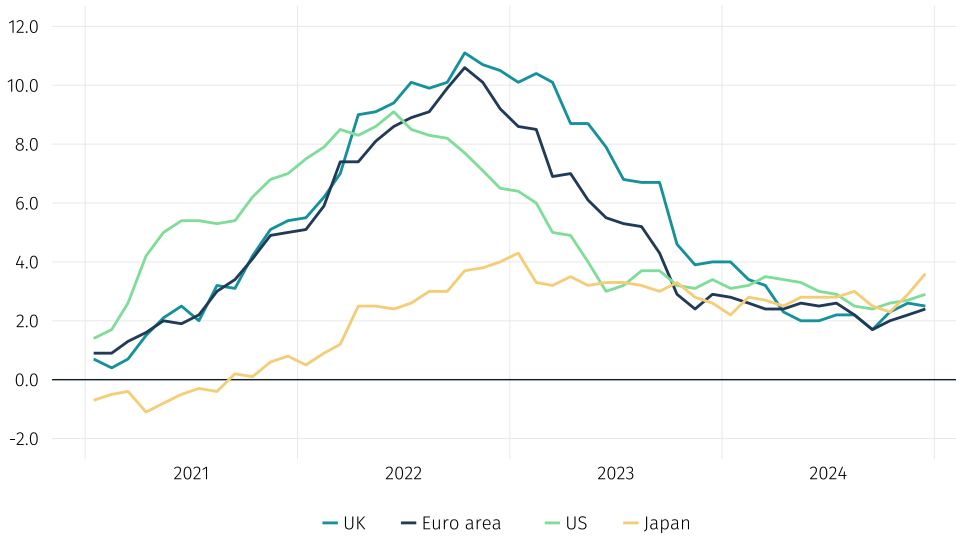
Against the backdrop of declining global oil prices, inflation trends across advanced economies exhibited a general slowdown, although rates remained above central bank targets in several countries. However, mixed developments were observed in the emerging market and developing economies.

With respect to the inflation trends observed in the advanced economies, the rate of inflation in the US, as measured by the Consumer Price Index (CPI), further decelerated to 3.0% during 2024—remaining above the Federal Reserve’s inflation target—from 4.1% recorded in 2023 (Figure 4). The deceleration of the inflation

rate in the US was mostly driven by the easing of energy prices. Meanwhile, upward inflationary pressure during the year came primarily from the rise in prices of services. In the euro area, the rate of inflation, as measured by the Harmonised Index of Consumer Prices (HICP), slowed down to 2.4% in 2024, from 5.5% in 2023, remaining slightly beyond the 2.0% target rate of the European Central Bank (ECB). The major downward contributions came from the decline of prices in the energy sector. Meanwhile, the upward pressure was primarily driven by the increases in prices of services together with food including alcohol and tobacco.

After recording an inflation rate of 3.3% in 2023, the rate of inflation in Japan slowed down to 2.7% in 2024, remaining above the Bank of Japan’s target rate of 2.0%. The deceleration in the inflation rate was largely contributed by the decline in prices of the education sector. Meanwhile, upward pressure on inflation primarily came from the rise in food prices

**Figure 4: Inflation in the Advanced Economies, 2021 - 2024**  
(annual percentage change)



Source: Bloomberg Database

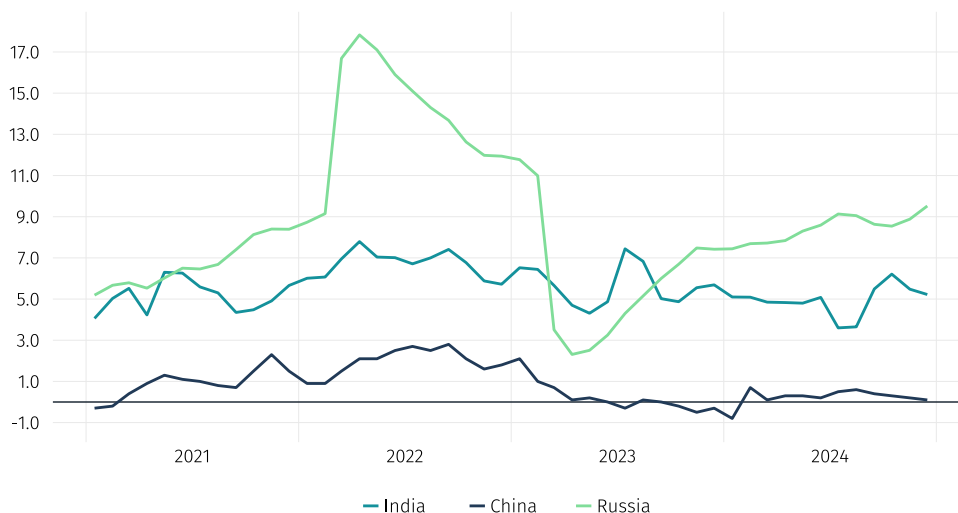
together with the increase in expenses for information and communication. In the UK, the rate of inflation significantly moderated to 2.5% in 2024, from 7.4% in 2023, remaining higher than the Bank of England’s target rate of 2.0%. This was due to the increase in prices of services entirely offsetting the decline in prices of goods. As such, upward inflationary pressure during the year came from higher prices in catering services, owner occupiers’ housing costs, operation of personal transport equipment and purchase of vehicles. In contrast, the deceleration in the inflation rate during the year was primarily due to the decline in prices of goods such as sugar, jam, syrups as well as chocolate and confectionary.

Turning to price developments in emerging market and developing economies, the rate of inflation in China remained stable and unchanged in 2024, from 0.2% in 2023, remaining well below the target rate of 3.0% set by the Bank of China (Figure 5). The upward inflationary pressures came from the increase

in price of services such as education, culture and recreation as well as healthcare and medical services. Meanwhile, downward inflationary pressures came from the decline in prices of consumer goods, primarily led by lower prices of food, tobacco, and liquor. The rate of inflation in India slowed down to 5.0% in 2024, from 5.7% in the previous year, falling within the upper margin of the target band of 4.0% to 6.0% set by the Reserve Bank of India (RBI). During the year, upward inflationary pressures were from elevated food prices—amid weather-related supply disruptions—whereas downward pressures came from declining fuel prices.

In Russia, the rate of inflation is estimated to have significantly increased to 8.4% in 2024—remaining well above the Bank of Russia’s target inflation rate of 4.0%—from 5.9% in the previous year. The rise in inflation during the year reflected broad-based increases in prices across all major categories. Additionally, as domestic demand outpaced the capacity to

**Figure 5: Inflation in Emerging Markets and Developing Economies, 2021 - 2024**  
(annual percentage change)



Source: Bloomberg Database

effectively increase the production of goods and services, inflation dynamics in Russia was driven by the lagged effects of fiscal stimulus, strong credit activity during the year, and the pass-through effects of a weaker ruble on prices.

## Commodity Prices

Global commodity markets continued to remain subdued in 2024, with the IMF price index for all commodities registering a decline of less than 1% in annual terms. This was led by the decline in energy prices, mainly reflecting the oil demand and supply dynamics. Additionally, the decline in global food and metal prices during the year also contributed to the fall in the all commodities index, mirroring the decrease in prices of cereals, sugar, and vegetable oils, together with a stronger US dollar (Figure 6).

## Energy Prices

The IMF energy price index decreased by 5% in 2024 as average global crude oil prices declined

to US\$78.7 per barrel, from the US\$80.8 per barrel recorded in 2023. The decline in oil prices during the year was primarily attributed to the combination of weak demand and stable-to-growing supply, while geopolitical uncertainties contributed to market volatility during the year.

During the year, crude oil demand slowed down significantly with weak demand from several major advanced and developing economies. In particular, countries that are not members of the Organization for Economic Cooperation and Development (non-OECD) countries such as China, Saudi Arabia and Indonesia reported lower-than-expected deliveries. However, demand from OECD countries remained relatively stable. On the supply front, global oil supply increased in 2024. The growth in production of natural gas liquids and biofuels entirely offset the decline in crude oil and condensate productions. Despite delays in planned Organization of the Petroleum Exporting Countries plus other oil producing countries (OPEC+) production increases, the

**Figure 6: Global Commodity Price Indices, 2021 - 2024**  
(annual percentage change)



Source: Bloomberg Database

growth in global oil supply was largely driven by the production from non-OPEC+ countries such as US, Brazil, Guyana, Canada and Argentina. Additionally, while disruptions in the Red Sea persisted throughout the year, oil exporters successfully found alternative shipping routes, ensuring supply continuity. So far, the ongoing conflict between Iran and Israel has also not led to any significant supply disruptions.

## Metal Prices

Turning to major commodities in the non-energy index, the base metal index declined in annual terms during 2024. Base metal prices remained low throughout the year, registering declines in both the first and second halves of the year. The annual decline was primarily driven by the stronger US dollar, which made base metals more expensive for holders of other currencies, reducing global demand. Additionally, higher long-term interest rates increased the cost of financing metal inventories, discouraging stockpiling and exerting downward pressure on prices. Meanwhile, low demand from China—

the leading base metal consumer— as a result of persistent property market woes further contributed to the decline in base metal prices. Conversely, precious metal prices grew during the year, driven by the increases in gold and silver prices reflecting central bank demand and monetary policy easing amid geopolitical tensions and inflationary concerns.

## Food Prices

The IMF food price index recorded a decline of 3% in 2024, following a decline of 7% in 2023. This annual decline was primarily driven by lower prices for cereals, sugar, as well as vegetable oils and protein meals. In this regard, cereal prices fell across all grains other than rice—led by declines in prices of sorghum, wheat, and maize. The drop in sugar prices reflected declines in prices in both the free market and the United States. As for vegetable oils and protein meals, lower prices for soybean meal, soybean oil, and soybeans outweighed the increases in olive oil, palm oil, sunflower oil, and rapeseed oil. Conversely, meat prices

recorded considerable increases during the year, with broad-based increases across the category. Meanwhile, prices of beverages rose, mainly due to surging cocoa bean prices, alongside increases in coffee and tea prices.

## Global Financial Markets

In 2024, global financial conditions improved amid shifting monetary policies, inflationary trends, and market expectations. Major advanced economies eased monetary policy as inflationary pressures moderated, while some emerging markets and developing economies maintained or adjusted rates based on domestic conditions. Bond yields reflected diverging policy paths, with yields rising in advanced economies but declining in most emerging markets. The foreign exchange market recorded the US dollar strengthening against most major trading partners of the Maldives.

In this regard, the advanced economies eased monetary policy measures, with central banks in the advanced economies reducing their policy rates during the year. Accordingly, the Bank of England reduced their bank rate by 0.50 percentage points during the year, from 5.25% to 5.00% in August 2024 and again to 4.75% in November 2024, amid easing of inflationary pressures in the country. Meanwhile, the Federal Reserve also cut their key interest rates by a total of 100 basis points to 4.75-5.00% in September 2024, 4.50-4.75% in November 2024 and 4.25-4.50% in December 2024, as inflation moderated, and labour market weakened. The European Central Bank (ECB) reduced the three key ECB interest rates in June, September, October and December 2024. As such, the interest rates on the deposit facility, the main refinancing operations and the marginal lending facility was lowered to

3.00%, 3.15% and 3.40%, from 3.75%, 4.25% and 4.50%, respectively. This was based on the inflation outlook, dynamics of underlying inflation and the effectiveness of monetary policy transmission in the region. The Bank of Japan terminated its negative interest rate policy in 2024, which had been in place since 2016. As such, short-term interest rates were adjusted to a range of 0-0.1% in March 2024—marking the first rate increase since 2007 and again to 0.25% in July 2024. This was driven by the need to stabilize the Japanese yen and manage inflationary pressures in the country.

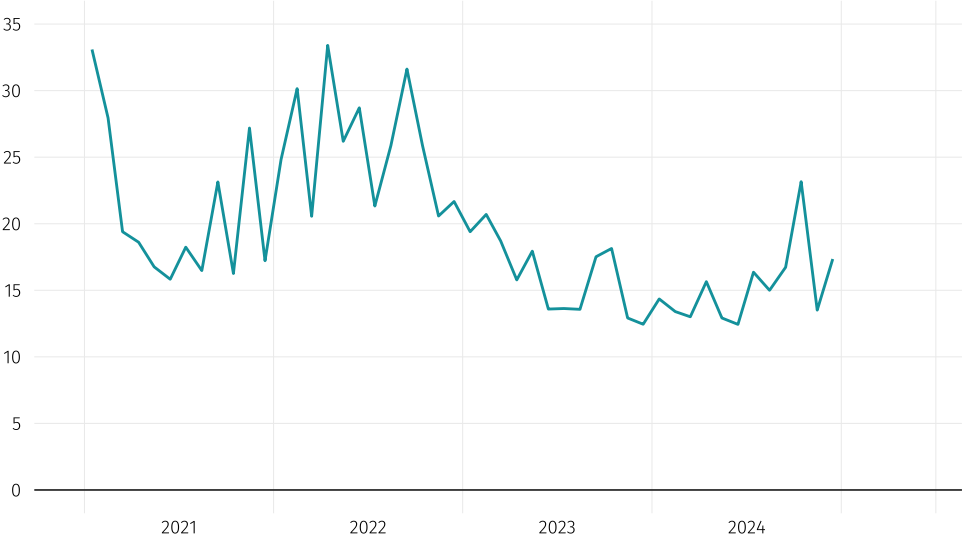
In the emerging markets and developing economies, the Reserve Bank of India (RBI) kept policy rates unchanged during the year, after increasing the policy rate to 6.50% in February 2023 to meet the central bank's inflation target. Meanwhile, the People's Bank of China lowered its Loan Prime Rate (LPR) in 2024, reducing the one-year LPR in September and October 2024 and the over-five-year LPR in January, June, September and October 2024. As such, the one-year LPR and over-five-year LPR is now at 3.1% and 3.6%, respectively. In contrast, the Central Bank of the Russian Federation increased their key rate by a total of 500 basis points from 16.00% per annum to 18.00%, 19.00% and finally to 21.00% per annum in July, September and October 2024, respectively, as inflationary pressures remained high.

The yield-to-maturity on longer-term sovereign bonds rose in most advanced economies in 2024, reflecting persistent inflation concerns and expectations of a slower pace of rate cuts. In contrast, yields declined in most emerging market and developing economies during 2024, mirroring markets' expectations of rate cuts. Accordingly, share prices on average increased in most of the emerging market and developing

economies during the year. Similarly, despite higher bond yields, amid a series of rate cuts by the Federal Reserve during the year share prices on average increased in most of the advanced economies in annual terms. Meanwhile, the implied volatility of the US stock market registered a decline in annual terms during 2024 (Figure 7<sup>1</sup>).

In the foreign exchange markets, the US dollar strengthened against most currencies of the Maldives’ major trading partners at the end of 2024, in annual terms (Figure 8). In this regard, at the end of 2024 the US dollar strengthened against all the currencies when compared with 2023, except for the Sri Lankan rupee, pound sterling and Singapore dollar.

**Figure 7: Volatility Index, 2021 - 2024**  
(percent)

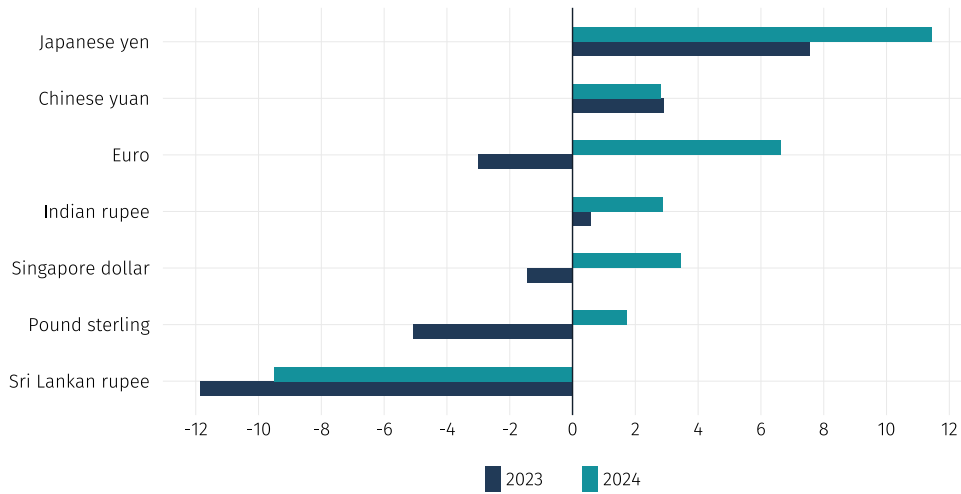


Source: Bloomberg Database

<sup>1</sup> Chicago Board of Exchange’s Volatility Index (VIX Index) is used as an overall benchmark for volatility in the stock market. A VIX level above 20 is typically considered high (volatility is high), while a VIX below 12 (volatility is low) is considered low and anything in between 12 and 20 is considered normal.

Figure 8: Exchange Rates, 2023 - 2024

(annual percentage change)



Source: Bloomberg Database

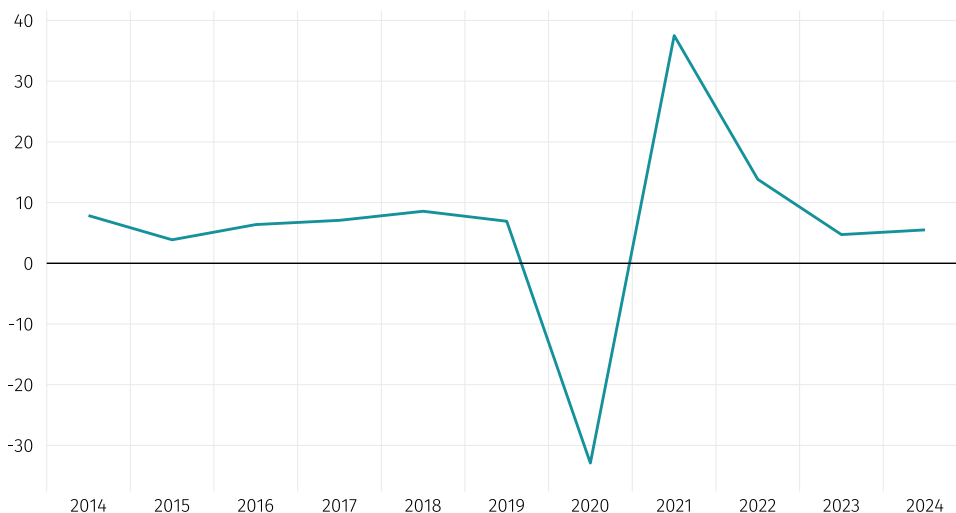
Note: Percentage changes have been calculated using year-end rates.

# Domestic Economic Developments

## Real Economy

According to the preliminary estimates based on the Quarterly National Accounts (QNA) released on 6th April 2025, the Maldivian economy is estimated to have expanded by 5.1% in 2024, year-on-year, after recording a growth of 4.7% in 2023 (Figure 9). However, this depicts 0.4 percentage points lower than the real GDP growth projected jointly by the MMA and the Ministry of Finance and Planning in October 2024 made for the Government Budget 2025. In 2024, real GDP growth was primarily led by the expansion of services related sectors which are closely linked to the tourism sector. In this regard, transportation and communication, tourism, and wholesale and retail trade sectors observed expansions during the year. In addition, public administration, real estate, and financial services sectors also registered growth while declines were observed in sectors such as fisheries, manufacturing and construction.

Figure 9: Real GDP Growth, 2014 - 2024  
(annual percentage change)



Source: Maldives Bureau of Statistics

## Tourism

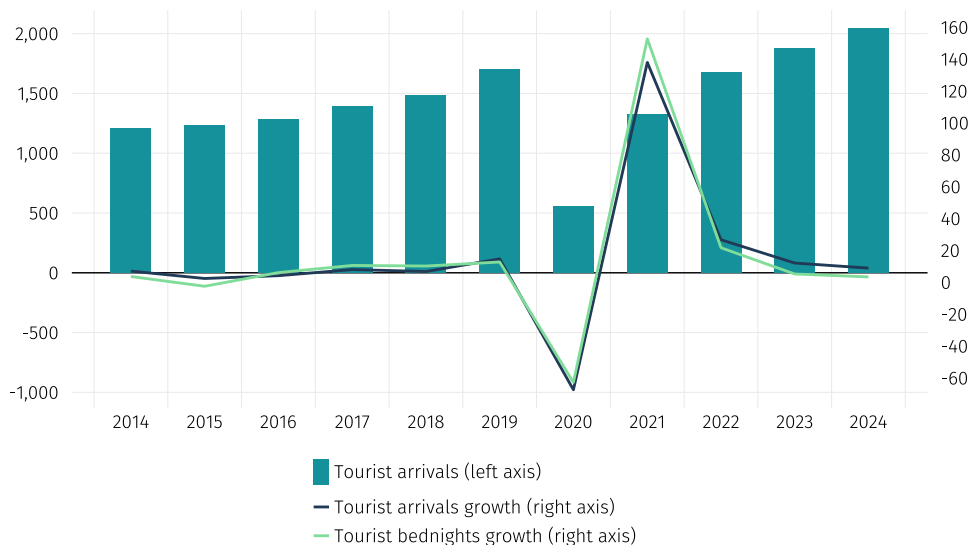
Based on the preliminary QNA estimates, the gross value added (GVA) of the tourism sector expanded during 2024, reflecting increased arrivals and resort bednights. As such, the GVA of the tourism sector is estimated to have observed an annual increase of 7.3% during 2024, following a growth of 1.5% recorded in 2023.

The year 2024 marked a milestone, with both the first and last quarters recording the highest-ever tourist arrivals for those periods—each surpassing half a million arrivals. During the year, China reemerged as the leading source market, along with other major source markets from Europe, including Russia, the UK, Germany and Italy. Additionally, India also remained as a leading source market—despite the notable declines in tourist arrivals from India.

In line with these developments, tourist arrivals totalled 2,046,615 by the end of 2024

and exceeded the government’s annual target of 2 million tourists (Figure 10). This reflected a 9% growth in total tourist arrivals when compared with 2023, and a 20% increase when compared to the pre-pandemic levels of 2019. The upward trajectory observed in arrivals during the year primarily reflected the surge in arrivals from China, coupled with arrivals from key source markets in the Europe. Despite the strong growth in arrivals, total tourist bednights registered a modest annual growth of 3%, driven mainly by the growth in resort bednights, which more than offset the decline in guesthouse bednights. As such, resort bednights posted a growth of 8% compared to 2023, whereas guesthouse bednights declined by 18%. Meanwhile, average stay marginally fell to 7.4 days in 2024 from 7.6 days in 2023. Reflecting these developments, total travel receipts is estimated to have increased by 13% and stood at US\$4.8 billion in 2024, an increment from US\$4.2 billion recorded in 2023<sup>2</sup>. Similarly, when compared with 2019,

**Figure 10: Tourism Indicators, 2014 - 2024**  
(thousands, annual percentage change)



Source: Ministry of Tourism

<sup>2</sup>The tourism receipts figures are based on the estimates made by the MMA.

travel receipts observed an increase of 50%, indicative of the strong recovery since the pandemic.

As for the developments in global tourism, according to the United Nations World Tourism Organization's (UNWTO), 1.4 billion international tourist arrivals were recorded globally. International tourist arrivals increased by 11% when compared to 2023—driven by strong post-pandemic demand, robust performance from large source markets and the ongoing recovery of destinations in Asia and the Pacific—and has almost reached 99% of pre-pandemic levels. The continued strong recovery of the global tourism was mainly due to the sustained strong performance of the Middle East region with arrivals exceeding pre-pandemic levels by 32%. Additionally, Africa and the Europe welcomed 7% and 1% more arrivals compared to the 2019, respectively. Meanwhile the Americas has recovered 97% of pre-pandemic levels, while the Asia and the Pacific region achieved 87% of the pre-pandemic levels, an improvement from 66% recorded at the end of 2023.

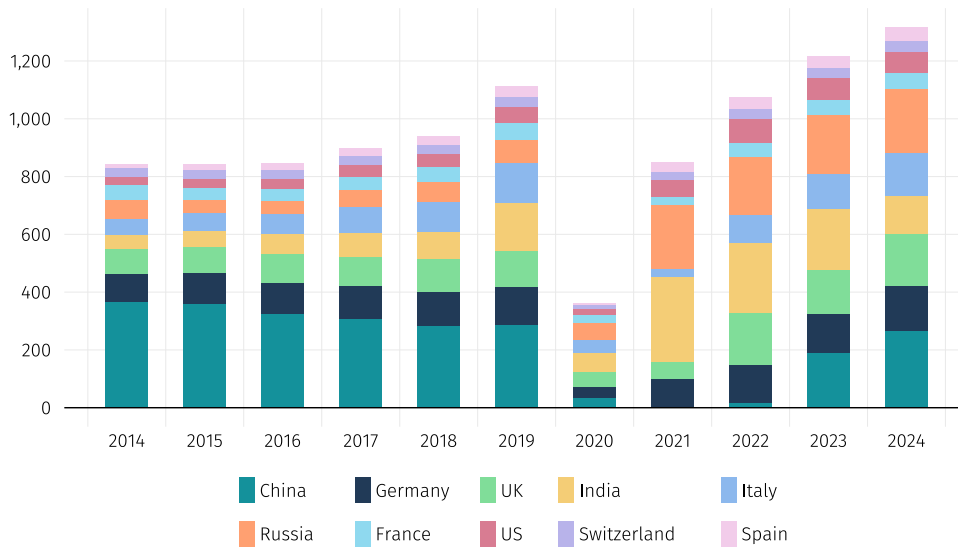
Reflecting the domestic and global tourism trends, international flight movements in the Velana International Airport (VIA) observed an increase of 6% (947 flights) when compared with the previous year and a 22% (3,049 flights) growth when compared with the pre-pandemic levels. This mainly reflected the rise in flight movements from carriers such as Beond, China Eastern, Etihad Airways, Batik Air, Malaysian Airlines and Air Asia. Meanwhile, the commencement of operations from Enter Air (one of the biggest charter airlines in Europe), Chinese airlines such as Xiamen Air, Chongqing Airlines, as well as Air Arabia and Azerbaijan Airlines during the year

also contributed towards the increase in flight movements. Conversely, notable declines were observed in the frequency of flights from Qatar Airways, Turkish Airlines, Wizz Air, Indigo and Saudi Arabian Airlines.

In 2024, the European market remained as the dominant regional market—accounting for 59% of total arrivals—followed by the Asia and the Pacific market (Figure 11). The market share of the European market rose by 3 percentage points when compared with 2023 and by 10 percentage points when compared with pre-pandemic levels (2019). Among the European source markets, Russia remained the leading source market, accounting for 11% of total arrivals—broadly unchanged when compared to 2023. In 2024, the UK was the second major European source market (9%), followed by Germany (8%), Italy (7%) and France (3%). Notably, the market shares reported for the UK and Italy increased when compared with 2023, while market share of Germany and France remained broadly unchanged.

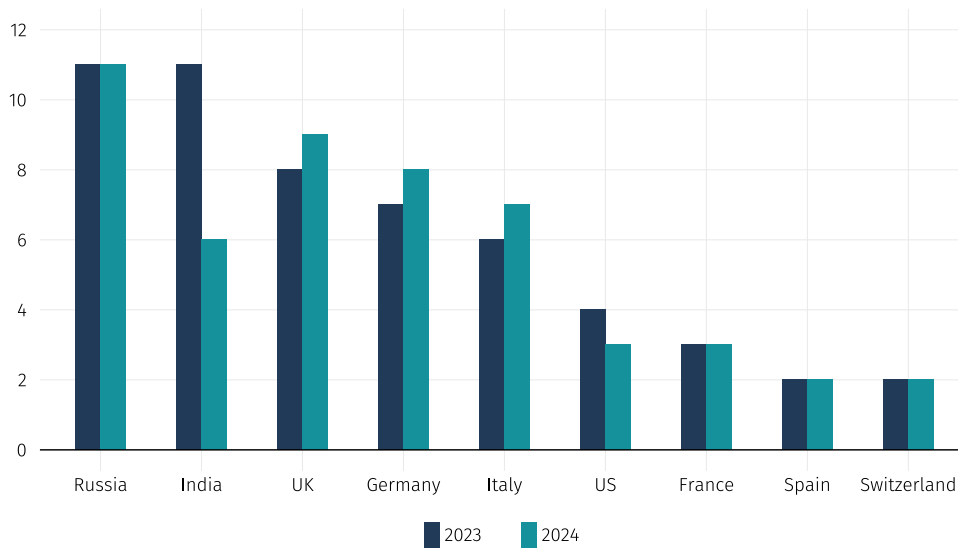
Meanwhile, tourist arrivals from the Asia and the Pacific region constituted 31% of the total arrivals in 2024, a slight drop from 32% recorded in 2023 and 11 percentage points lower than in 2019. During the year, China reclaimed its position as the leading single largest source market from Asia accounting for 13% of total arrivals during the year—a 3 percentage point increase was observed when compared to 2023 (Figure 12). This was followed by India, which accounted for a market share of 6%, down from 11% recorded in 2023. As such, arrivals from India declined by 37% when compared with 2023 and by 21% when compared with pre-pandemic levels of 2019.

**Figure 11: Tourist Arrivals from Major Inbound Markets, 2014 - 2024**  
(thousands)



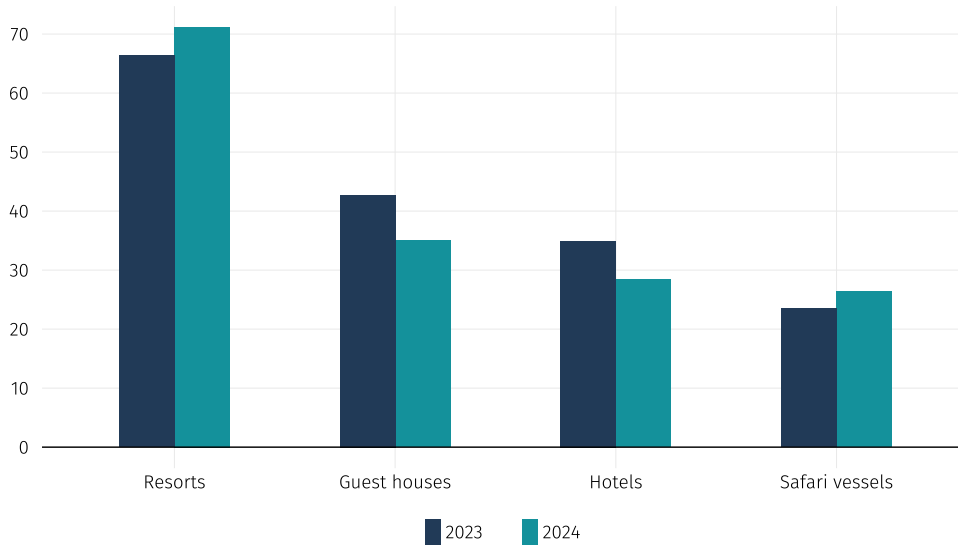
Source: Ministry of Tourism

**Figure 12: Shares of Key Inbound Markets, 2023 - 2024**  
(percent)



Source: Ministry of Tourism

**Figure 13: Occupancy Rates for the Tourism Industry, 2024 - 2023**  
(percent)



Source: Ministry of Tourism

On the supply front, the total number of resorts in operation dropped to 172 resorts at the end of 2024, from 176 resorts at the end of 2023, depicting a 2% decline in growth. However, when compared with 2019, an increment of 20 resorts was recorded in the total number of resorts in operation. As for guesthouses, number of guesthouses in operation increased to 929 at the end of 2024, from 809 guesthouses recorded at the end of 2023. Similarly, guesthouses observed an increase of 53% when compared with pre-pandemic levels of 2019. Reflecting these overall developments, the average operational bed capacity of the industry remained broadly unchanged, increasing by only 177 beds compared with the previous year and exceeded the pre-pandemic levels by 31%. While the average operational bed capacity of resorts and hotels increased by 203 and 234 beds, respectively, guesthouses saw a slight decline of 1%, equivalent to a reduction of 108 beds. Additionally, the overall occupancy rate of the industry edged up to 59% in 2024 from 58% in

2023, but remained 3 percentage points below the pre-pandemic levels (Figure 13).

## Fisheries

According to the preliminary QNA estimates, the GVA of the fisheries sector is estimated to have significantly declined by 48.4% in 2024, following a growth of 3.6% in 2023. This primarily reflected the marked decline in fish purchases by fish processing companies.

The total fish purchases by the domestic fish processing companies observed a drastic turnaround and declined markedly by 45% (42.9 thousand metric tonnes) in 2024 and totalled 53.2 thousand metric tonnes (Figure 14). The decline in fish purchases primarily stemmed from the decline in purchases of skipjack tuna, which fell by 49% (38.9 thousand metric tonnes) in 2024. Meanwhile, yellowfin tuna purchases declined by 24% (3.9 thousand metric tonnes) during the year. Both skipjack tuna (76% of total fish purchases) and yellowfin tuna (23% of total fish purchases) purchases continued

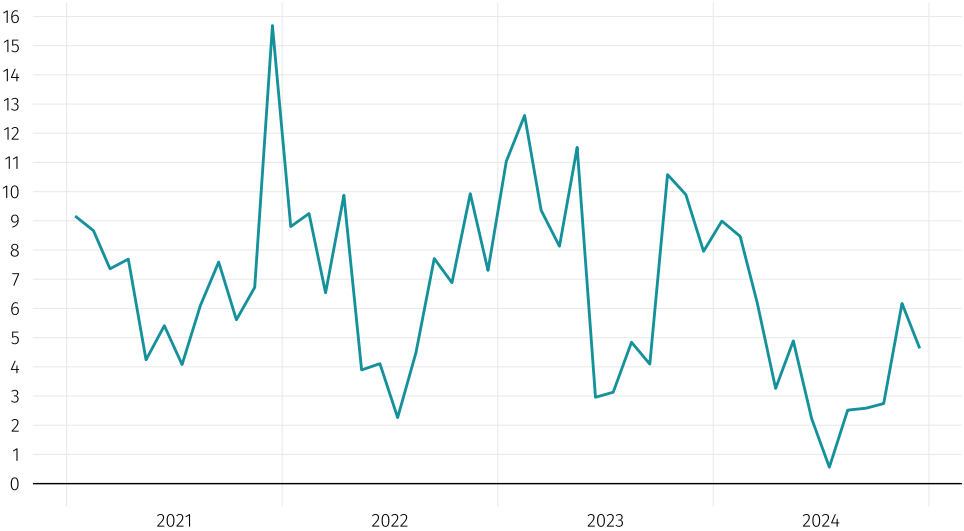
to collectively account for approximately over 99% of the total fish purchases.

As for the local purchase prices of tuna<sup>3</sup>, the average purchase prices of both iced skipjack tuna and skipjack tuna fell to MVR18.4 and MVR16.4 per kilogram in 2024, from an average of MVR19.7 and MVR17.7 per kilogram in 2023, respectively. Additionally, the average purchase price of yellowfin tuna declined from MVR65.5 per kilogram in 2023 to MVR60.7 per kilogram in 2024 (Figure 15). As for the tuna prices in the international market, the price of skipjack tuna in the Bangkok market averaged MVR21.9 per kilogram in 2024—down from the MVR28.0 per kilogram recorded in 2023. Thailand continued

to be the main export destination for Maldivian skipjack tuna in 2024 (Figure 16).

Looking at the developments in the fish processing sector, the volume of fish exports posted a marked decline of 49% (38,716.2 metric tonnes) and totalled 40.1 thousand metric tonnes, mainly owing to the fall in frozen skipjack tuna exports. Frozen skipjack tuna exports declined by 59% (32,344.4 metric tonnes), followed by canned or pouched exports and fresh or chilled yellowfin tuna, which fell by 53% (6,606.0 metric tonnes) and 38% (1,085.5 metric tonnes), respectively. These were partially offset by the increase in frozen yellowfin tuna, which rose by 18% (1,144.6 metric tonnes) (Figure 17).

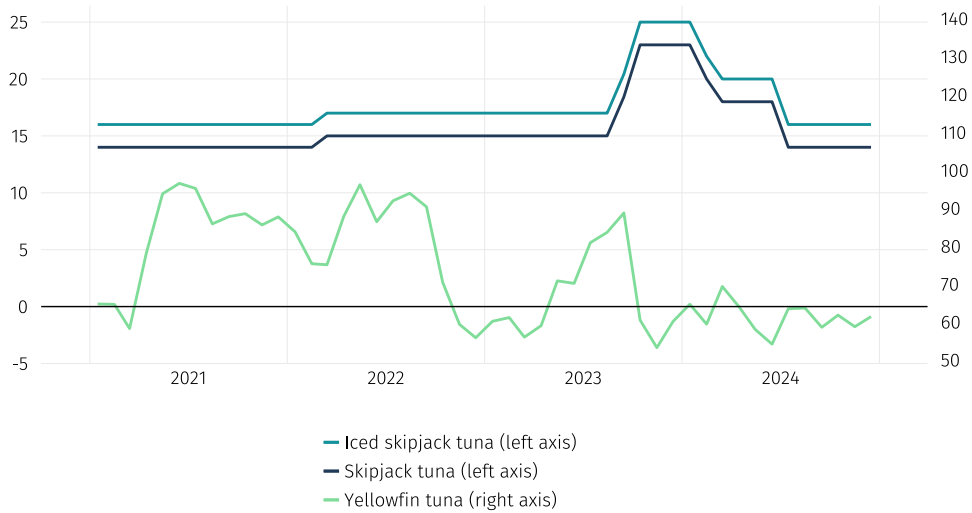
**Figure 14: Fish Purchases, 2021 - 2024**  
(thousand metric tonnes)



Source: Ministry of Fisheries and Ocean Resources

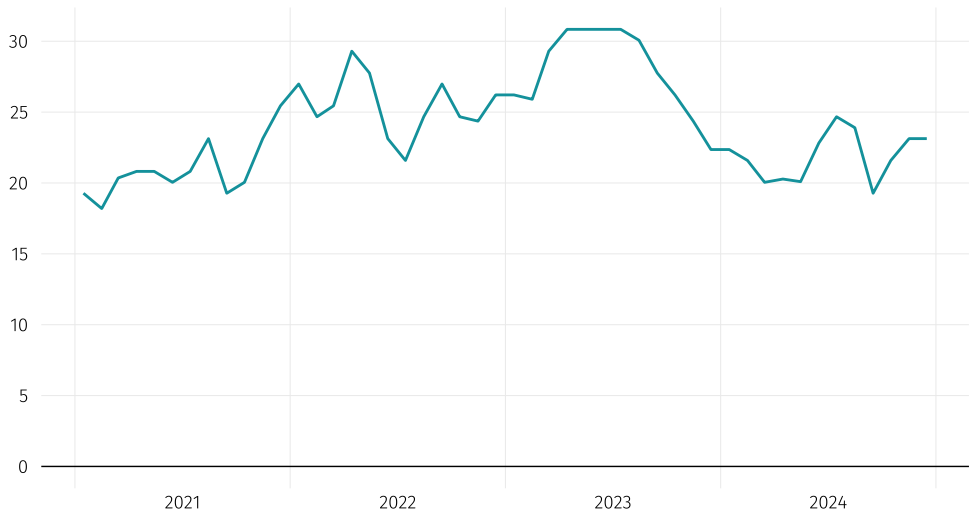
<sup>3</sup> Based on prices collected by the Ministry of Fisheries and Ocean Resources.

**Figure 15: Prices Paid for Fish by Local Processing Companies, 2021 - 2024**  
(rufiyaa per kilogram)



Source: Ministry of Fisheries and Ocean Resources

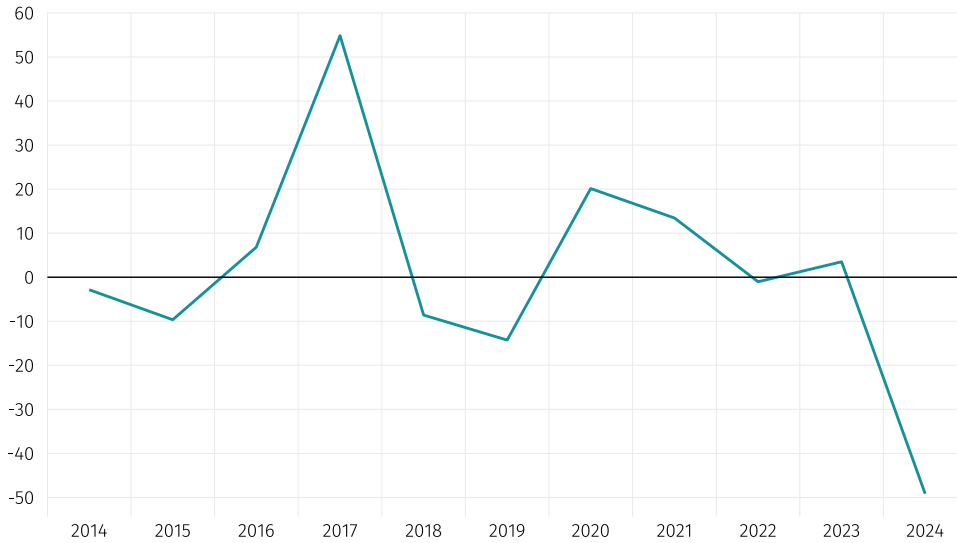
**Figure 16: Skipjack Tuna Prices, 2021 - 2024**  
(rufiyaa per kilogram)



Source: Ministry of Fisheries and Ocean Resources  
Note: Prices are based on Bangkok frozen market prices.

Figure 17: Volume of Fish Exports, 2014 - 2024

(annual percentage change)



Source: Maldives Customs Service

## Construction

As per the preliminary QNA estimates, the GVA of the construction sector is estimated to have declined by 2.1% during the year, following a growth of 2.2% in 2023. During 2024, construction activity declined as indicated by the decline in construction-related imports<sup>4</sup>, which registered an annual decline of 7%, after recording a growth of 7% during the preceding year (Figure 18).

Meanwhile, commercial bank credit to the construction sector<sup>5</sup>—one of the key indicators used to assess the performance of the sector—posted an increment of 10% compared to the previous year. Credit to the sector increased primarily owing to the increment in loans extended for real estate of residential or housing

projects. This was followed by increase in credit lent for construction of property development projects, other construction projects, renovation of resorts as well as construction of commercial buildings. In contrast, a significant decline was observed in loans extended for construction of residential or housing projects. Additionally, declines were observed in credit lent for new resort development and real estate of commercial buildings. It should be noted that a significant share of financing for resort development projects is sourced from abroad, while a large part of the funding for public infrastructure projects is obtained from the government budget and through external borrowings.

<sup>4</sup> Construction sector-related imports include import of wood, metal, cement and aggregates and construction related items not elsewhere specified.

<sup>5</sup> Construction sector-related loans include loans for new resort development, resort renovation and construction of guesthouses (classified as tourism sector loans), as well as loans to the real estate sector. Hence, this figure will be different from the loans to the construction sector reported under Monetary Developments.

**Figure 18: Construction-related Imports, 2014 - 2024**  
(millions of US dollars, annual percentage change)



Source: Maldives Customs Service

## Wholesale and Retail Trade

Activity in the wholesale and retail trade sector is estimated to have expanded in 2024, in line with the expansion of tourism sector. As per the preliminary QNA estimates, the GVA of the wholesale and retail trade sector is estimated to have expanded by 5.9% in 2024, following a

growth of 7.1% in 2023. During the year, total imports observed a growth of 4%, year-on-year, following a decline of 1% in 2023. Conversely, commercial bank credit to the sector recorded a decline of 31% in 2024, a marked turnaround from 15% recorded in 2023.

## Inflation

According to CPI data released by the Maldives Bureau of Statistics in February 2025, the average rate of inflation decelerated to 1.4% in 2024, from 2.9% in 2023, primarily mirroring the impact of domestic policy changes. During the year, prices of food items and tobacco, together with cost of services of restaurants and cafés contributed most to upward inflationary pressures. On the other hand, prices of information and communication services and price of energy-related items contributed most to downward inflationary pressures.

The rate of inflation, based on the annual percentage change in the 12-month moving average of the national CPI, decelerated to 1.4% in 2024, after registering 2.9% in 2023 (Figure 19). The deceleration in the domestic inflation rate mainly reflected the impact of domestic policy changes such as dissipation of base effects of the G-GST rate increase from January 2023 onwards and discounts given by the government on utility bills during Ramadan in 2024.

The rate of inflation dropped to 0.6% during the first quarter of the year, primarily due to the decrease in prices of energy-related items, largely reflecting the Ramadan discounts given by the government in March 2024. This also reflected moderation in the pace of growth in costs of restaurant and accommodation services, mirroring the dissipation of base effects of G-GST rate hike in the preceding year. The inflation rate decelerated further to

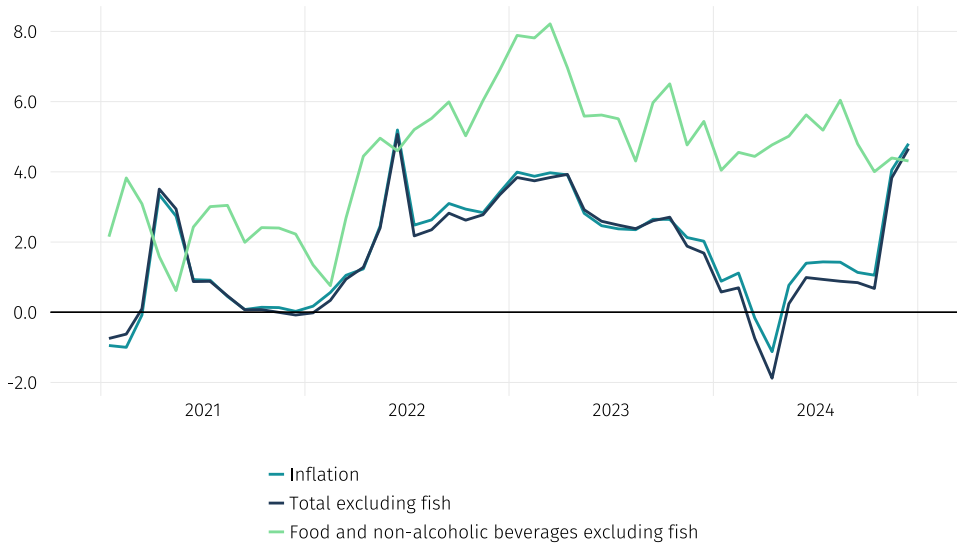
0.3% in the second quarter of the year, owing to the decrease in prices of energy-related items as Ramadan discounts were also given in April 2024. However, the rate of inflation picked up and accelerated to 1.3% and 3.3%, during the third and fourth quarter, respectively. While the acceleration in Q3-2024 mirrored the turnaround in prices of energy-related items, the acceleration in Q4-2024 was driven by domestic policy changes on import duties. For the year as a whole, upward inflationary pressures were exerted by the prices of food items and tobacco, as well as cost of services of restaurants and cafés. Meanwhile, the fall in prices of information and communication services and price of energy-related items contributed to the most downward pressure on inflation (Figure 20).

With regard to developments in the major categories of the CPI, the food and non-alcoholic beverages category—which carries the second largest weight in the CPI basket—accounted for the largest upward contribution to inflation during 2024. Food inflation grew by 5.8% (1.4 percentage points) in 2024, albeit remaining broadly unchanged when compared with 2023, due to the combined effects of higher import costs and supply shortages, despite the dissipation of base effects of the past increase in G-GST rate. As such, the higher import costs particularly reflected difficulties in obtaining foreign exchange while supply shortages stemmed from essential food items and vegetables largely due to market scarcities and limited availability. During the year, food inflation observed a broad-based increase with the prices of fish, vegetables, fruits, and dairy products being the most significant contributors (Figure 21).

This was followed by the growth in price of tobacco, which grew markedly by 18.1% (0.3

**Figure 19: Inflation (National), 2021 - 2024**

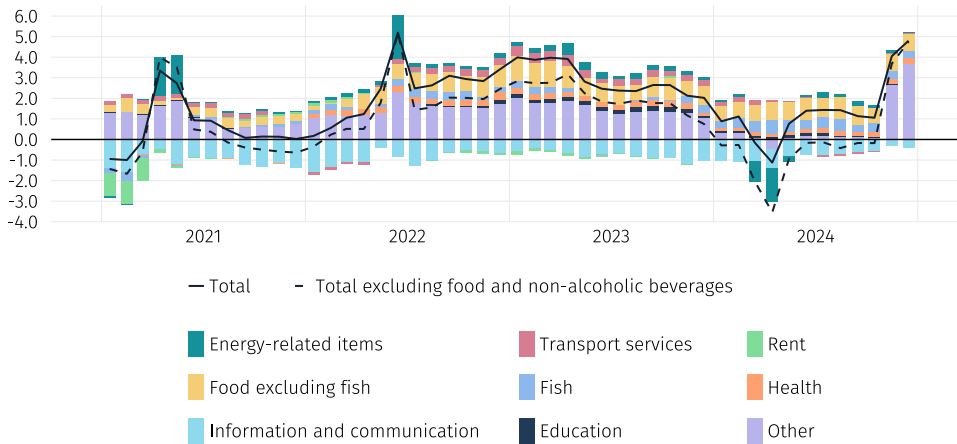
(annual percentage change, August 2019=100)



Source: Maldives Bureau of Statistics

**Figure 20: Contribution of Major Categories to CPI Inflation (National), 2021 - 2024**

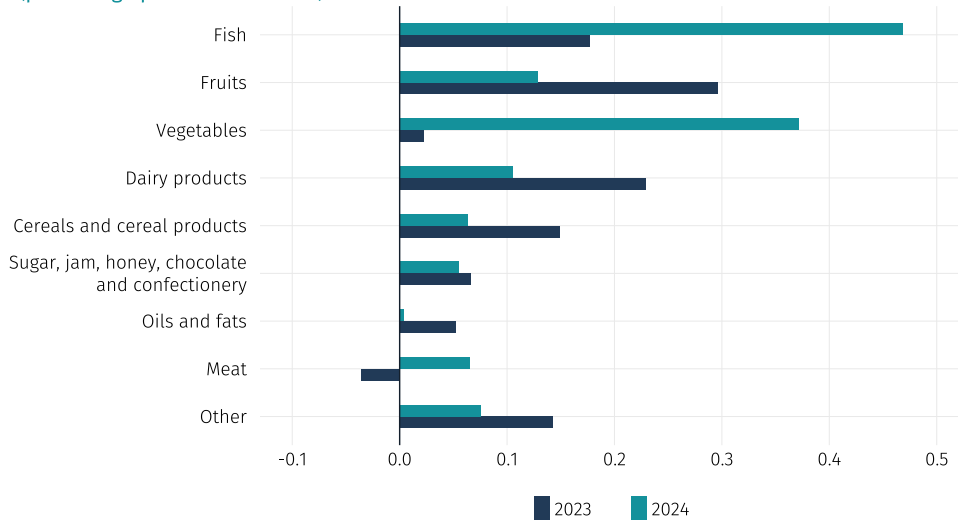
(annual percentage change, percentage point contribution, November 2022=100)



Source: Maldives Bureau of Statistics

Note: Main categories in other are furnishing, personal care, restaurant and accommodation services, tobacco and narcotics, and water supply.

**Figure 21: Contribution of Food Categories to CPI Inflation (National), 2023 - 2024**  
(percentage point contribution)



Source: Maldives Bureau of Statistics

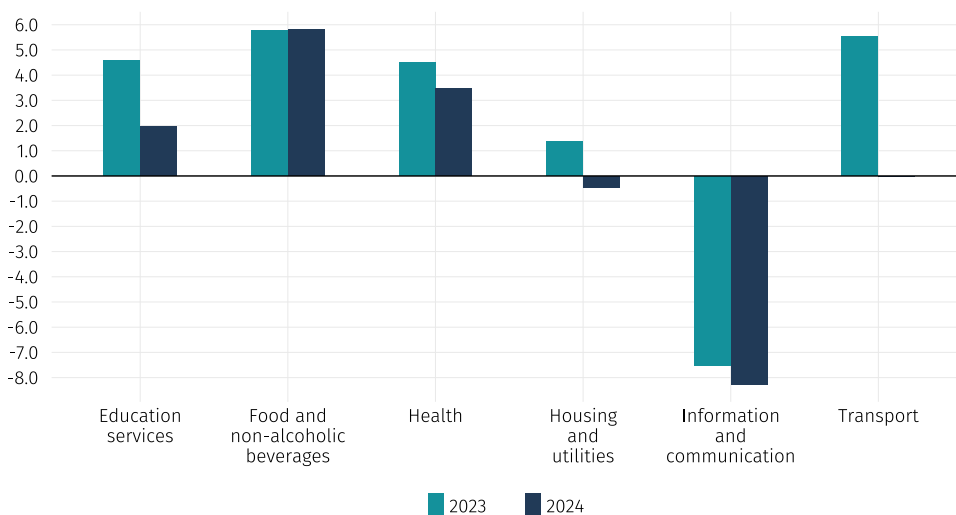
percentage points) in 2024, after registering a growth 5.5% in 2023, reflecting the increase in price of cigarettes. This increase stemmed from the new amendment to the Export-Import Act, which brought significant upward revisions to the import duties on tobacco and related products, effective from November 2024 onwards. Further, heightened demand for cigarettes stemming from the government’s decision to ban vaping devices added to the growth in price of tobacco in 2024.

The increase in import duties stemming from the new amendment to the Export-Import Act also partly contributed to the growth in costs of restaurant and accommodation services, which grew by 3.9% in 2024, amid a deceleration from 7.2% in 2023. In this regard, costs of restaurant and cafés picked up towards the end of year largely due to rise in price of cigarettes sold in such outlets, after remaining stable for a larger part of the year. Meanwhile, health inflation rose by 3.5% in 2024, although

this was a deceleration from the 4.5% recorded in 2023. The annual growth in health inflation primarily stemmed from the increase in the costs of outpatient care services.

The information and communication category, which fell by 8.3% (-0.8 percentage points) exerted the most downward pressure on inflation during 2024, further down from 7.5% recorded in 2023 (Figure 22). This was largely driven by the decline in the cost of information and communication services, primarily owing to the fall in mobile communication services (-18.6%) together with the fall in prices of mobile telephone equipment (-2.6%). The reduction in cost of mobile communication services can be associated with the persistence of the base effects of regulatory changes on internet pricing from 2023 which lasted for the most part of the year, as well as shifting consumer consumption patterns to more affordable packages offered by the telecommunication services providers.

**Figure 22: Inflation Rates of Selected Categories of CPI (National), 2023 - 2024**  
(annual percentage change)



Source: Maldives Bureau of Statistics

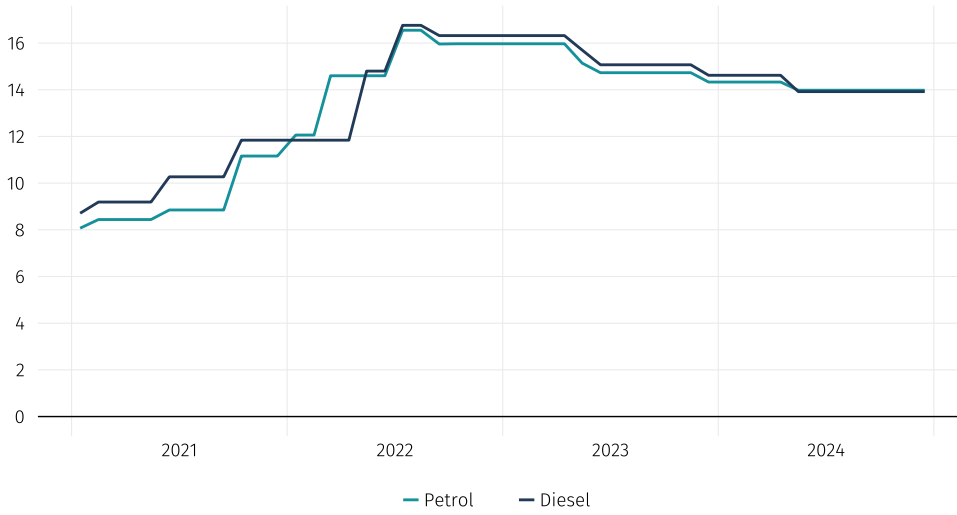
The energy sub-category<sup>6</sup> was the second major downward contributor to the annual inflation, largely reflecting the fall in the costs of electricity mirroring Ramadan-related discounts given by the government on utility bills during March and April 2024. Accordingly, cost of electricity went down by 2.1% in 2024, after recording a growth of 6.0% in 2023. In addition, the price of petrol fell by 6.3% in 2024, significantly down from the 0.3% increase in 2023, owing to the adjustments made to the administered price of petrol by the State Trading Organization (STO), in line with the trends in global oil prices (Figure 23). In 2024,

global crude oil prices stood at US\$78.7 per barrel in 2024, down from US\$80.8 per barrel in 2023. Similarly, domestic price of petrol averaged MVR14.10 per litre<sup>7</sup> in 2024, down from an average of MVR15.14 per litre recorded in 2023. It is also worth noting that costs of water supply observed a decline of 3.4% in 2024, down from 0.5% recorded in 2023, as a similar discount was given on water supply bills by the government during Ramadan. As for housing rent, a significant category which carries a weight of 16.8% in the CPI basket, remained broadly unchanged in the review year.

<sup>6</sup> Energy-related items include the price charged on electricity, gas and other fuels, and price of fuels and lubricants for personal transport equipment.

<sup>7</sup> This is based on the retail price of Fuel Supply Maldives (FSM), a subsidiary of STO—the largest importer of petroleum products in the Maldives.

**Figure 23: Domestic Fuel Prices, 2021 - 2024**  
(rufiyaa per litre)



Source: State Trading Organization  
Note: Prices are based on retail price of Fuel Supply Maldives.

## Public Finance<sup>8</sup>

The fiscal deficit remained elevated at 14.1% of GDP in 2024, primarily owing to high expenditure, despite the excess revenues earned. Total expenditure excluding net lending far exceeded the budgeted target, primarily owing to increased recurrent expenditure—as expenditure consolidation measures which were planned to be implemented during mid-2024 was delayed—despite the decline in capital expenditure. Meanwhile, total government revenue (excluding grants) also surpassed the budgeted amount for 2024, primarily owing to increase in tax revenues, driven by early payments of bank profit taxes and surge in revenue earnings, driven by the strong performance of the tourism sector, despite the absence of one-offs such as cross subsidies from previous year.

According to the government budget 2024, the primary goal of the budget was to alleviate the heightened fiscal constraints which emerged from the COVID-19 response measures, as well as to ensure fiscal stability and debt management. Compared to the 2023 budget—which was primarily geared towards reducing the elevated risks stemming from the global pandemic, the Russia-Ukraine war, and rising global inflation—the 2024 budget

reflects a more targeted approach to restoring macroeconomic stability.

The budget emphasized controlling expenditure, increasing revenue and prioritizing the efficient use of resources to safeguard fiscal sustainability. The 2024 budget moved further to consolidate expenditure by replacing the universal indirect subsidy for electricity, fuel, staple food, and sanitation with a direct, targeted transfer system, based on defined eligibility criteria. In addition, the budget also proposed to revise the coverage of Aasandha system and strengthen guidelines for medical welfare and aid. However, these measures did not materialise by the end of 2024. Moreover, the budget also included an additional MVR500 million as a new policy initiative (NPI) to extend pay harmonization to additional sectors<sup>9</sup>. Nonetheless, total expenditure in 2024 continued to exceed the approved budgeted amount, largely owing to increased spending on Public Sector Investment Program (PSIP), other grants and contributions which includes disability allowances, transfers to state-owned enterprises (SOEs) for operations as well as conditional transfers, council grants, salaries and wages and allowances to employees.

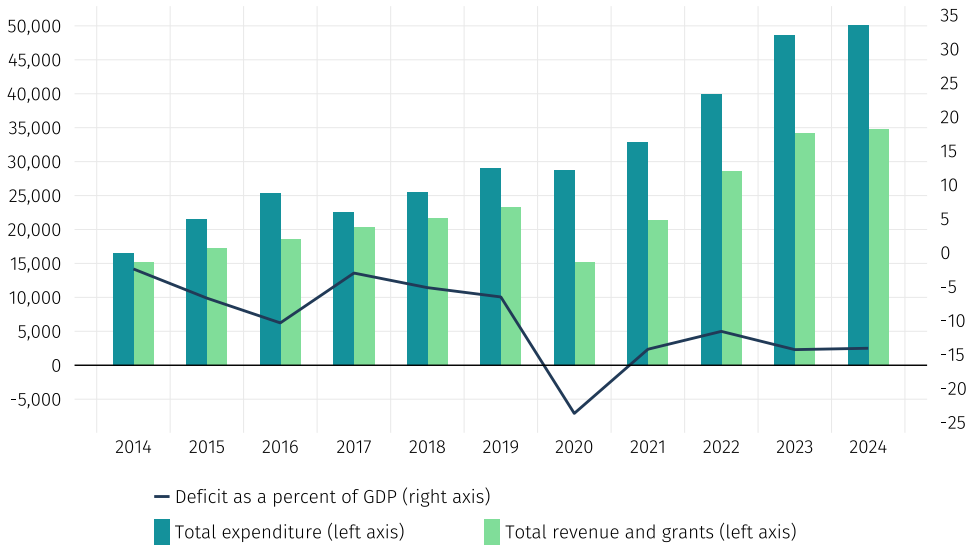
In 2024, the fiscal deficit worsened to MVR15.3 billion from MVR14.5 billion in 2023 owing to expenditure growth outpacing the revenue growth. The deficit also exceeded the target set for the year by MVR1.2 billion. In terms of GDP, the overall fiscal deficit moderated to 14.1% in 2024 from 14.3% in 2023 (Figure 24). Meanwhile, the primary deficit<sup>10</sup> dropped to 9.8% of the GDP in 2024 from 10.2% in 2023. In 2024, total revenue increased, entirely driven by

<sup>8</sup> Latest data available from the Ministry of Finance and Planning, Maldives Bureau of Statistics and Maldives Monetary Authority, as of 20 April 2025.

<sup>9</sup> Pay harmonization was implemented for the Education and Health sectors in 2022 and 2023, respectively.

<sup>10</sup> This is the total budget balance excluding interest expenditure.

**Figure 24: Government Revenue and Expenditure, 2014 - 2024**  
(millions of rufiyaa, annual percentage change)



Source: Ministry of Finance

the growth in tax revenue, primarily attributed to early payment of bank profit taxes and growth in revenue earnings driven by strong performance of the tourism sector. Meanwhile, total expenditure posted a sizeable increase driven by a significant growth in recurrent expenditure, despite the marked decline in capital expenditure.

## Revenue

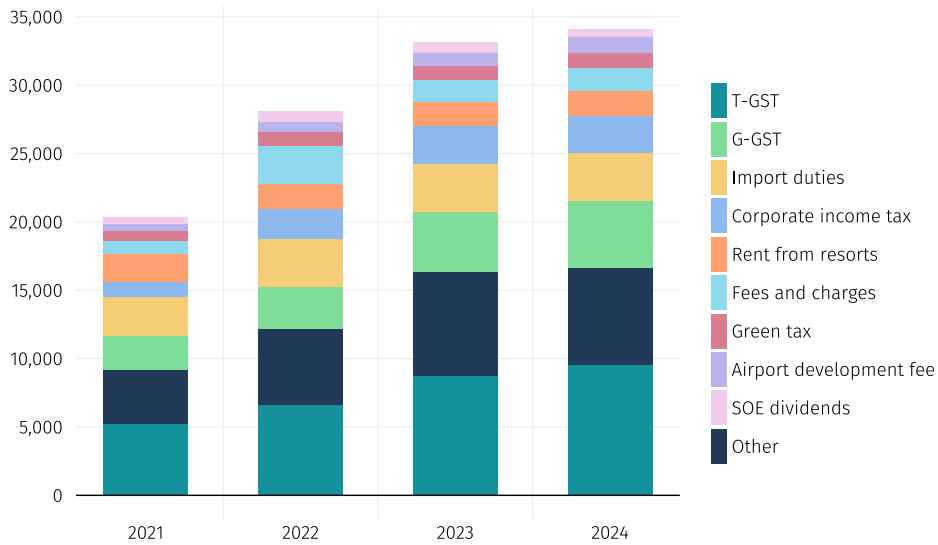
Total government revenue (excluding grants) edged up to MVR33.5 billion in 2024, increasing by 4% when compared with MVR32.2 billion revenue earnings in 2023. Additionally, total revenue (excluding grants) also surpassed the budgeted amount of MVR32.2 billion for 2024. The increment in revenue was primarily owing to the increase in tax revenues, despite the decline in non-tax revenues during the year.

Tax revenue, the largest component of total revenue—77% of total revenue (excluding

grants)—increased by MVR2.1 billion and totalled MVR26.2 billion during the year (Figure 25). The increase in tax revenue stemmed largely from an increment in collections from goods and services tax category, primarily driven by tourism goods and services tax (T-GST), which rose by MVR788.3 million, reaching MVR9.5 billion during 2024. Revenue from T-GST exceeded the budgeted target by MVR462.0 million owing to increased number of tourist arrivals and bednights. Similarly, G-GST also registered an increment, increasing by MVR442.9 million and totalled MVR4.9 billion (Figure 26). This was followed by receipts from the business and property tax<sup>11</sup>, which observed the second-largest increase during the year. This primarily stemmed from the growth in other business and property taxes, followed by withholding tax revenue. Additionally, revenue receipts from both airport service charge/departure tax increased, partly owing to the amendments to departure tax

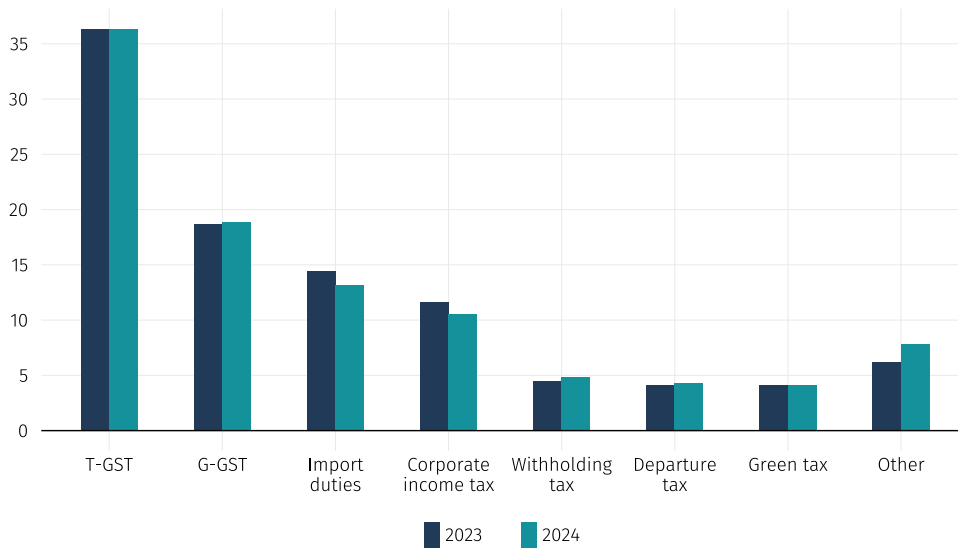
<sup>11</sup> Business and Property Tax revenues for 2023 were collected during 2024.

**Figure 25: Breakdown of Revenue (Excluding Grants), 2021 - 2024**  
(millions of rufiyaa)



Source: Ministry of Finance

**Figure 26: Composition of Tax Revenue, 2023 - 2024**  
(percent)



Source: Ministry of Finance

effective from on 1 December 2024, as well as due to the increase in green tax rates. Green tax rates increased from US\$6 to US\$12 for all tourist resorts, integrated tourist resorts, tourist hotels, resort hotels, hotels, tourist vessels, tourist guesthouses, except hotels or tourist guesthouses with 50 or fewer registered rooms, effective from 1 January 2025.

Non-tax revenues—23% of total revenue (excluding grants)—declined by MVR887.3 million and totalled MVR7.9 billion due to the significant decline in other non-tax revenue category as well as decline in the interest, profit and dividends category, which offset the increase in rest of the major non-tax revenue categories. The decline in the other non-tax revenue was largely driven by the fall in cross-subsidy earnings<sup>12</sup>. Further, declines were observed in SOE dividends and interests and profits category, which decreased by MVR168.0 million and MVR112.1 million, respectively. In

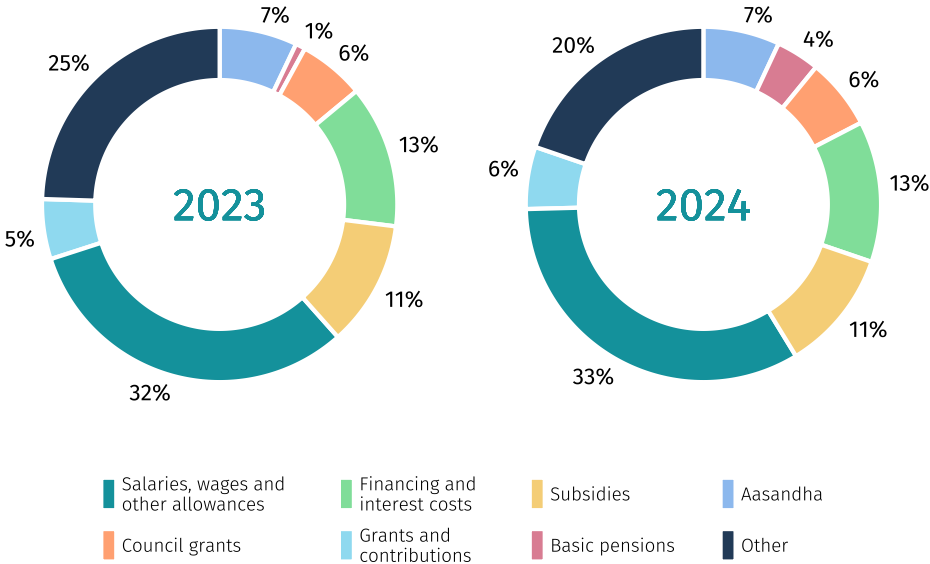
contrast, non-tax revenue from land acquisition and conversion fee, airport development fee, rent from resorts and registration and license fees increased during the year.

### Expenditure

In 2024, total government expenditure (excluding net lending) increased by MVR1.4 billion and totalled MVR50.0 billion in annual terms. The annual increase in total expenditure was driven by a significant growth in recurrent expenditure, despite the marked decline in capital expenditure.

Recurrent expenditure—which accounted for 69% of total expenditure—increased by MVR2.5 billion, and totalled MVR34.8 billion, MVR100.9 million lower than the budgeted figure of MVR34.9 billion for 2024 (Figure 27). The largest increase in recurrent expenditure stemmed from salaries and wages, which grew

Figure 27: Government Recurrent Expenditure



Source: Ministry of Finance

<sup>12</sup> Cross-subsidy regulation (2022/R-125) outlines that the state could allocate islands, land plots, or lagoons for tourism purposes to private financiers or contractors to carry out projects with socioeconomic benefits.

by MVR1.5 billion in annual terms and totalled MVR13.6 billion, followed by administrative and operational expenses, which rose by MVR1.3 billion and totalled MVR21.0 billion in 2024.

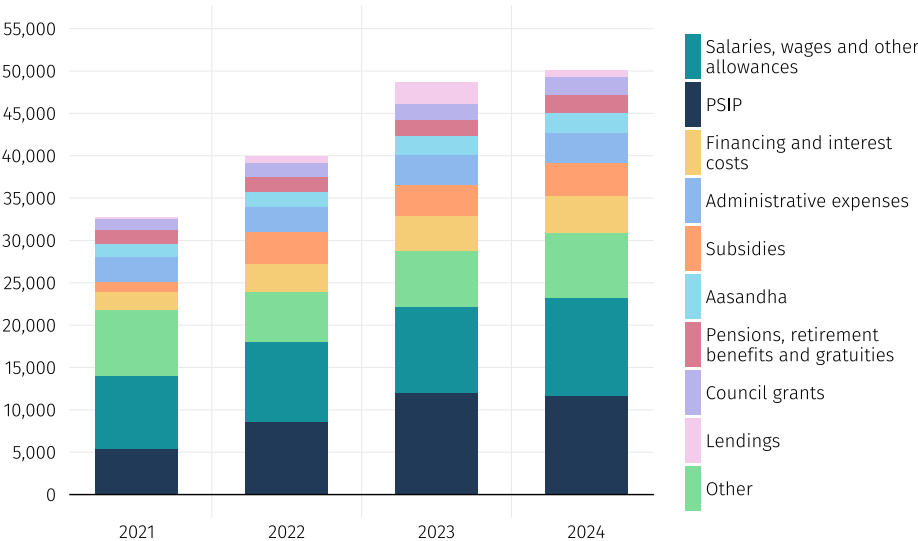
Salaries and wages—a major component of recurrent expenditure—recorded a growth of 13% in annual terms, driven by increases in salaries and wages, as well as allowances to employees. The salaries and wages category registered an increment of MVR786.0 million, followed by allowances to employees with an increase of MVR588.9 million. This includes the 500 million as NPI to extend pay harmonization to additional sectors. Pensions, retirement benefit and gratuities category also posted a MVR150.1 million increment during the year.

Delving into the major contributors to administrative and operational expenses—which accounts for the highest share of the total recurrent expenditure—grants, contributions, and subsidies category registered the highest

increment. This primarily mirrored a significant growth in expenses on council grants, other grants and contributions, subsidies and the national health scheme (Aasandha), which observed an annual growth of MVR303.9 million, MVR204.5 million, MVR145.3 million and MVR136.8 million, respectively. Other grants and contributions mainly consisted of increased expenditure on disability allowances, transfers to SOEs for operations as well as conditional transfers to encourage utility companies to improve efficiency in the medium-term, while subsidy reforms are being implemented. Meanwhile, the expenditure on Aasandha totalled MVR2.4 billion—MVR424.3 million higher than the amount budgeted for 2024—owing to the delay in implementing the reform policies to increase the efficiency of Aasandha system (Figure 28).

Capital expenditure (31% of total expenditure) recorded a significant decline of MVR1.1 billion, and totalled MVR15.3 billion in 2024—MVR292.5 million lower than the approved budget amount for 2024. The annual

**Figure 28: Breakdown of Expenditure, 2021 - 2024**  
(millions of rufiyaa)



Source: Ministry of Finance

decline in capital expenditure was mostly driven by decline in domestic lendings and infrastructure assets, by MVR1.8 billion and MVR345.5 million, respectively. Delving into decline in expenditure on infrastructure assets, spending on wharves, ports and harbours, other infrastructure assets and land and buildings fell by MVR755.0 million, MVR739.1 million and MVR497.0 million, respectively. However, this was partially offset by increased expenditure on roads, bridges and airports, which increased by MVR1.6 billion, mirroring the spending on mega infrastructure projects of the governments such as the ThilaMale' Bridge Project, Velana International Airport, Gulhifalhu Land Reclamation and Port Development Project. Additionally, during the year, spending on development projects and investment outlays as well as capital equipments increased. Expenditure on investment outlays, furniture, machinery and equipment, vehicles and development projects increased, posting increments of MVR473.5 million, MVR259.7 million, MVR220.4 million and MVR53.0 million, respectively.

## Financing

The estimated fiscal deficit for 2024 was MVR783.6 million higher compared with 2023, and MVR1.2 billion higher than the approved budget for 2024. This was primarily owing to expenditure growth, outpacing the revenue growth, leading to a significant increase in net borrowing in annual terms for 2024. In 2024, the fiscal deficit was financed through both external and domestic sources. Further, net borrowing through domestic sources significantly outpaced the budget target.

External financing includes borrowing as loans—contracted as buyer's credit, bilateral, multilateral, private, and other sources as well as bonds issued in the international market.

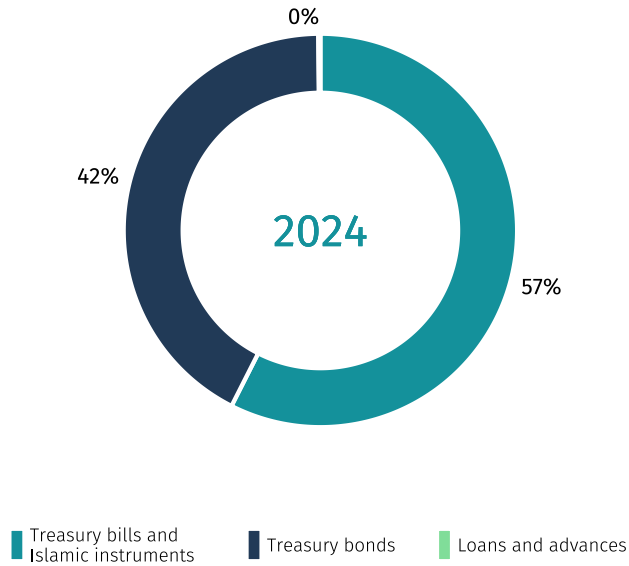
During the year, external financing recorded a net borrowing of MVR4.2 billion. This largely stemmed from the growth in external borrowing obtained as buyer's credit, followed by borrowings from bilateral sources and multilateral sources.

Domestic borrowing by the government—consisting of both short-term and long-term loans and debt securities—represented a net borrowing of MVR8.8 billion in 2024, albeit a significant drop when compared with the net borrowing of MVR14.4 billion recorded in the previous year. This was primarily driven by the increase in the issuance of government securities. Further, the issuance of government securities—treasury bills and treasury bonds—was the primary source of domestic borrowing in 2024 (Figure 29). This mostly stemmed from the net issuance of treasury bills, which recorded a net borrowing of MVR5.9 billion, while a net borrowing of MVR3.0 billion was recorded for treasury bonds.

## Public Debt

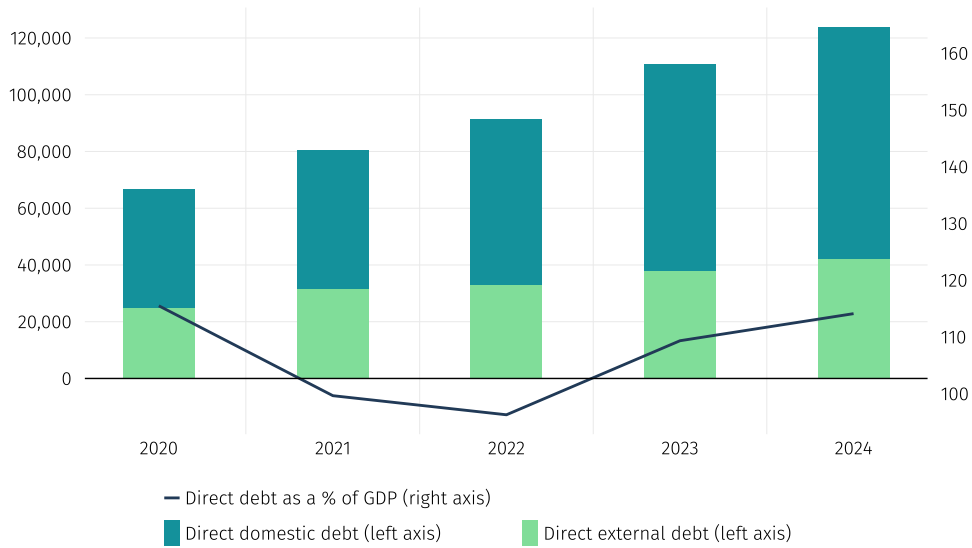
The total outstanding stock of public debt increased to MVR123.9 billion at the end of 2024, from MVR110.9 billion at the end of 2023, largely owing to the increase in domestic debt together with external debt. Similarly, public debt as a percentage of GDP increased to 114.1% at the end of 2024 from 109.3% recorded in 2023 (Figure 30). Delving into the composition of public debt, domestic debt remained as the largest component with a share of 66%, while the share of external debt stood at 34% at the end of 2024. Meanwhile, total public and publicly guaranteed (PPG) debt stood at MVR145.0 billion in 2024 from MVR126.0 billion in 2023 and PPG debt as a percentage of GDP rose to 133.5% in 2024 from 124.2% in 2023. During the year, guaranteed debt, which primarily consist of external debt,

Figure 29: Composition of Domestic Claims on Government



Source: Maldives Monetary Authority

Figure 30: Total Outstanding Stock of Public Debt, 2020 - 2024 (millions of rufiyaa, percent)



Source: Ministry of Finance

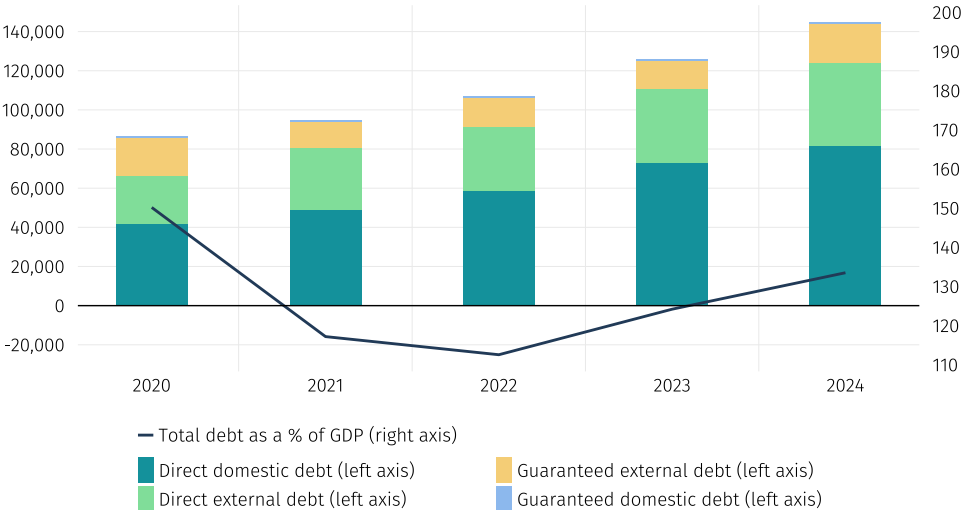
observed a marked growth, reflecting the US\$400 million foreign currency swap facility obtained from the Reserve Bank of India (RBI) in October 2024 (Figure 31).

Domestic debt totalled MVR81.6 billion at the end of 2024, up from MVR72.8 billion in 2023, largely reflecting the increase in investments in treasury bills and Islamic instruments by other financial corporations, commercial banks public nonfinancial corporations. Delving into the share of securities, the share of treasury bills in total domestic debt increased to 58%, while the share of treasury bonds fell marginally to 42% in 2024, from 57% and 43%, respectively, at the end of the previous year. Meanwhile, external debt, which consists of external borrowings in the form of loans and sovereign bonds issued in the international market, totaled MVR42.3 billion at the end of 2024, up from MVR38.1

billion at the end of 2023. During this period, external financing acquired as buyer’s credit, bilateral and multilateral sources dominated the composition of external debt.

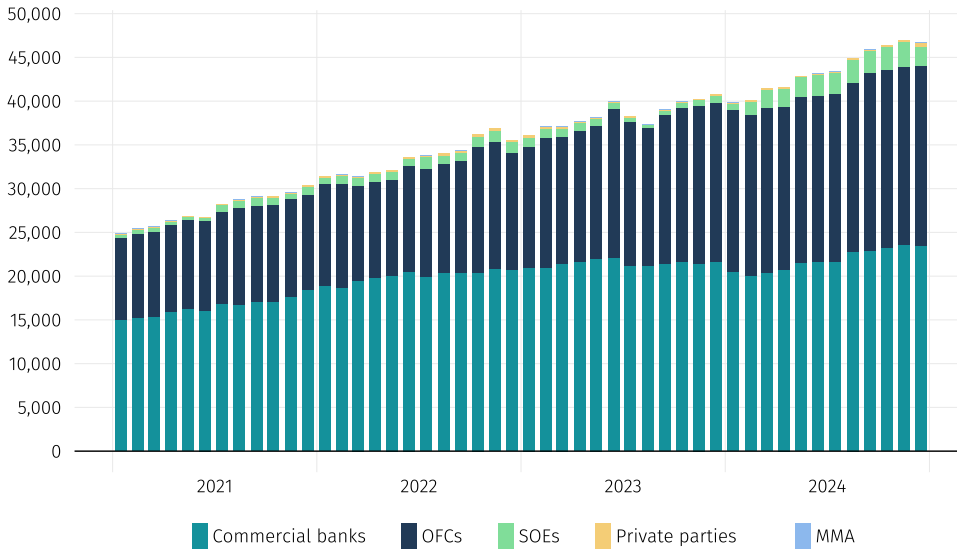
Turning to the outstanding stock of treasury bills by holder, commercial banks remained the main investor in terms of holdings, with a share of 53%—unchanged compared to 2023—of the total outstanding treasury bills, followed by the other financial corporations (44%) (Figure 32). With regard to maturity, investor preference continues to favour longer-term maturities, particularly since the treasury bill issuance reverted to a tap system in 2014 (Figure 33). Accordingly, the majority of treasury bills (63%) were invested in 1-year treasury bills at the end of the year. The stock of 1-month, 3-months and 6-months treasury bills outstanding at the end of 2023 was 7%, 10%, and 19%, respectively.

**Figure 31: Total Outstanding Stock of Public and Publicly Guaranteed Debt, 2020 - 2024**  
(millions of rufiyaa, percent)



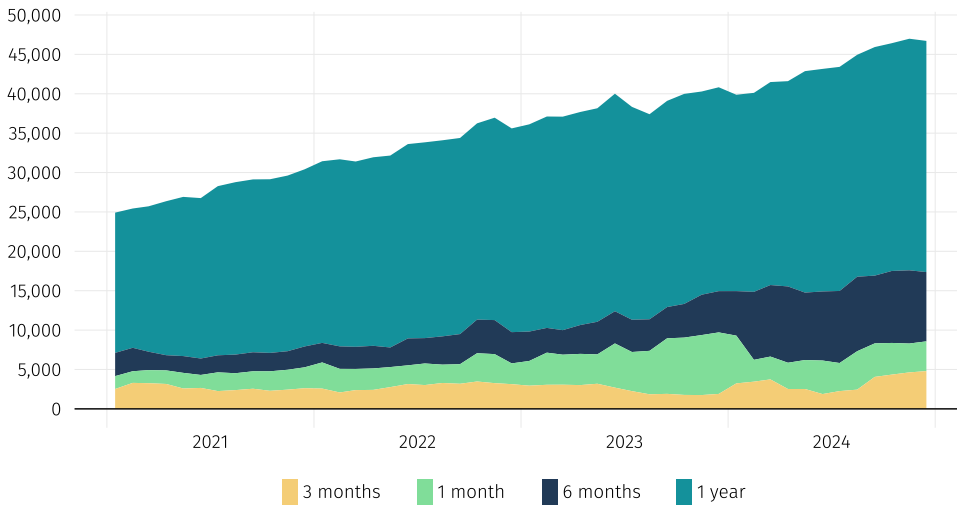
Source: Ministry of Finance

**Figure 32: Outstanding Treasury Bills by Holder, 2021 - 2024**  
(millions of rufiyaa)



Source: Maldives Monetary Authority

**Figure 33: Treasury Bills Holdings by Maturity, 2021 - 2024**  
(millions of rufiyaa)



Source: Maldives Monetary Authority

Note: The outstanding amount of 1 month treasury bills also includes treasury bills issued for less than one month.

## Monetary Developments

In 2024, the MMA continued to maintain an accommodative monetary policy stance. While the minimum reserve requirement (MRR) for local currency remained unchanged at 10%, MRR on foreign currency was lowered to 7.5% during October 2024. During the year, broad money decreased marginally in annual terms owing to the decline in net foreign assets (NFA) of the banking system, which offset the increase in net domestic assets (NDA) of the banking system. This largely mirrored the US\$400 million swap obtained from the RBI in October 2024, despite an increase in foreign asset accumulation.

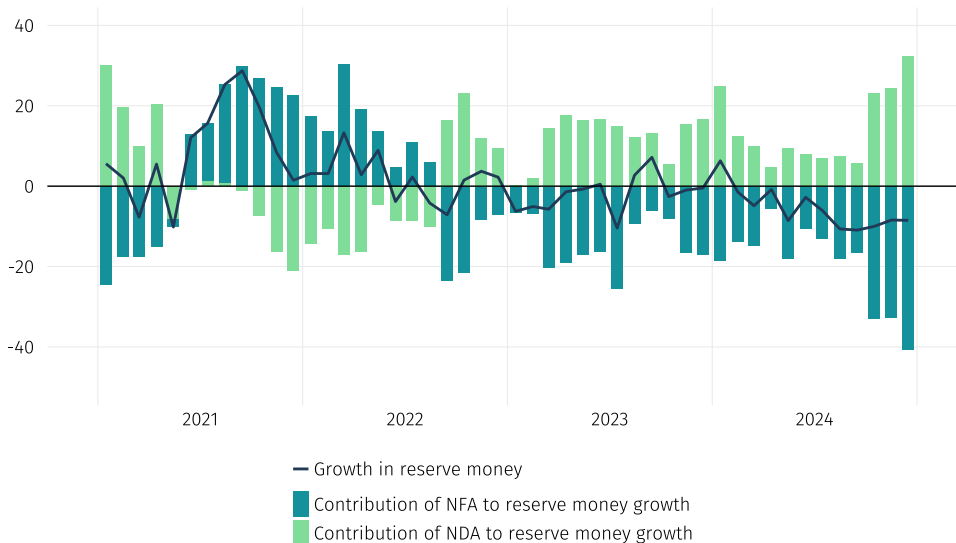
With regard to monetary developments, reserve money registered an annual decline in 2024 due to a fall in net foreign assets (NFA) of the MMA, which entirely offset the increase in net domestic assets (NDA) of the MMA. As for broad money, a marginal decline was recorded in annual terms, as a sizeable increase in NDA was entirely offset by a significant decline in NFA of the banking system.

## Reserve Money

Reserve money stood at MVR11.6 billion at the end of 2024—registering an annual decline of 9% (Figure 34). The decline in reserve money stemmed from the fall in NFA of the MMA, which entirely offset the increase in NDA of the MMA. The fall in NFA was driven by a significant increase in foreign liabilities, despite an increase in foreign asset accumulation due to the US\$400 million foreign currency swap obtained from Reserve Bank of India (RBI) in October 2024. The increase in foreign liabilities also primarily reflected the foreign currency swap obtained<sup>13</sup> from the RBI.

Figure 34: Sources of Reserve Money, 2021 - 2024

(annual percentage change, contribution percent)



Source: Maldives Monetary Authority

<sup>13</sup> The obtainment of foreign currency swap increases both foreign currency assets and liabilities.

Meanwhile, the growth in NDA was largely due to a sizeable increase in claims on commercial banks by the MMA together with the decrease in overnight deposit facility (ODF) placements by the commercial banks. As such, the increase in claims on commercial banks by the MMA mirrored the increase in deposits of the MMA held at the commercial banks.

With regard to the components of reserve money, commercial bank deposits at the MMA—which constituted 63% of reserve money at the end of 2024—decreased by 12% in annual terms. Meanwhile, currency in circulation, which accounted for 37% of reserve money, recorded a growth of 5% at the end of 2024.

### Monetary Operations

During 2024, commercial bank investments in the ODF facilitated the absorption of excess rufiyaa liquidity in the banking system. While daily investments in the ODF by commercial banks averaged MVR6.4 billion during the year, this represented a decline of 11% (MVR754.3

million) when compared with the average investments in the ODF during 2023, largely mirroring shift of funds towards other assets.

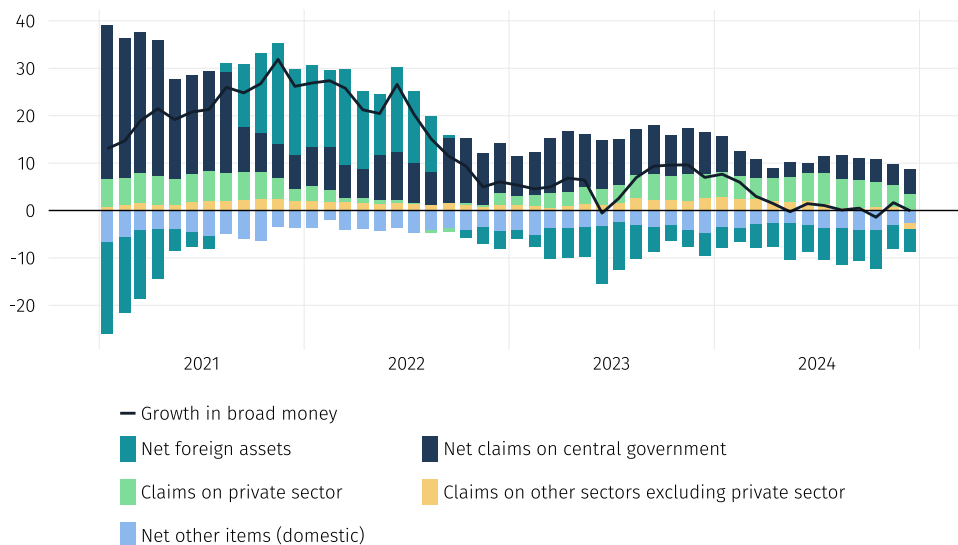
### Broad Money

Broad money observed a marginal annual decline of less than 1% and amounted to MVR59.2 billion at the end of 2024, a sharp deceleration compared to the growth of 7% recorded at the end of 2023 (Figure 35). This stemmed from a significant fall in NFA of the banking system, which outpaced and offset the increase in NDA of the banking system.

The NFA of the banking system recorded an annual decline of 31% at the end of December 2024, stemming from the decrease in NFA of the MMA which offset the increase in NFA of commercial banks. The decrease in NFA of the MMA stemmed from the rise in foreign liabilities, which largely mirrored the US\$400 million swap obtained from the RBI in October 2024, despite an increase in foreign asset accumulation. Conversely, the growth in NFA of the commercial banks mirrored a decrease in

**Figure 35: Contribution to Broad Money Growth, 2021 - 2024**

(annual percentage change, percentage point contribution)



Source: Maldives Monetary Authority

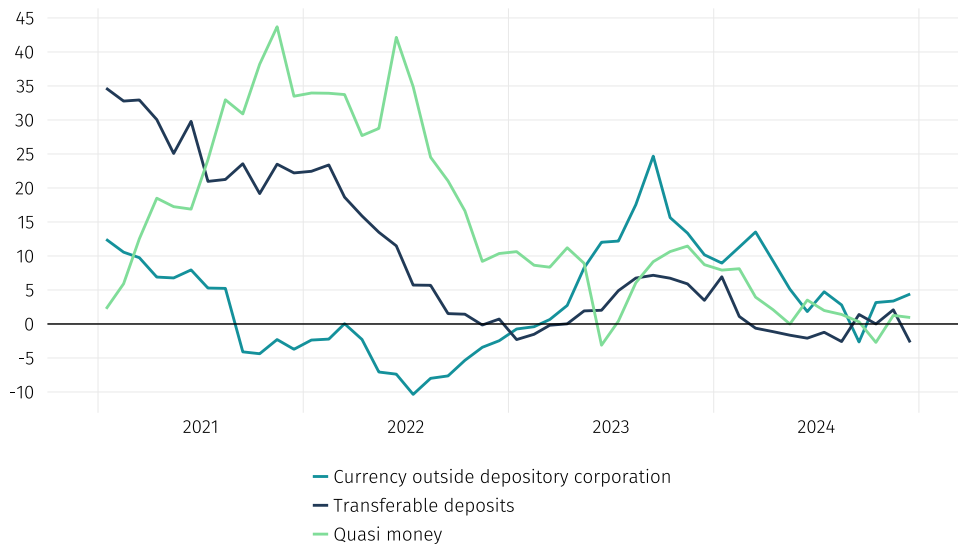
foreign liabilities, together with an increase in foreign asset accumulation during the period.

The NDA of the banking system recorded an annual increase of 6% at the end of December 2024, primarily driven by the increase in NDA of the MMA, which offset the decline in NDA of the commercial banks. The increase in NDA of the MMA mainly stemmed from the increase in claims on commercial banks by the MMA together with the decrease in ODF placements by the commercial banks. On the other hand, the decline in NDA of the commercial banks mainly mirrored the increase in MMA's deposits at the commercial banks and retained earnings by the commercial banks. In addition, a decline was observed in ODF placements as well as in commercial banks' balances held at the MMA. However, net claims on central government grew by 11%, primarily reflecting the annual expansion of investments in government securities by commercial banks. In addition,

credit to the private sector also recorded a growth of 7%.

With regard to the components of broad money, the marginal annual decline was driven by the fall in narrow money<sup>14</sup>, despite a slight growth in quasi money<sup>15</sup> (Figure 36). Narrow money, accounting for 39% of broad money, decelerated and declined by 2% at the end of 2024, after recording a growth of 4% at the end of 2023, primarily reflecting a decrease in local currency demand deposits. However, quasi money, which accounted for 61% of broad money, recorded a growth of 1% in 2024, albeit slowing down sharply from 9% registered at the end of 2023. This largely reflected an annual decline in demand deposits denominated in foreign currency which partially offset growths in time deposits denominated in local currency, and savings deposits denominated in both local and foreign currency. Further, time deposits denominated in foreign currency observed a decline over the review period.

**Figure 36: Components of Broad Money, 2021 - 2024**  
(annual percentage change)



Source: Maldives Monetary Authority

<sup>14</sup> Narrow money comprises currency outside depository corporations and local currency demand deposits.

<sup>15</sup> Quasi money includes time and savings deposits in both local and foreign currency plus foreign currency demand deposits and securities issued by the MMA which are held by public nonfinancial corporations.

## Net Claims on Central Government

At the end of 2024, NCG totalled MVR41.2 billion and registered an annual growth of 8%, although this was a deceleration compared with the 15% growth recorded in 2023. In this regard, NCG of commercial banks grew by 11% at the end of 2024, driven by commercial banks' investments in government securities. The outstanding stock of government securities held by commercial banks, which consisted mostly of treasury bills, amounted to MVR31.4 billion at the end of the review year. This primarily reflected commercial banks' net investments in both treasury bills and treasury bonds. Meanwhile, NCG by the MMA rose 1%, mirroring a reduction in liabilities to the central government which reflected a decline in government deposits. However, this marginal growth in NCG by the MMA was a significant deceleration from the growth of 32% recorded at the end of 2023, .

In 2024, the MMA's NCG stood at MVR12.7 billion and accounted for 84% of the domestic

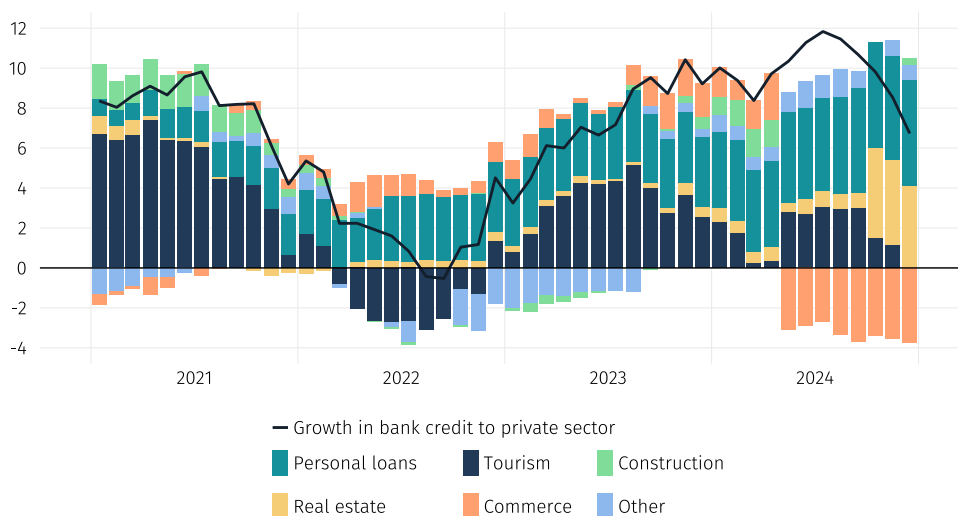
assets of the MMA. Meanwhile, commercial banks' NCG amounted to MVR28.5 billion and accounted for 35% of the domestic assets of the commercial banks.

## Credit to the Private Sector

The annual growth in the outstanding stock of commercial banks' credit to the private sector stood at 7% at the end of 2024, down from the 9% recorded at the end of 2023 (Figure 37). The annual growth in private sector credit stemmed solely from local currency lending, which grew by 13% and offset the 1% decline in foreign currency lending. In 2024, local currency lending accounted for 59% of total private sector credit, while the share of foreign currency lending stood at 41%.

With regard to the breakdown of private sector credit by economic sectors, credit extended to the tourism sector, which accounted for 35% of total private sector credit, recorded a marginal annual decline at the end of 2024, slowing down from the growth of 7% recorded at the

**Figure 37: Contribution to Bank Credit to Private Sector by Economic Sectors, 2021 - 2024**  
(annual percentage change, percentage point contribution)



Source: Maldives Monetary Authority

end of 2023. This largely reflected a decline in credit extended for new resort development in both foreign and local currency, which offset the substantial growth in foreign currency lending for renovation of resorts. Further, local currency lending for renovation of resorts also observed a notable decline over the review period. In addition, growth in local currency lending as working capital was partially offset by the decline in such lending in foreign currency. During the year, credit extended as personal loans (21% of total private sector credit) observed the largest increase, recording a growth of 30%, primarily due to the rise in local currency lending in the form of credit cards and loans extended for consumer durables, while such lending in foreign currency also observed an increase in 2024. Loans to the construction sector, which accounted for 18% of total private sector credit, registered a growth of 2% in 2024, slightly down from 3% registered in 2023. This primarily stemmed from the growth in credit extended for property development and other construction category in both foreign and local currency, which offset the decline in credit extended for residential housing loans in both local and foreign currency.

Meanwhile, real estate financing (10% of total private sector credit) posted a growth of 58%, while credit extended to the commerce sector (8% of total private sector credit) observed a decline of 31%. The growth in credit for real estate stemmed entirely from the increase in credit for residential housing category in local currency, whereas the decline in commerce sector credit stemmed mainly from a fall in lending for wholesale and retail trade in foreign currency (Box 1).

## Interest Rates

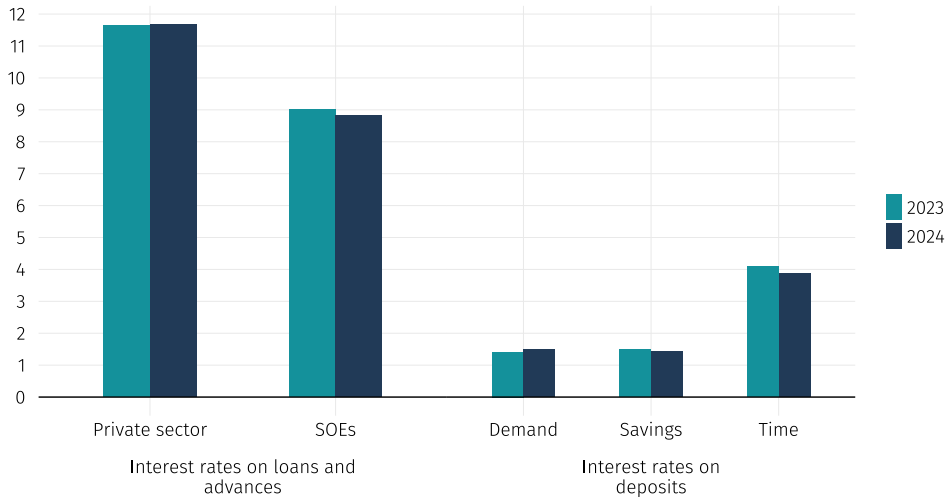
The indicative policy rate of the MMA remained at 4.00%, unchanged since its last revision in September 2014. The interest rates on treasury bills also remained unchanged since their last revision in November 2015. Accordingly, the interest rates on 1-month, 3-months, 6-months and 1-year treasury bills stood at 3.50%, 3.87%, 4.23% and 4.60% per annum, respectively, throughout the year.

With regard to the weighted average interest rates (WAIR) levied on loans and advances, the rate on local currency-denominated loans to the private sector increased by 2 basis points (bps), while the rate on foreign currency-denominated loans to the private sector decreased by 8 bps, in annual terms, at the end of 2024. Moreover, the WAIR on both local and foreign currency loans extended to public non-financial corporations (PNFCs) decreased in annual terms by 17 bps and 57 bps, respectively (Figures 38 and 39).

With regard to the interest rates on deposits at the end of the year, the WAIR on local currency demand deposits increased by 7 bps, while WAIR on such deposits denominated in foreign currency increased by 4 bps. Meanwhile, the WAIR on local currency savings deposits decreased by 5 bps, although the rate on foreign currency savings deposits rose by 10 bps. For time deposits (maturity of six months to one year), the WAIR on both local and foreign currency time deposits fell by 20 bps and 9 bps, respectively.

**Figure 38: Interest Rates for Loans and Deposits (Local Currency), 2023 - 2024**

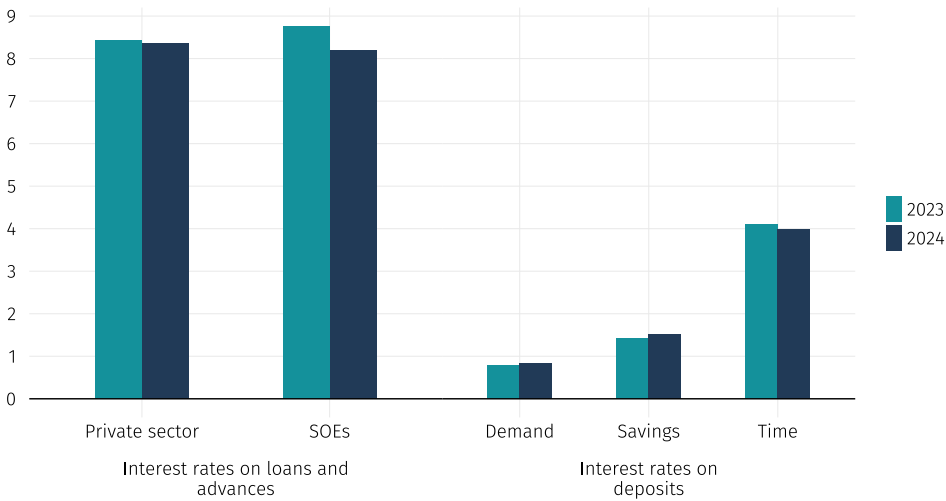
(weighted average interest rates per annum)



Source: Maldives Monetary Authority

**Figure 39: Interest Rates for Loans and Deposits (Foreign Currency), 2023 - 2024**

(weighted average interest rates per annum)



Source: Maldives Monetary Authority

# Box 1: Bank Lending Conditions in 2024

## Introduction

Credit extended by commercial banks play a critical role in fostering investment and driving economic growth in the Maldives, with its developments having broader monetary and financial implications. To strengthen the MMA's understanding of credit conditions and supplement monetary policy decisions, the Bank Credit Survey (BCS) is conducted on a quarterly basis. The survey aims to capture the commercial banks' perceptions of current and expected changes in the demand for and supply of bank credit extended to the domestic market.

The survey includes a series of standardized questions to gather detailed information on lending policies to both businesses and households, as well as banks' views on factors influencing credit facilities to key sectors in the Maldivian economy. The qualitative responses, reflecting the lending activities of the eight commercial banks operating in the Maldives (at the end of 2024), are quantified using a Diffusion Index (DI)<sup>1</sup>, weighted by each bank's contribution to average outstanding loans and advances to each sector during the respective quarter.

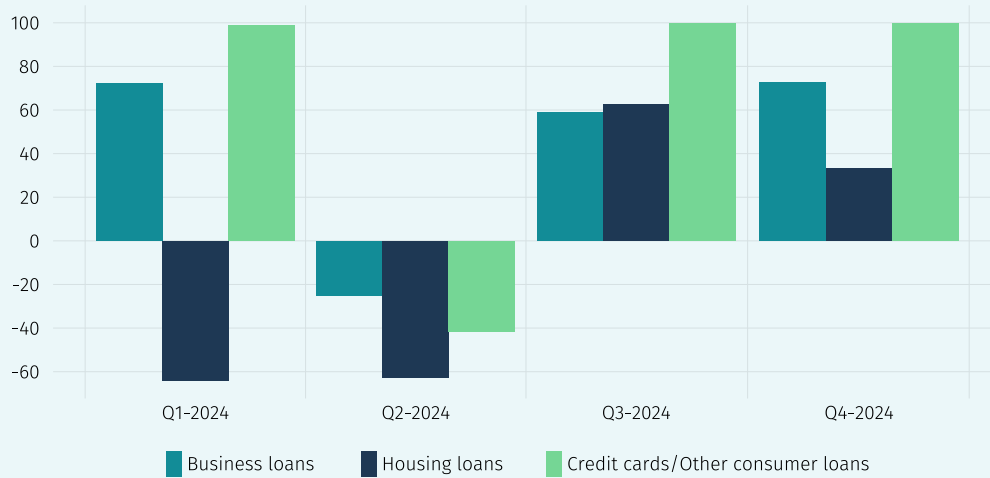
In 2024, survey results indicated a general tightening of lending conditions by commercial banks, despite continued demand for credit, on average. A summary of the survey results for 2024 are provided below.

## Demand for Credit

In 2024, banks cited an increase in the demand for business loans, with the exception of a decline noted in Q2-2024 (Figure 1). The overall increase in demand was primarily driven by long-term business loans, despite the moderate decline in short-term business loans. Considering economic sectors, wholesale and retail sector remained the largest contributor, followed by construction sector (Figure 2). Additionally, banks reported funding requirements for inventories and working capital, capital investments, and refinancing needs as the major factors behind the growth in demand for business loans during the year.

<sup>1</sup>  $DI = \sum_j W_j * \pi_j$ , where  $j$  is the individual bank's response to the question among the three choices given, ranging from 1 to 3.  $W_j$  represents the quantitative weight allocated to each answer and  $\pi_j$  is the allocated weight for the market share of each bank for the specific category of loans.

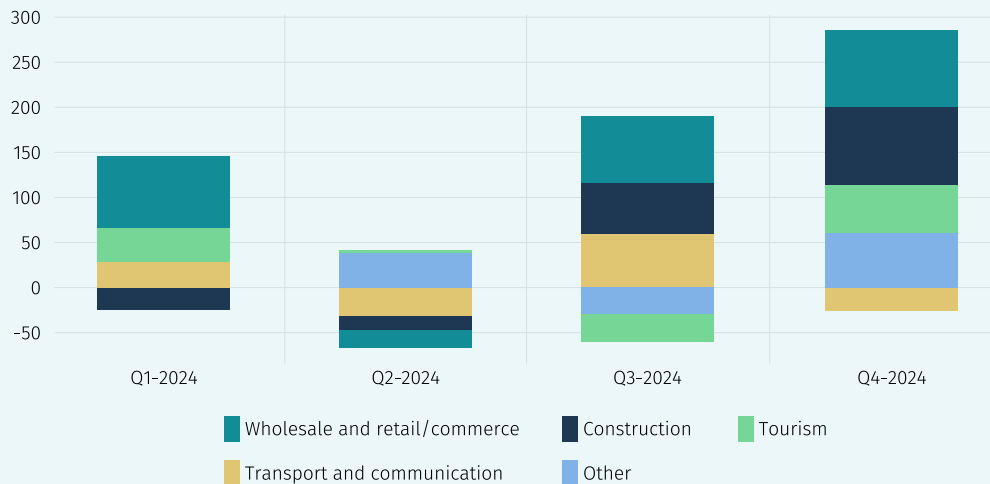
**Figure 1: Demand for Credit, 2024**  
(diffusion index)



Source: Maldives Monetary Authority

Note: Positive diffusion index (DI) indicates a tightening of credit supply, while negative DI indicates an ease in credit supply. For details on the calculation of DI, please refer to the footnote.

**Figure 2: Demand for Business Loans by Economic Sector, 2024**  
(diffusion index)



Source: Maldives Monetary Authority

Note: Positive diffusion index (DI) indicates a tightening of credit supply, while negative DI indicates an ease in credit supply. For details on the calculation of DI, please refer to the footnote.

Followed by a considerable decline in the first half of the year, the demand for the housing loans recorded a significant increase in Q3-2024 and continued to increase at a moderate pace in the last quarter. The increase in demand was attributed to positive housing market prospects alongside refinancing requirements, with the notable rise in the third quarter largely driven by favourable interest rates.

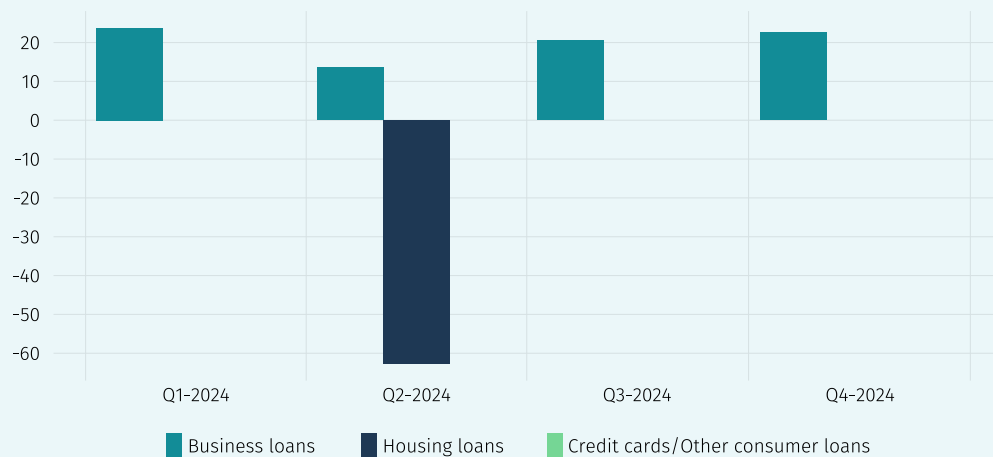
Similar to business loans, with the exception of Q2-2024, the demand for credit cards and other consumer loans reported a substantial growth during the year. The increase in demand mainly stemmed from higher spending on general consumption and durable goods. Meanwhile, the decline in the second quarter was attributed to a reduction in consumer spending on these categories.

## Supply of Credit

In the line with the previous trends, the supply of business loans remained tightened throughout the year, across both short-term and long-term loans. Banks reported that the terms and conditions of business loans were tightened through increasing the interest rates on foreign currency loans, reducing loan maturity and size, and imposing stricter requirements such as higher equity contributions and collateral.

With regard to housing loans, banks reported that the overall supply remained broadly unchanged in 2024, with a notable ease in Q2-2024. This increase was

**Figure 3: Supply of Credit, 2024**  
(diffusion index)



Source: Maldives Monetary Authority

Note: Positive diffusion index (DI) indicates a tightening of credit supply, while negative DI indicates an ease in credit supply. For details on the calculation of DI, please refer to the footnote.

primarily due to the reduction in interest rates on local currency loans. Meanwhile, a marginal tightening of overall lending conditions was observed during the year, owing to higher interest rates on foreign currency loans, a reduction in loan size and maturity, a lower loan-to-income ratio, and stricter collateral requirements.

Similarly, the supply of credit cards and other consumer loans remained largely unchanged throughout 2024, with no notable changes to the terms and conditions associated with this loan category (Figure 3).

## Further Insights

In addition to the standard questions on credit demand and supply assessed each quarter, the BCS incorporates contemporary questions to gain deeper understanding of the credit market developments. In this regard, a question on the impact of tourism sector seasonality on foreign currency liquidity and its subsequent effect on banks' foreign currency lending was introduced in Q3-2021. In 2024, banks reported that the continued foreign currency liquidity constraints within the economy had a tightening effect on foreign currency lending to both businesses and households, despite periodic fluctuations in foreign currency liquidity driven by tourism sector seasonality.

The survey also inquired regarding the impact of global interest rate hikes on banks' foreign borrowings, including funds sourced from their headquarters, as well as the implications on lending. In response, banks reported that foreign borrowings remained broadly unchanged throughout the year, with a few banks recording a marginal increase in Q3-2024 and Q4-2024. Additionally, banks indicated that the rise in global interest rates had a tightening impact on overall lending.

To further understand consumer borrowing trends, an open-ended question was included in the Q2-2024 survey, where banks identified personal and lifestyle loans as the main types of loans classified as other consumer loans. Further, school holidays were reported as the most common period, alongside Eid holidays and Ramadan for greatest influx in demand for credit card and other consumer loans.

Furthermore, in Q4-2024, a question was added to gauge the banks' expectations regarding the implications of the Law No. 32/2024 (Foreign Currency Act), introduced on 14<sup>th</sup> December 2024. The question focused on foreign currency liquidity and the potential impact on banks' lending decisions over the short to medium term. In response, banks noted that while it is too early to assess the overall impact on foreign currency liquidity, an improvement in foreign currency liquidity is anticipated in the coming quarter.

## Financial Sector

The financial sector remained strong and well-capitalized. Banks, which holds over 90% of the sector assets, demonstrated resilience through asset growth, strong capital and profitability indicators, and stable level of non-performing loans (NPLs) and liquidity buffers at prudent levels. The finance companies' capital remained strong, and the profitability increased. The general insurance sector recorded strong growth and sound capitalization, with increase in gross written premiums.

In the Maldives, the financial sector is made up of banks, non-bank financial institutions, and payment service providers. There are eight commercial banks in the banking sector, including four that are locally incorporated and four foreign bank branches. The non-bank financial institutions regulated by the MMA include five insurance companies, three finance companies, two money remittance providers, and two payment service providers. Additionally, the Capital Market Development Authority regulates both the Pension Fund and activities related to the capital market.

## Banking Sector

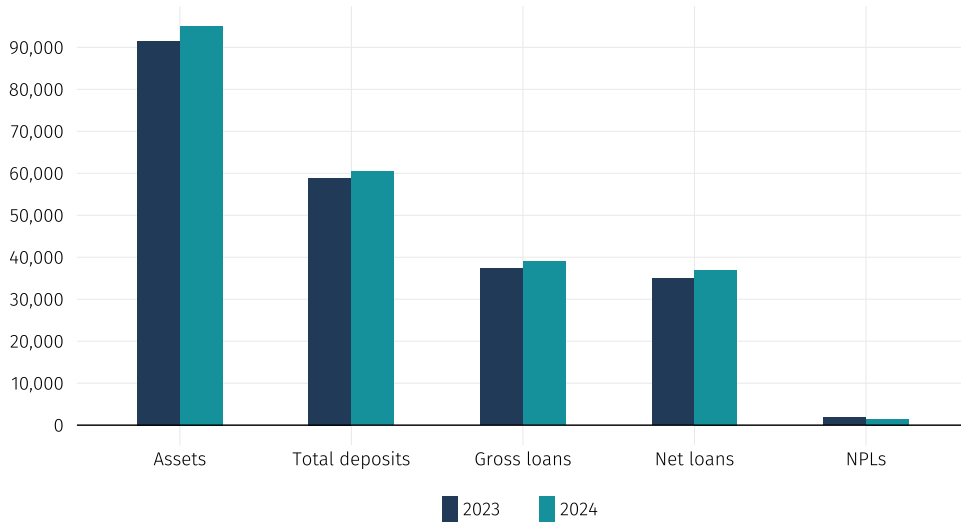
The banking sector remained resilient, with growth in assets and strong capital and profitability indicators. Both deposits and the loans portfolio increased, while non-performing loans (NPLs) declined. Banks maintained adequate loan-loss provisions maintained (Figure 40).

The capital adequacy ratios remained robust, significantly exceeding regulatory requirements. The total capital as a percentage of risk-weighted assets was at 54%, while the leverage capital ratio, measured by Tier 1 capital to total assets stood at 20%. Both ratios remained well above the minimum regulatory thresholds of 12% and 5%, respectively. The high risk-based capital ratio was driven by a large proportion of low-risk assets. By year-end, aggregate capital reached MVR24.7 billion, reflecting a 9% growth compared to the previous year (Figure 41).

Total assets grew by 4% annually (MVR3.6 billion) to reach MVR95.1 billion, driven by the growth in deposits and capital during the year. An annual increase of MVR1.6 billion was recorded in deposits and capital rose by MVR2.0 billion. In terms of asset composition, net loans (gross loans less loan-loss provisions) accounted for 39% (MVR36.9 billion). Investments in treasury bills accounted for 24% (MVR22.8 billion), while other debt securities including treasury bonds totaled to MVR8.9 billion representing 9% of the portfolio. Net loans showed an annual growth of 6% (MVR2.0 billion) and investment in treasury bills and other debt securities grew by 10% (MVR2.9 billion) (Figure 42).

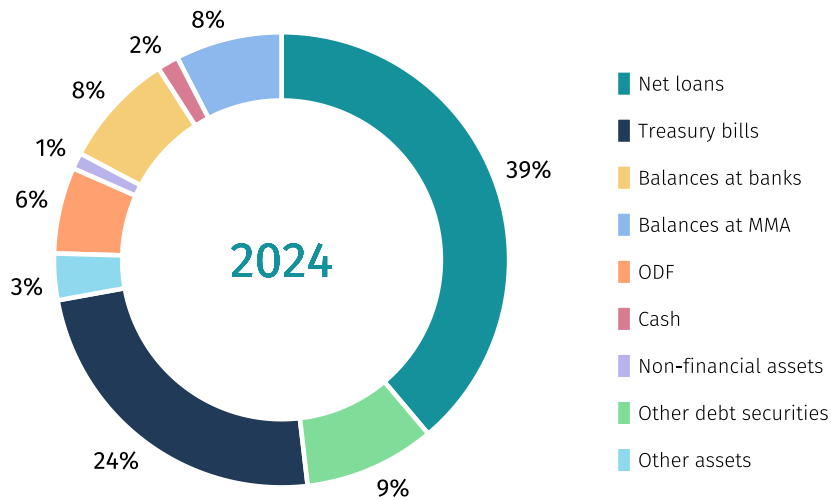
The NPLs decreased by 21% (MVR374.1 million) mainly on account of 2 large loan write-offs and the percentage of NPLs to total loans decreased from 5% to 4%. Loan loss provisions also declined by 17% and stood at MVR2.1 billion, driven by the reversal of provisions for high-risk loans that were written off. The coverage ratio for specific loan loss provisions stood at 114% of NPLs, reflecting provisions made for performing loans with higher credit risk (Figure 43).

**Figure 40: Key Indicators of Banking Industry, 2023 - 2024**  
(millions of rufiyaa)

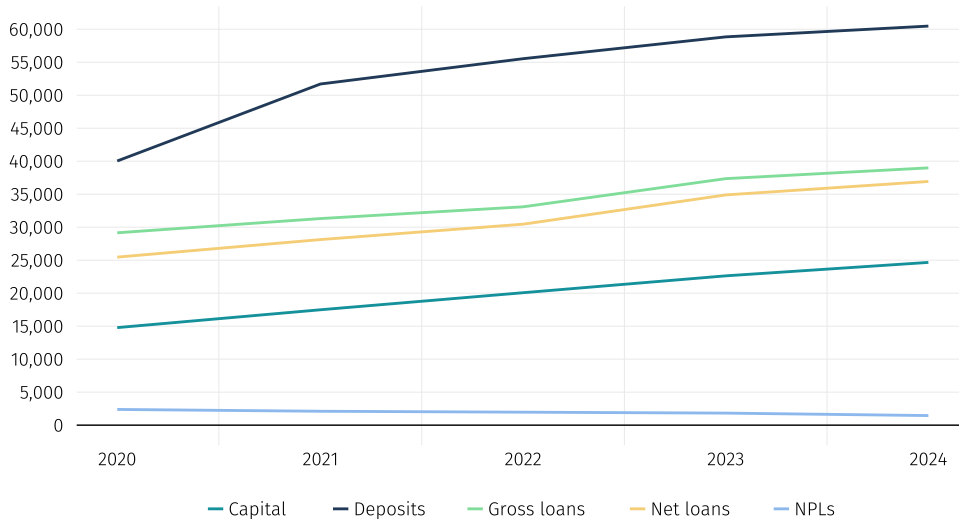


Source: Maldives Monetary Authority  
Note: Data for 2024 is from unaudited financial statements.

**Figure 41: Net Asset Composition of the Banking Industry, 31 December 2024**

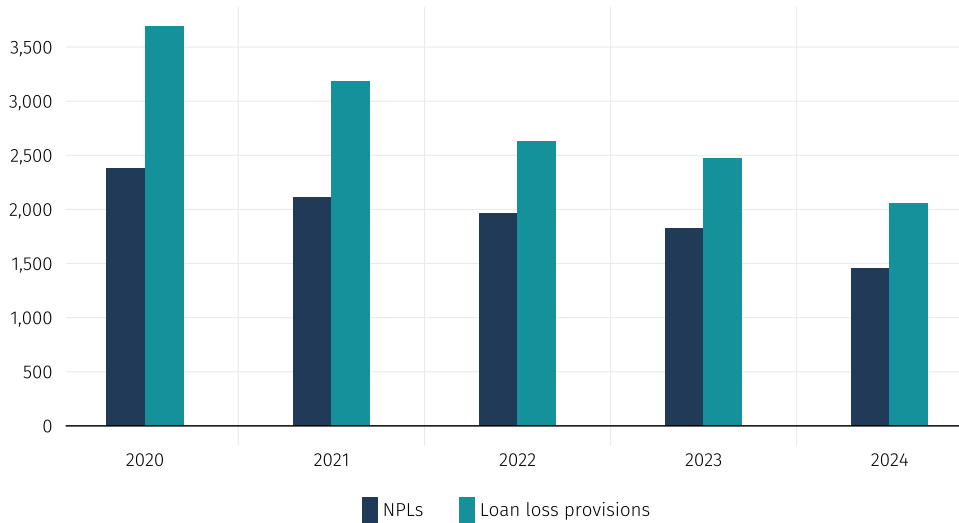


**Figure 42: Key Indicators of the Banking Industry, 2020 - 2024**  
(millions of rufiyaa)



Source: Maldives Monetary Authority  
Note: Data for 2024 is from unaudited financial statements.

**Figure 43: NPLs and Loan Loss Provisions, 2020 - 2024**  
(millions of rufiyaa)



Source: Maldives Monetary Authority  
Note: Data for 2024 is from unaudited financial statements.

The banking sector's profitability improved, with pre-tax profit increasing by 4% annually to reach MVR4.7 billion, while profit after tax amounted to MVR3.4 billion. The key driver of this growth was an 11% increase in net interest income. Profitability ratios remained robust, with the return on average assets (ROA) holding steady at 3.7%. However, the return on average equity (ROE) declined slightly from 15.3% to 14.4% compared to the previous year.

At the end of the year, liquidity remained adequate, with the credit-to-deposit ratio at 65% and 42% of assets held in liquid form, including cash, placements at banks and the MMA, and investments in treasury bills. Total deposits grew by 3% (MVR1.6 billion), reaching MVR60.5 billion, with 59% of the growth attributed to local currency deposits. Local currency deposits increased by 3%, while foreign currency deposits rose by 2%, supported by increased tourism inflows towards the year-end. Local currency deposits made up 52% of total deposits. The ratio of liquid assets to total deposits and borrowings remained steady at 59% while the ratio of foreign currency liquid

assets to total foreign currency deposits and borrowings slightly decreased from 35% to 34%.

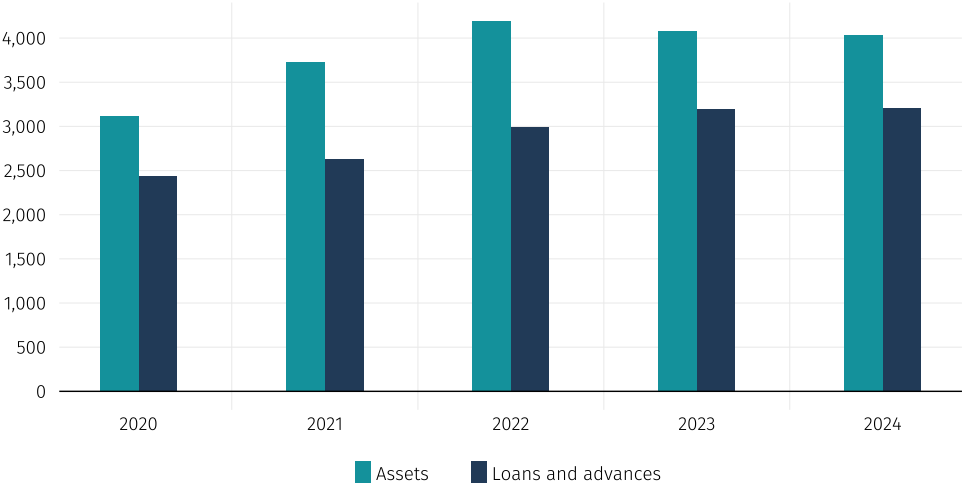
At the end of the year 2024, there were a total of 65 bank branches along with various service providing centers and 215 ATMs in the country. Out of the total, 43 bank branches/centers and 131 ATMs were located outside the greater Male' region.

### Finance Companies

Finance companies include a specialized housing finance corporation, a company providing leasing and financing services, and a government-owned small and medium enterprises (SME) finance company.

During the year 2024, net assets of the finance companies have slightly decreased, however, net loans have slightly increased. Net assets decreased by 1% and stood at MVR4.0 billion and the net loans exhibited annual growth of 1%, amounting MVR3.2 billion at the end of the year (Figure 44).

**Figure 44: Loans and Advances, and Assets of Finance Companies, 2020 - 2024**  
(millions of rufiyaa)



Source: Maldives Monetary Authority  
Note: Data for 2024 is from unaudited financial statements.

Capital strength of the industry remained robust, with the ratio of total capital to risk weighted assets at 57%, indicating high capacity to absorb losses.

However, absolute NPLs increased by 64% (MVR226.0 million) on account of the significant rise in NPLs of one institution. As a result, the NPL ratio rose to 16.1% from 10% in the previous year. The specific loan-loss provisions covered 36% of the NPLs.

Annual pre-tax profits increased by 19%, with profits amounting to MVR152.8 million (unaudited), and net profit after tax rose by 21% amounting to MVR128.3 million (Figure 45). The increase was mainly on account of a reduction in losses of another institution, resulting from lower loan loss provisions made during the year compared with the same period a year ago, along with an increase in non-interest income across the sector. Consequently, the industry profitability ratios;

ROA and ROE, improved from 2.6% and 5.1% to 3.2% and 6.1%, respectively, when compared with the ratios for 2023.

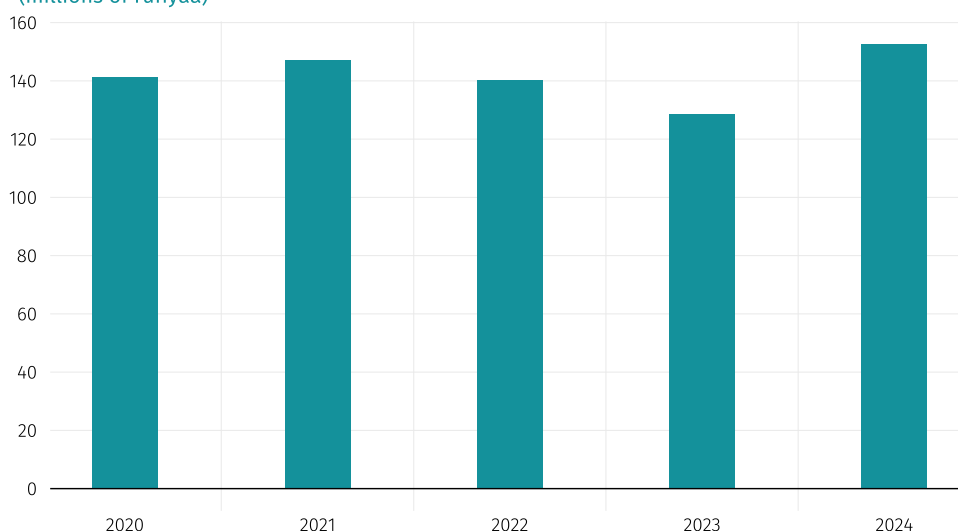
## Insurance Companies

In 2024, the general insurance sector demonstrated strong performance, supported by sound prudential indicators. The number of insurance policies sold grew by 4% year-on-year, contributing to a significant rise in gross written premiums (GWP) (Figure 46). The GWP including inward reinsurance increased by 25%, reaching MVR2.0 billion by the end of the year. Insurance companies sustained strong capitalization, with a net written premium (NWP) to annualised equity ratio of 99% and an equity-to-assets ratio of 26%, indicating prudent management of underwriting and retention risks.

The GWP contributed to a concurrent rise in both insurance penetration and insurance

**Figure 45: Pre-tax Profits of Finance Companies, 2020 - 2024**

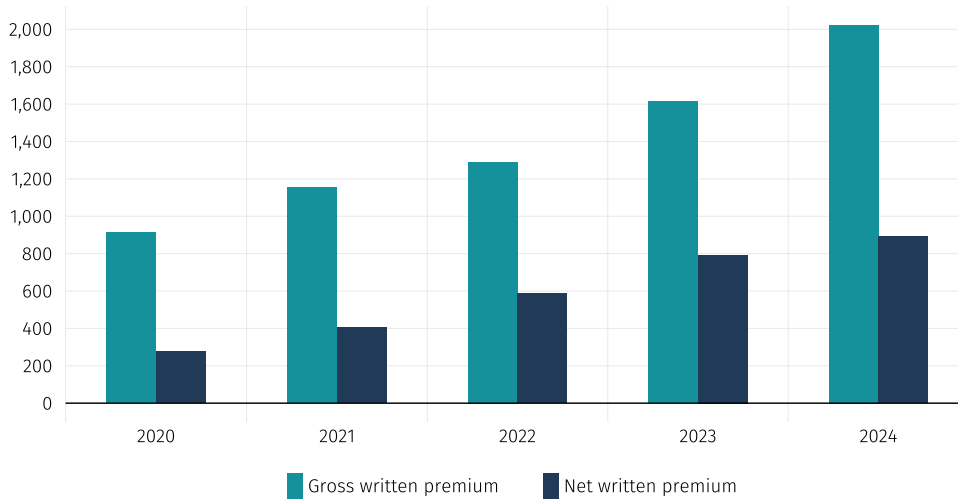
(millions of rufiyaa)



Source: Maldives Monetary Authority

Note: Data for 2024 is from unaudited financial statements.

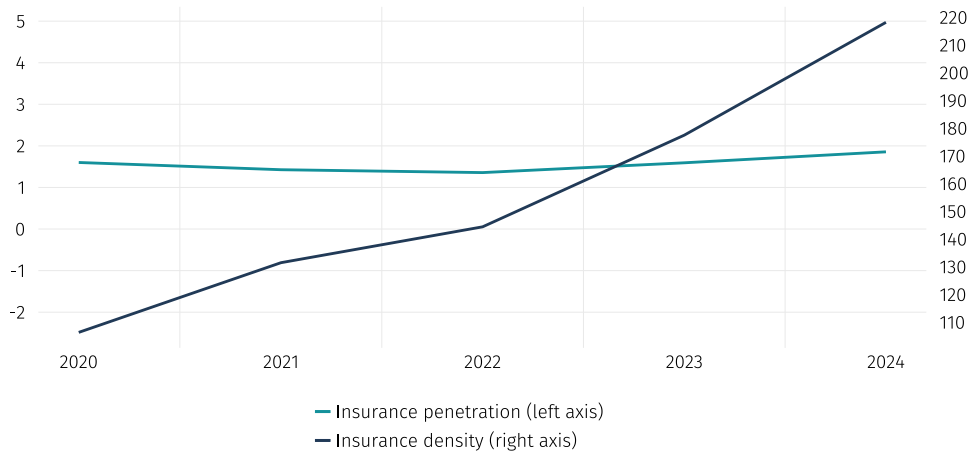
**Figure 46: Premiums, 2020 - 2024**  
(millions of rufiyaa)



Source: Maldives Monetary Authority

Note: Data for 2024 is from unaudited financial statements. Data for gross written premium includes reinsurance inwards.

**Figure 47: Insurance Penetration and Density, 2020 - 2024**  
(percent, US dollars)



Source: Maldives Monetary Authority

Note: Data for 2024 is from unaudited financial statements.

Insurance penetration is GWP as a percentage of nominal GDP for the year.

Insurance density is ratio of total GWP to mid-year population estimate for the year.

density, both key indicators of the sector's maturity (Figure 47). Insurance penetration is the ratio of GWP to GDP, while insurance density is the measure of GWP per capita. In 2024, general insurance penetration reached 1.9%, while insurance density increased from US\$177.5 to US\$218.2 per capita.

The notable rise in GWP in 2024 was mainly driven by the fire insurance class, which accounted for 39% of the GWP growth, increasing by MVR145.2 million (31%) and sustaining the upward trend observed over the past two years. The health insurance class also played a significant role, contributing 34% to the GWP growth with a 26% increase from 2023, amounting to MVR127.8 million in growth. Additionally, the miscellaneous and marine hull insurance classes experienced moderate year-on-year increases in GWP, amounting to MVR69.6 million and MVR28.3 million, respectively (Figure 48). In 2024, the health insurance class held the largest portion of total GWP distribution at 30.5%, closely followed by fire insurance at 30.1%.

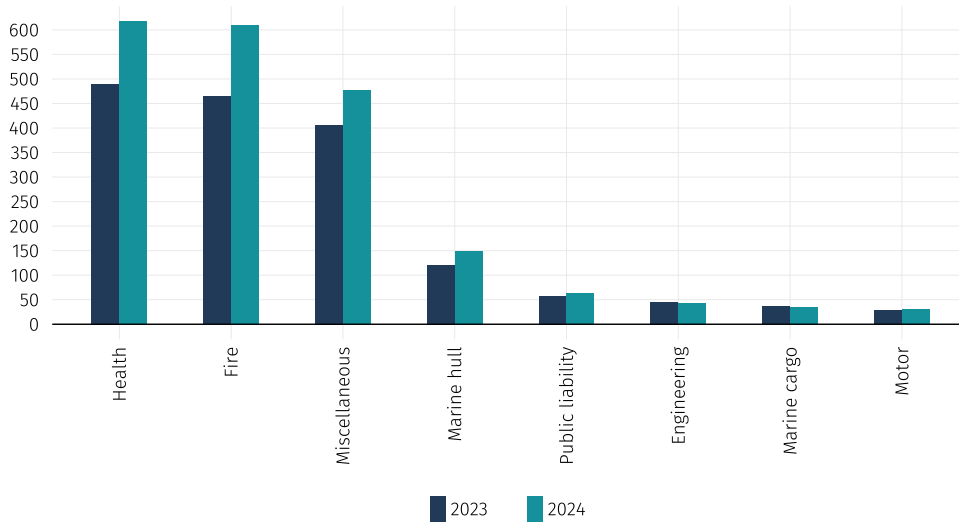
The retention ratio, which compares NWP to GWP, is an important metric for understanding the extent of reinsurance use. This ratio varies depending on the type of insurance, as different classes of business involve different risk levels and insurer risk tolerance. Insurers typically choose to retain a smaller proportion of premiums for classes with higher claims volatility, and a larger proportion for those with lower volatility. Over the year, the general insurance industry's retention ratio decreased from 49% to 44%, mainly due to reduced retention in the health insurance class (Figure 49).

In 2024, gross claims saw a notable rise increasing by MVR97.4 million (17%) compared to the previous year (Figure 50). This increase was largely driven by higher claim volumes across Miscellaneous, Marine Hull and Liability, and Health insurance classes. Net claims, representing the actual claims burden retained by local insurers after factoring in reinsurance, surged by MVR180.2 million, marking a 63% jump from 2023.

As of 2024, the asset composition of the general insurance industry showed that investments made up 30% of the total assets, while reinsurance recoverables and premium receivables accounted for 21% and 18%, respectively. The majority of insurers' investments were concentrated in local treasury bills (39%), equity securities (27%), and fixed deposits (22%) (Figure 51). Due to the lack of available Shari'ah-compliant investment instruments, a substantial portion of Takaful funds continued to be allocated to fixed deposits.

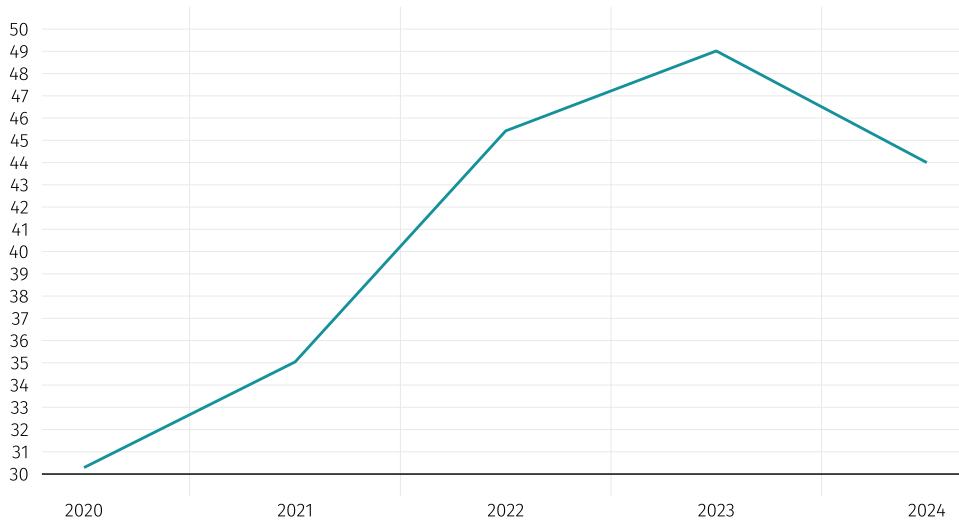
In 2024, the net loss ratio, which reflects underwriting profitability by measuring net incurred claims against net earned premium, stood at 55%. Although the net incurred claims had increased from 2023 to 2024, the increase in net earned premiums outpaced the increase in net incurred claims. This positive outcome contributed to the significant generation of pre-tax profits for 2024, which reached MVR247.8 million. The pre-tax profit for the prior year was MVR33.4 million (Figure 52). Profitability metrics further highlighted strong performance, with Return on Assets (ROA) at 4.6% and Return on Equity (ROE) reaching 17.0%.

**Figure 48: GWP by Class of Insurance, 2023 - 2024**  
(millions of rufiyaa)



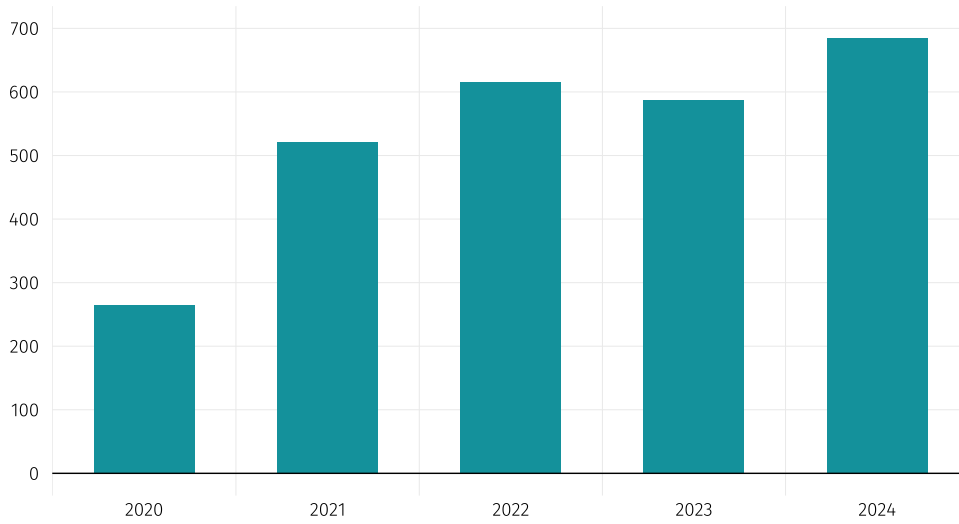
Source: Maldives Monetary Authority  
Note: Data for 2024 is from unaudited financial statements.

**Figure 49: Retention Ratio, 2020 - 2024**  
(percent)



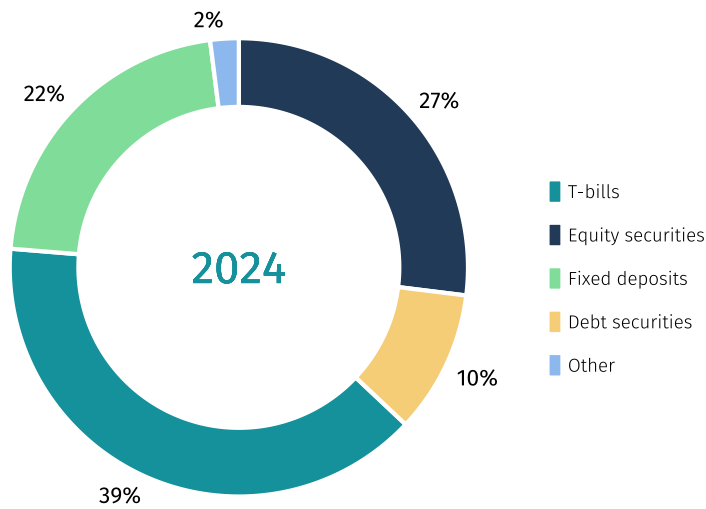
Source: Maldives Monetary Authority  
Note: Data for 2024 is from unaudited financial statements.

**Figure 50: Gross Claims, 2020 - 2024**  
(millions of rufiyaa)



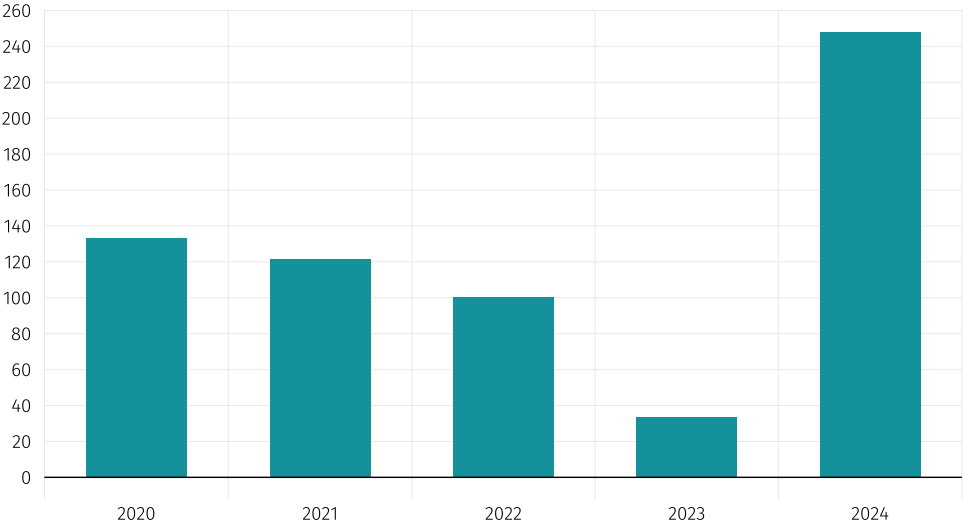
Source: Maldives Monetary Authority  
Note: Data for 2024 is from unaudited financial statements.

**Figure 51: Investment Composition of Insurance Companies**



Source: Maldives Monetary Authority  
Note: Data for 2024 is from unaudited financial statements.

**Figure 52: General Insurance Profitability (Before Tax), 2020 - 2024**  
(millions of rufiyaa)



Source: Maldives Monetary Authority  
Note: Data for 2024 is from unaudited financial statements.

## External Sector

The Maldives historically runs a persistent current account deficit, reflecting its heavy reliance on external resources such as imports of goods and services, foreign investments, external debt, and foreign labor. In 2024, the current account deficit narrowed slightly, due to significant improvement in services account, even as the merchandise trade deficit widened. In terms of GDP, this was an improvement to 17.8% of GDP, from 21.3% in the previous year. While the goods account continues to record a substantial deficit, the services account driven largely by the tourism sector has continuously maintained a surplus. As in previous years, the primary income account and secondary income account remained stable but in deficit. The primary income account deficit reflects the repatriation of profits by foreign investors and the cost of servicing the external borrowings, whereas the secondary income account deficit is driven by the remittances of foreign workers. Together with the merchandise trade imbalance, these outflows represent significant drains on the country's foreign exchange reserves and contribute to the persistent and growing current account deficit. In 2024, the overall balance of payments (BOP) recorded a surplus, while gross international reserves (GIR or official reserve assets) observed an increase for the year.

### Current Account

The current account deficit is an important indicator in assessing the external position of the Maldivian economy, due to the high degree of openness to trade and excessive reliance on imports and tourism.

According to the revised BOP estimates of March 2025, the current account deficit narrowed slightly to US\$1.3 billion in 2024, from US\$1.4 billion in 2023. In terms of GDP, this was an improvement to 17.8% of GDP, from 21.3% in the previous year (Figure 53). The improvement in the current account stems mainly from improvement in the tourism sector contributing to an increase in the travel receipts recorded in the services account.

However, the increase in services account inflows was moderated by increase in services

outflows, reflecting growth in expenditure by Maldivians traveling abroad and the increase in payments for professional and management consultancy services sought externally for various business requirements. Simultaneously, the positive impact of the services account on the current account deficit was further moderated by the increase in merchandise trade deficit, which reflected an increase in goods import coupled with a slight decline in earnings from export of goods.

### Goods

In 2024, the merchandise trade deficit increased by US\$202.0 million compared to the previous year, reaching a total of US\$3.1 billion (Figure 54). The widening trade deficit reflected an increase in import expenditure<sup>16</sup>,

<sup>16</sup> The figures for merchandise trade are in freight on board (f.o.b) terms.

**Figure 53: Composition of Current Account, 2021 - 2024**

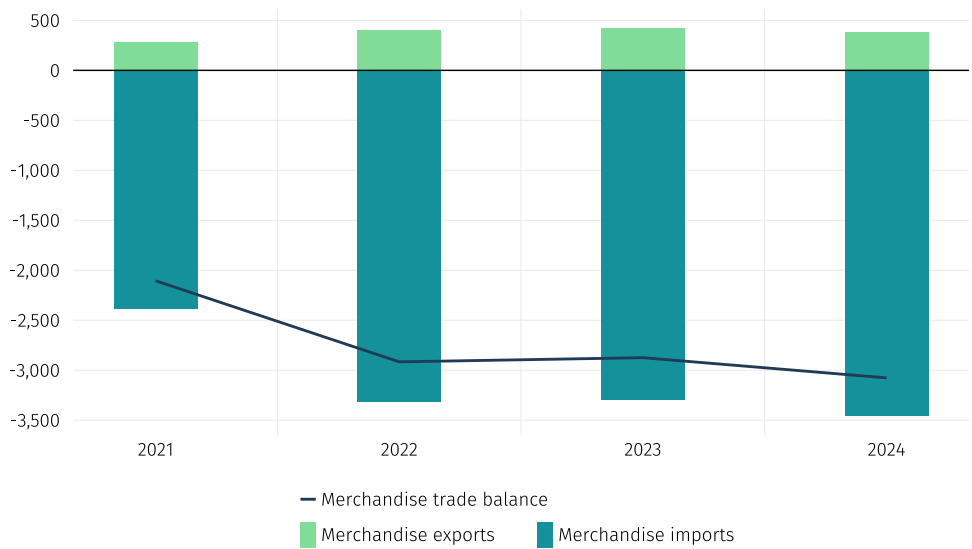
(millions of US dollars, percent)



Source: Maldives Monetary Authority

**Figure 54: Merchandise Trade Balance, 2021 - 2024**

(millions of US dollars)



Source: Maldives Monetary Authority

combined with a decline in domestic fish exports (Box 2).

The increase in imports was driven by higher spending on key import categories of food items, transport equipment and parts, electrical and electronic machinery, and furniture, fixtures and fittings. Collectively these broad import groups recorded an increase of US\$193.3 million. However, a decrease of US\$53.6 million was recorded in imports of

construction-related materials and import of other intermediate and capital goods.

On the export side, domestic exports (which mainly comprise of fish exports) declined sharply by 43% (US\$69.8 million), coinciding with the disruptions in the domestic fisheries sector. Conversely, the re-exports increased by 12% (US\$31.1 million), although this growth was not sufficient to fully offset the decline in domestic exports.

## Box 2: Merchandise Trade

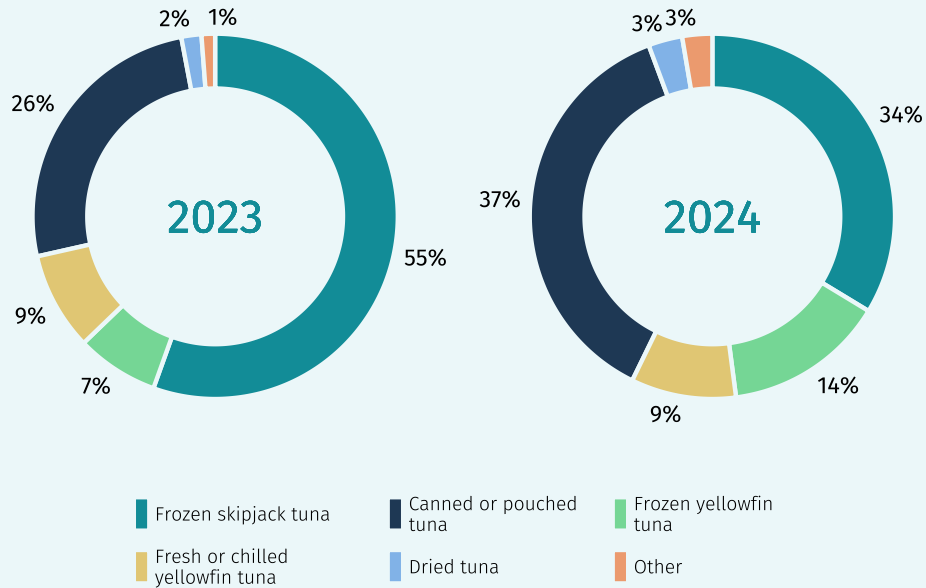
### Merchandise Exports

Merchandise exports which comprise of domestic exports (24%) and re-exports (76%) faced a decline of 9% (US\$38.7 million) and totaled US\$382.7 million in 2024, spearheaded by a steep drop in domestic exports. The significant fall in domestic exports of 43% (US\$69.8 million) was dampened by the 12% (US\$31.1 million) rise in value of re-exports in 2024 compared to the year before.

Accordingly, merchandise re-exports maintained their upward trajectory, achieving a record-high amount for the third consecutive year. The total for 2024 reached US\$290.3 million, reflecting a 12% increase over 2023. As in the previous years, jet fuel re-exports continued to account for the largest share of re-exports (77%) and were the primary driver for the increase in value of re-exports for the year. Accordingly, jet-fuel re-exports rose by US\$25.9 million (13%) with respect to 2023 due to increased flight movements to Maldives by international carriers reflecting the strong performance of tourism sector, whilst the remaining composition of re-exports comprising of diesel, petrol and other re-exports rose by US\$5.3 million (8%) in 2024, which slightly moderated the overall growth of merchandise re-exports.

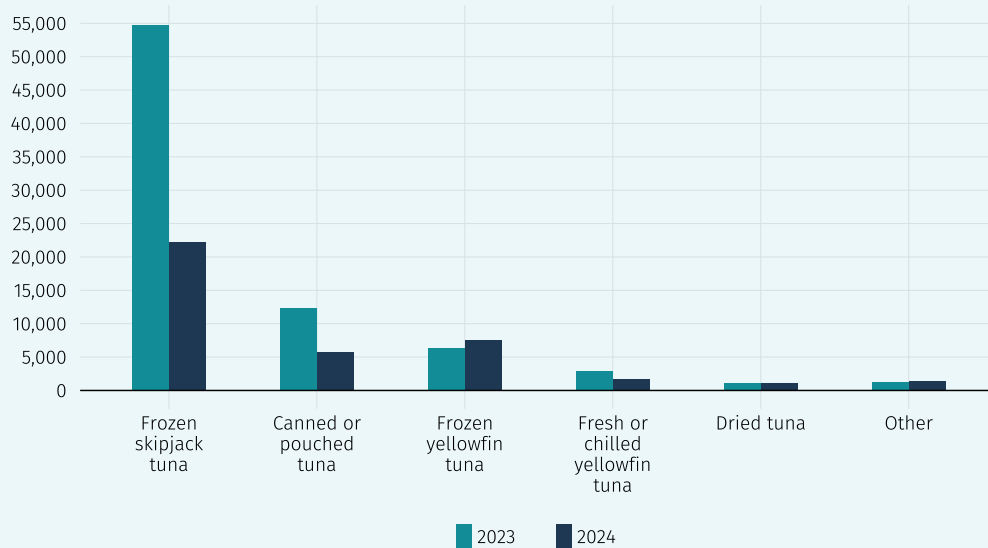
Domestic exports which predominantly comprise of fish exports (89%) plummeted sharply by 43% (US\$69.8 million) and summed up to US\$92.4 million for the year 2024. This decline stemmed from the US\$56.2 million (67%) fall in export earnings of frozen skipjack (81% of the overall drop) which coincided with disruptions within

Figure 1: Composition of Fish Exports (Earnings)



Source: Maldives Customs Service

Figure 2: Composition of Fish Exports (Volume), 2023 - 2024 (thousands of metric tonnes)



Source: Maldives Customs Service

the local fishing industry with regard to minimum fish purchase price. As a result, the composition of fish export earnings shifted in 2024, with canned or pouched tuna becoming the largest component (37%) and frozen skipjack tuna contributing 34%, thus, marking a stark contrast to 2023 when frozen skipjack tuna accounted for 55% of fish export earnings (Figure 1). Likewise, majority of the other leading contributors to fish export earnings faced declines except for frozen yellowfin tuna which registered a measly growth of US\$0.7 million (6%). Just as export earnings, the volume of exports broadly registered declines in tandem with frozen skipjack recording the largest drop at 59%, whilst frozen yellowfin tuna observed a relatively noticeable rise of 16.7% (Figure 2).

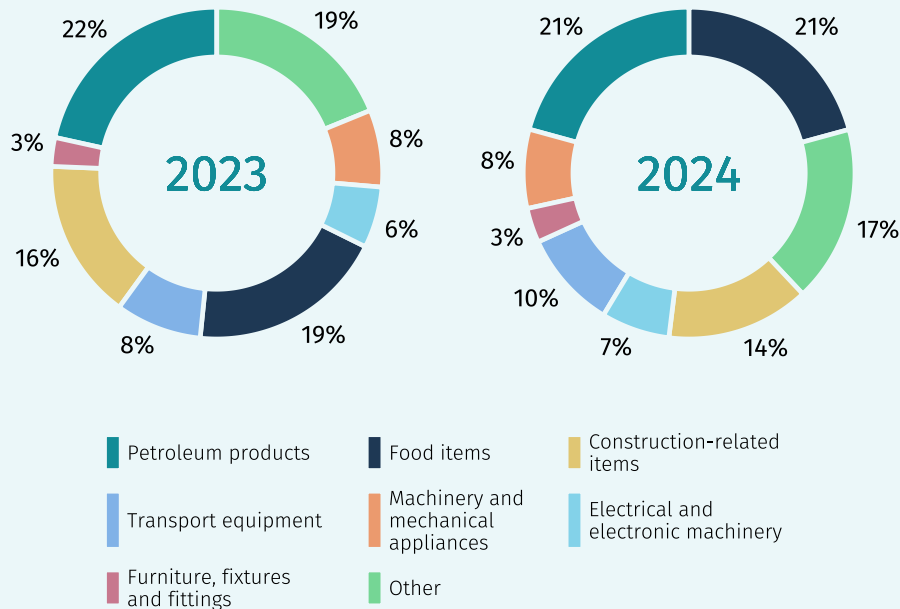
## Merchandise Imports

Total merchandise imports (c.i.f) rose slightly by 4% (US\$139.8 million), reaching US\$3.6 billion by the end of 2024. This growth was primarily driven by increases in import of food items and transport equipment and parts, which rose by US\$80.5 million (12%) and US\$53.8 million (18%), respectively. Upon further analysis, it is observed that the surge in food imports was largely due to increased imports of meat and vegetables, while the rise in transport equipment and parts was primarily driven by aircraft imports. In addition, imports of furniture, fixtures and fittings grew by US\$24.5 million (25%) while electrical and electronic machinery registered an increase of US\$34.5 million (17%).

Import of petroleum products maintains its status as the joint-largest composition of imports alongside food items at 21% (Figure 3) in 2024. Historically, petroleum product imports have been notable for its volatile nature given the dynamics of global crude oil prices which caused significant deviation to merchandise import figures across the years. However, given the stability of global crude oil prices from 2023 to 2024 following episodes of volatility in the preceding years, the import figure of petroleum products has remained at near level terms with a meager 0.1% increase in 2024.

In contrast, the rise in imports across various categories was largely offset by decline in import of construction-related items by US\$39.1 million (7%). Notably, 75% of this decline was driven by reduced imports of wood, metal, cement, and aggregates. In addition, import expenditure on other items faced a dip of 5% (US\$30.7 million) during the year largely owing to the decreased expenditure on import of other intermediate and capital goods by 17% (US\$14.4 million).

Figure 3: Composition of Imports



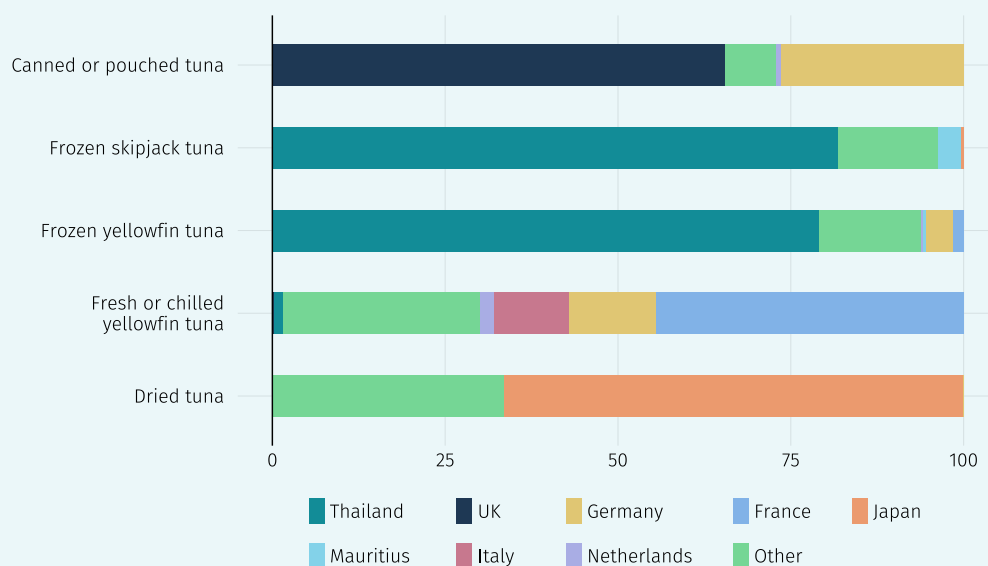
Source: Maldives Customs Service

## Direction of Trade

### Exports

The Asian market maintained its status as the main export destination for Maldives in 2024, representing 55% of the total exports. Subsequently, the European market accounted for 42% of total exports during the year. In the Asian market, Thailand remained as the single largest export market, despite accounting for 35% of the total Maldivian exports during 2024, down from 54% in 2023 (Figure 4). Accordingly, export earnings from skipjack tuna from the Thai market decreased by 71% (US\$56.6 million) during the year, in line with the negative growth in both volume and imputed price of such exports to the market. However, both earnings and volume of yellowfin tuna exports to the Thai market increased during 2024. Meanwhile, share of exports to India improved slightly from 3% in 2023 to 5% in 2024, although the value of exports declined by 19% in 2024 (US\$1.0 million). Accordingly, as reported by the Food and Agriculture Organization (FAO) in its Globefish Highlights, the global

**Figure 4: Direction of Trade by Major Domestic Export Categories, 2024 (percent)**



Source: Maldives Customs Service

decline in demand for frozen tuna, both whole and semi-processed, during January 2024 to June 2024 was attributed to dwindling interest for canned and other tuna-based products among end users despite no significant increase in raw material prices.

The European market continued to remain as the second largest export region, accounting for 42% of the total Maldivian exports in 2024, an increase from 31% recorded in 2023. Moreover, the UK sustained its position as the largest European export market, accounting for 22% of total Maldivian exports during 2024 – a notable increase from the 14% recorded in 2023. However, the export earnings from UK market declined by 10%, even though the market share improved. Germany and France accounted for the second and third largest export markets from the region. Export earnings from Germany declined by 25% (by US\$3.2 million) largely owing to a 26% decline in canned or pouched tuna exports during the year. Meanwhile, the French market share slightly improved and stood at 4% - an increase from 3% recorded during 2023. The decline in export earnings from France mainly reflected the 35% drop in earnings from Yellowfin tuna exports (US\$1.9 million).

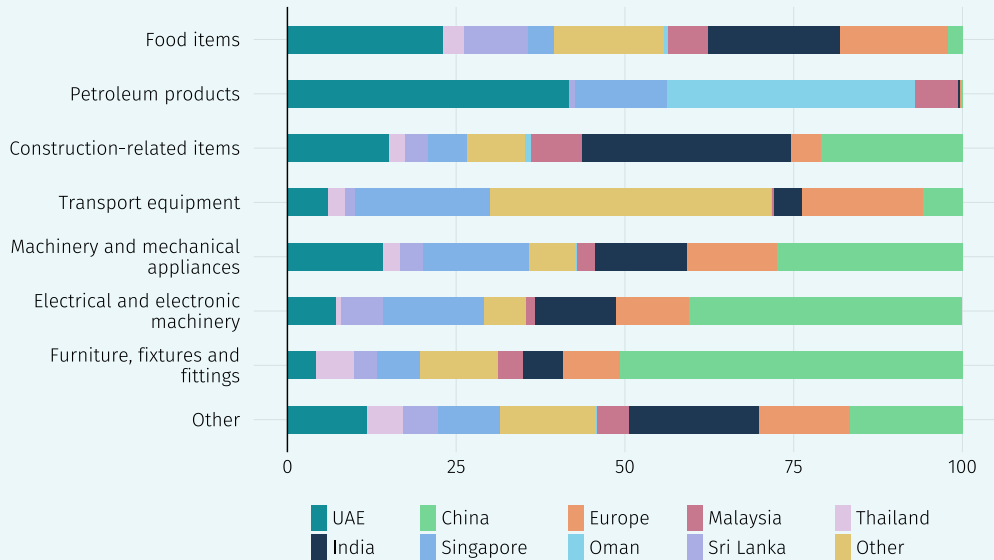
Looking at other regions, in the North America, both Costa Rica and the United States shared 1%, whereby Costa Rica observed an improvement from 0.2% in 2023 whilst US remained steady during 2023 to 2024. Meanwhile, the share of exports to Mauritius remained steady at 1% and totaling US\$1.0 million during the year, reflecting the continued decline in earnings from frozen skipjack tuna by 39% (US\$ 0.6 million), despite remaining as the largest African export market. It is also noteworthy that, overall, all markets have accounted for negative contribution to exports in the year with Asia being the largest during the year 2024.

## Imports

The Asian market remained as the region with the highest proportion of imports during the year 2024 (83% of the total imports with a value of US\$3.0 billion). Accordingly, from the Asian market, United Arab Emirates (UAE) accounted for the highest share of imports to the Maldives (20%) followed by India (14%) and China (13%). Imports from UAE observed a substantial increase of 58% (US\$265.7 million) driven mostly by the imports of petroleum products during the year (Figure 5). As for imports from India, a decline of 6% (US\$30.4 million) was recorded largely owing to the significant drop observed in import expenditure on construction-related items and machinery and mechanical appliances during the year. Meanwhile, imports from the China grew by 20% (US\$80.2 million), primarily due to increases in furniture, fixture and fittings and electrical and electronic machinery which constituted to 13% of the total Maldivian imports during the year-an increase from 12% in 2023. Similarly, imports from Singapore increased notably by 16% (US\$53.1 million) reflecting the significant increase in import expenditure on transport equipment and petroleum products during the year.

Meanwhile, imports from the European region, which accounted for 10% of the total imports, observed an improvement of 12% (US\$38.4 million) during the year. Within this group, France, the main supplier of imports to the Maldives from the region observed an increase from 1% in 2023 to 2% in 2024 along with positive contributions from Germany, Italy, Turkey, and Netherlands. The overall increment in European imports during the year was contributed by notable increases in electrical and electronic machinery and food items.

**Figure 5: Direction of Trade by Import Categories, 2024**  
(percent)



Source: Maldives Customs Service

## Services

As a tourism-based economy, the surplus on the services account is an inherent key feature of the current account of the Maldives. In 2024, the services account surplus expanded by US\$374.1 million, and totaled US\$3.1 billion, up from the estimated US\$2.8 billion in the previous year (Figure 55).

The growth was attributed to the continued improvement in the tourism sector, with total tourist arrivals for the year increasing by 8.9% in 2024. The rise in arrivals was supported by strong inflows from key European markets which have historically exhibited higher spending patterns. Consequently, travel receipts observed an increase of US\$554.8 million (13.1%), and totaled US\$4.8 billion in 2024, compared to US\$4.2 billion in the previous year.

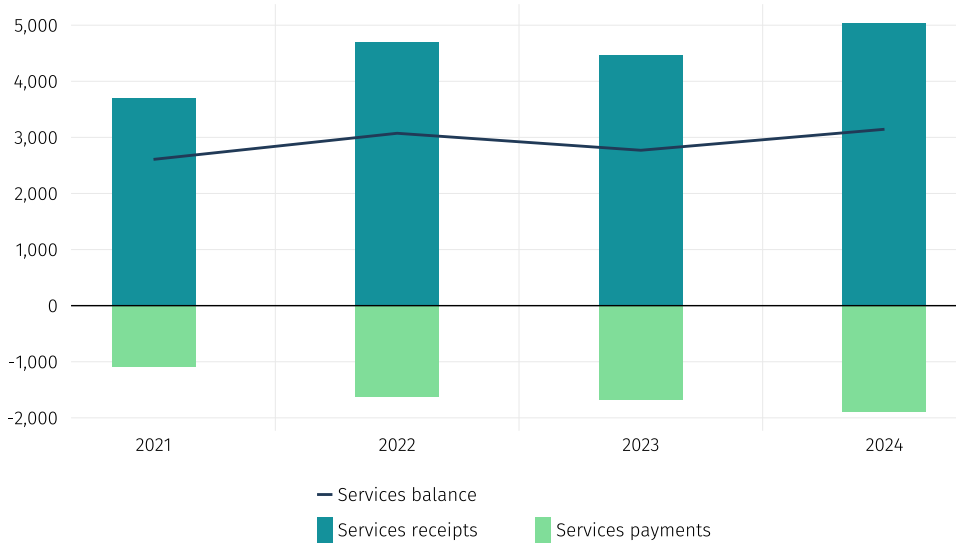
However, the payments for services also increased from US\$1.7 billion in 2023 to US\$1.9 billion in 2024, primarily driven by growth in travel expenditure of Maldivians travelling abroad, along with payments for professional management and consulting services.

## Primary Income Account

The Primary income account deficit is driven by FDI related outflows—mainly the outward remittances of dividends of FDI companies and reinvested earnings—as well as the interest payments of public and private external debt. The deficit narrowed marginally in 2024 to reach US\$750.1 million, which is a 0.9% decrease from the deficit of US\$756.8 million in the previous year. During the year, profit remittances of FDI, as well as the reinvested

**Figure 55: Trade in Services, 2021 - 2024**

(millions of US dollars)



Source: Maldives Monetary Authority

earnings of FDI companies is estimated to have increased moderately. Additionally, the interest payments of public sector debt increased during the year in contrast to the fall in interest payments of private sector debt, which observed a 15% decline. Meanwhile, primary income account inflows decreased to US\$47.8 million, driven by the fall in interest receipts of the MMA and other commercial banks.

### Secondary Income Account

The secondary income account continued to be driven by the outward workers remittances and inflow of government grants. In 2024, the secondary income account deficit deteriorated further to reach US\$574.6 million. The increase in outflows was mainly contributed by the increase in outward workers remittances, which reached US\$621.6 million in 2024. Meanwhile, inflow of government grants declined by US\$3.5 million, reaching US\$64.9 million during the year.

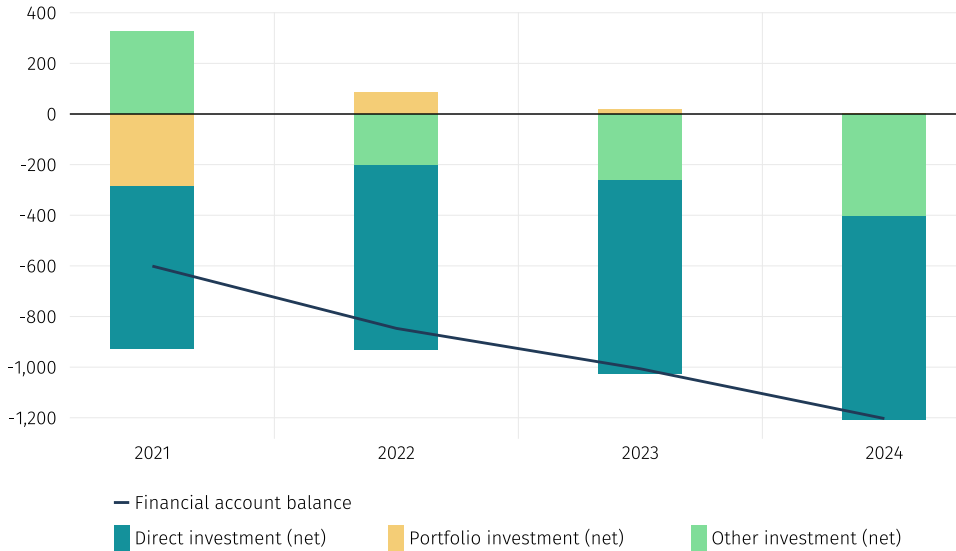
### Financial Account

Financial account records transactions of financial assets and liabilities between residents of an economy and the rest of the world—which are categorized into direct investment, portfolio investment and other investment. The financial account recorded a net inflow of US\$1.1 billion, down from US\$1.2 billion in 2023 (Figure 56). The net inflows on the financial account were mainly contributed by the inflows from FDIs and other investments.

Net inflows from direct investments continued to be driven by the external financial inflows to the Maldives, which was estimated to have risen to US\$806.2 million in 2024, up from US\$766.8 million in 2023. This increase was driven entirely by FDI inflows, reflecting a surge in new equity inflows by foreign investors in the tourism industry as well as other developmental projects. Meanwhile, reinvestment of earnings of FDI entities in the country also was estimated have increased during the year.

**Figure 56: Financial Account, 2021 - 2024**

(millions of US dollars)



Source: Maldives Monetary Authority

As for portfolio investment—which comprise cross-border financial transactions involving equity and debt securities (other than those included in direct investments)—a net outflow of US\$3.3 million was recorded in 2024, following a net outflow of US\$19.5 million in 2023. The net outflow was contributed by the investments in debt securities abroad by deposit-taking corporations.

Other investments—which consist of financial transactions other than direct investments and portfolio investments—recorded a net inflow of US\$400.3, a substantial increase from the net inflow of US\$259.1 million in 2023. This included an increase in liabilities of the MMA due to the US\$400 million swap between the MMA and the RBI. The net inflow was also contributed by the net borrowings in the form of loans from both government and private sector. Meanwhile, net acquisition of financial assets observed an outflow, reflecting the

increase in deposits held abroad by deposit-taking corporations and the private sector.

## Overall Balance and Gross International Reserves

In 2024, the overall balance of payments recorded a surplus of US\$84.4 million, after registering a deficit of US\$236.2 in 2023. Accordingly, net inflows from the financial account exceeded the deficit in the current account. Consequently, gross international reserves (GIR or official reserve assets)<sup>17</sup> rose to US\$673.9 million at the end of 2024, up from US\$590.5 million in 2023, reflecting a 14% annual increase (Figure 57). Throughout the year, GIR exhibited fluctuations, peaking in December 2024, after following a downward trajectory towards the year-end, except for a temporary rise in August. The lowest level was recorded in September 2024, at US\$371.2 million.

<sup>17</sup> Official reserve assets comprise foreign currency deposits of the MMA and the government, commercial banks' US dollar reserve accounts and Maldives' reserve position at the IMF.

**Figure 57: Gross International Reserves, 2021 - 2024**  
(millions of US dollars, annual percentage change)



Source: Maldives Monetary Authority

The increase in GIR was primarily driven by an 85% rise in short-term foreign liabilities, largely reflecting the US\$400 million foreign currency swap availed from the Reserve Bank of India (RBI) in October 2024. Meanwhile, commercial banks’ foreign currency reserve account balances at the MMA declined notably. This was accompanied by a decrease in government foreign currency deposits—which are excluded from broad money. The decline in commercial banks’ reserve account balances was partly due to net foreign currency transfers, adjustments in the foreign currency asset portfolios of the commercial banks, and due to the decrease in FC MRR to 7.5% in October 2024.

Foreign currency payments increased significantly in 2024, primarily due to higher repayments on government securities. Similarly, foreign currency interventions in the domestic market rose. Meanwhile, foreign currency receipts saw substantial growth,

largely driven by a significant increase in inflows from the Maldives Inland Revenue Authority (MIRA) related to tourism revenue<sup>18</sup>. This was further supported by increased issuance of government securities to finance the budget.

## External Debt

According to the latest available data<sup>19</sup>, total external debt (government and commercial banks) increased by US\$586.5 million, reaching US\$4,397.2 million by the end of 2024. Similarly, the stock of external debt as a ratio to GDP rose from 57.9% in 2023 to 62.2% in 2024, reflecting higher debt accumulation relative to nominal GDP growth (Figure 58).

During the year, the increase in external debt was primarily driven by publicly guaranteed debt, which primarily reflected the increase in borrowings by the MMA, while borrowings by the government also observed a significant

<sup>18</sup> These include receipts from T-GST, tourism land rent, green tax, airport service charge and airport development fee.

<sup>19</sup> External debt statistics mentioned here refer to government external borrowings (which are different from external debt under public debt as it includes publicly guaranteed external debt) and foreign liabilities of commercial banks.

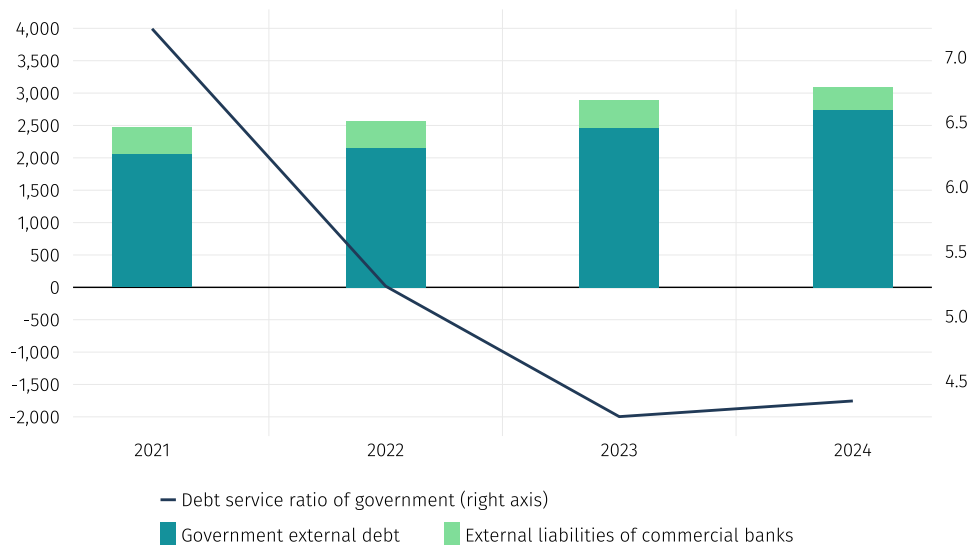
increase during the year. In this regard, increases were observed in government loans sourced from buyer's credit<sup>20</sup>, bilateral, as well as multilateral lenders. In contrast, borrowings by the commercial banks registered a decline at the end of 2024.

Government external borrowing, which primarily consists of buyer's credit, debt securities, and loans from multilateral, bilateral, and private sources, increased by US\$267.9 million, totalling US\$2,742.2 million by the end of 2024 (Figure 59). As a proportion of GDP, central government external debt rose to 38.8% in 2024, after recording 37.6% in the previous year. Debt obtained through buyer's credit expanded by US\$151.0 million, reaching US\$1,187.6 million at the end of 2024. Similarly, bilateral and multilateral loans increased by US\$95.8 million and US\$21.0 million, respectively, bringing their totals to US\$372.5 million and US\$482.2 million by year-end.

As for the foreign liabilities of commercial banks, it declined by US\$65.0 million, bringing the total to US\$352.7 million at the end of 2024. This reduction was largely due to lower borrowings from foreign commercial banks, coupled with a marginal decline in borrowings from head offices and branches. As a share of GDP, the outstanding stock of commercial banks' foreign borrowings fell from 6.4% in 2023 to 5.0% in 2024.

The total cost of debt servicing<sup>21</sup> rose by US\$18.9 million, amounting to US\$224.8 million (3.2% of GDP) in 2024. This increase primarily stemmed from a growth in principal payments on debt securities. Consequently, the debt service ratio<sup>22</sup>, which measures the adequacy of foreign exchange earnings to meet maturing debt obligations, edged up from 4.2% in 2023 to 4.3% in 2024, despite the growth in exports of goods and services over the year.

**Figure 58: External Debt, 2021 - 2024**  
(millions of US dollars, percent)



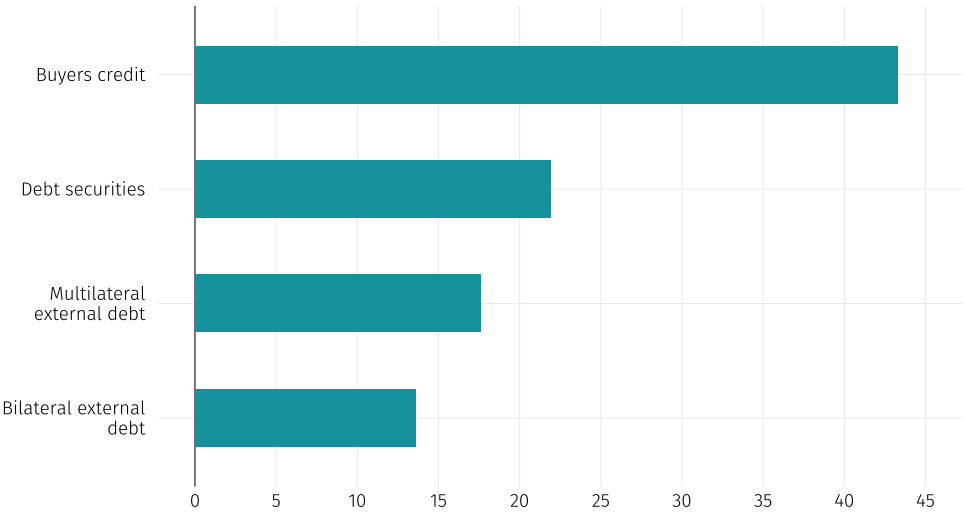
Source: Ministry of Finance and Maldives Monetary Authority

<sup>20</sup> Buyer's credit is a loan facility extended to an importer by a bank or financial institution to finance the purchase of goods or services and other high-cost items.

<sup>21</sup> Includes both principal and interest payments.

<sup>22</sup> Debt service ratio is the ratio of debt service payments to export of goods and services.

Figure 59: Composition of Total Government External Debt Outstanding, 2024 (percent)



Source: Ministry of Finance

# Outlook for 2025

According to the “reference forecast” of the April 2025 *World Economic Outlook* (WEO) of the International Monetary Fund (IMF), global economic growth is projected to drop to 2.8% in 2025—a downward revision of 0.5 percentage points relative to the projections in the *January 2025 WEO Update*—from 3.3% in 2024, well below the historical average of 3.7%. The swift rise in trade tensions and significant policy uncertainty are anticipated to weigh on global activity in 2025 with slowdowns across all regions. In the advanced economies, growth is expected to decline in 2025, with a marked downgrade to the growth forecast for the United States due to the impact of the tariff increase and a softer demand momentum. Growth in the emerging market and developing economies is also projected decrease. Among the emerging economies, the growth forecast for China has been revised downwards considerably, reflecting the impact of tariffs which offset fiscal support announced early during the year. Global inflation is expected to continue declining, reaching 4.3% in 2025 and 3.6% in 2026. Inflation is projected to return to central bank targets more quickly in advanced economies than in emerging market and developing economies, reflecting differences in economic conditions and policy effectiveness.

According to the growth forecasts estimated jointly by the Maldives Monetary Authority and the Ministry of Finance and Planning in October 2024, real GDP is projected to grow by 6.4% in 2025. As per the latest estimates published by the Maldives Bureau of Statistics real GDP grew

by 5.1% in 2024. The expected growth for 2025 is higher than the historical long-run average growth of around 5.8% (average growth from 2004–2019). The strong growth projected for 2025 is expected to be driven primarily by an uptick in real activity in the tourism sector due to the anticipated operationalisation of the new passenger terminal of the Velana International Airport during the second half of the year. This is expected to improve the airport’s operational capacity and ease existing bottlenecks, facilitating more international flight movements. Under these assumptions, tourist arrivals in 2025 are expected to surpass 2.2 million. This represents an expected year-on-year growth of around 10.8%, following the arrival of around 2.0 million tourists in 2024. The projected increase in tourist arrivals is also anticipated to contribute favorably to the growth of the transportation and communication sector, which is expected to be the second biggest contributing sector to growth in 2025.

Looking at domestic prices, as per the projections estimated in October 2024, national inflation is projected at 3.9% for 2025, up from 1.4% in 2024. It should be noted that these projections were predicated on the assumption that subsidy reforms would be implemented from Q2-2025 onward. However, given that Q2-2025 has already commenced, and further given the uncertainty surrounding the timeline on the implementation of these reforms this year, domestic inflation for 2025 is expected to come in lower than initially forecasted.

On the fiscal front, as per the approved Government Budget for 2025 the fiscal deficit (as a percentage of GDP) is projected to improve to -7.8%, following an estimated expansion in the deficit to -12.5% in 2024. The improvement in the budget deficit is expected to be driven by both increased revenue from planned reforms and new revenue measures, in tandem with concerted efforts towards expenditure rationalization. Important measures aimed at increasing revenue include raising the tax rates for tourism goods and services tax (TGST), green tax, airport taxes and fees, increasing import duties on specified products, and introduction of a royalty fee for land reclamation projects. These reforms, alongside an increase in revenue expected from the projected growth in real economic activity in 2025, is expected to increase total revenue for 2025 to MVR39.8 billion. Meanwhile, total expenditure is expected to increase modestly compared to the previous year and amount MVR49.2 billion, due to planned expenditure rationalization and economic reform measures. The most substantial savings are expected to come from subsidy reforms, which entail replacing existing blanket subsidies for staples and electricity with a direct cash transfer system aimed towards low-income households. The budget deficit is planned to be financed primarily from external sources. To this end, 62.5% of the budget deficit is planned to be financed externally. By the end of the year, total public debt as a share of GDP is projected to decrease to 124.8% from a projected 127.2% in 2024. Fiscal risks remain elevated and heavily tilted towards the downside. Key risks include delays in the implementation of subsidy reforms, refinancing risks and difficulties in obtaining external financing.

With regard to the external sector, according to projections of October 2024, the current

account deficit is projected to narrow to US\$972.3 million (12.5% of GDP) in 2025 from 17.9% in 2024. The improvement of the current account deficit in 2025 is expected to be driven by the growth in the surplus of the services account, on the back of the anticipated growth in real activity in the tourism sector. Further, projected improvements in the secondary income account due to an expected increase in government grant inflows, are also expected to contribute favourably to the improvement of the current account deficit. Together, these two effects are expected to offset the decline in the goods account stemming from higher import expenditure, and an expected rise in the primary income account deficit due to higher interest payments on government debt payments during 2025. In 2025, the financial account is forecasted to register a net inflow of US\$1,086.8 million. Gross International Reserves (GIR) are projected to increase to US\$705.1 million by the end of 2025. This projection assumes an increase in foreign currency revenue collection and new foreign currency inflows stemming from the implementation of foreign exchange market reforms.

## Risks to outlook

In the short-term, the balance of risks to both global and domestic growth remains firmly tilted to the downside. Global growth for the next 5 years is expected to be lower than its historical average. The increasingly protectionist stance of US trade policy, in the form of recently announced tariffs, is expected to result in heightened trade tensions between the US and other major economies, including the euro area and China. This could result in lower investment, reduce market efficiency, distort trade flows, and disrupt supply chains

Global inflation risks are tilted to the upside from the above factors. Despite the ongoing disinflationary episodes in most advanced economies, the newly announced tariffs pose a significant upside risk to prices. While there is a high degree of uncertainty around the magnitude of inflationary impact from the tariffs, a trade war could also fuel inflationary pressures, primarily through rising import prices. Empirical evidence and experience from previous episodes of trade tensions suggest that the inflationary effect of protectionist policies could be higher than anticipated.

The balance of risks for domestic growth are mixed but relatively tilted towards the downside. On the upside, faster than anticipated operationalisation of the new passenger terminal of Velana International Airport could boost tourism activity and economic growth. On the downside, the government's efforts

towards fiscal consolidation and expenditure rationalization could hinder growth in the short-term. Additionally, the protectionist trade policies being implemented by the current US administration and the ensuing trade tensions between the US, and the rest of the world, could hinder growth in key source markets for tourism and negatively affect tourism demand. Meanwhile, global oil prices are projected to decrease in 2025, reflecting the weakening of global activity, which would somewhat lower inflationary pressure. On the other hand, uncertainty around the implementation of subsidy reforms also poses a significant upside risk to domestic inflation. Moreover, a tightening of global financial conditions, amid elevated public debt levels and increased borrowing costs, could pose further challenges to meet the external financing needs of the government.

# Internal Management, Policies and Organisational Developments

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# Monetary Policy

## Monetary Policy Framework

The MMA continued to adopt an exchange rate-based monetary policy framework to achieve the primary objective of ensuring price stability, conducive to the sustainable growth of the economy. In this regard, the MMA aims to maintain the exchange rate within a stipulated band of MVR10.28–15.42, through foreign exchange market intervention operations and the management of surplus liquidity of Maldivian rufiyaa in the banking system.

To implement the monetary policy effectively, the MMA utilizes the following monetary policy instruments: Minimum Reserve Requirement (MRR), Open Market Operations (OMO), foreign exchange swaps and standing facilities, which include Overnight Deposit Facility (ODF) at 1.5% per annum and Overnight Lombard Facility (OLF) at 10% per annum. Additionally, any revisions to the monetary policy formulation and the policy instruments are proposed by the Monetary Policy Committee and the final decision is made by the Board of Directors of the MMA after thorough assessment of the proposals put forward by the committee.

## Implementation of Monetary Policy

The MMA's monetary policy framework remained unchanged in 2024, centered on maintaining the exchange rate peg with the US Dollar within the band of MVR10.28 and MVR15.42. In this regard, to address exchange rate pressures in the domestic

economy, the MMA continued to implement two key operations: foreign exchange market interventions and rufiyaa liquidity management. These operations remain integral in managing exchange rate pressures within the domestic economy and ensuring macroeconomic stability.

Over the recent years, the liquidity conditions of the banking system have undergone significant systematic shifts. As such, the effects of monetization and the subsequent securitization undertaken in response to the Covid-19 pandemic persisted in 2024, contributing to a notable increase in local currency liquidity within the banking system, particularly concentrated amongst few banks. In contrast, despite the post-pandemic improvements in foreign currency liquidity, the banking system observed a reduction in foreign currency liquidity during the year. To alleviate this shortage, the MMA lowered the MRR for foreign currency deposits from 10% to 7.5%, effective from 24 October 2024, with plans to review the rate based on macro-economic conditions and the availability of foreign currency liquidity. Meanwhile, the MRR for local currency deposits remained unchanged at 10% during the year.

Moreover, in efforts to strengthen the regulatory framework, the Regulation no. 2024/R-91 (Regulation on Foreign Currency) came into effect on 1 October 2024, superseding the longstanding Monetary Regulation (1987).

However, the Regulation on Foreign Currency was repealed with the enactment of the Law no. 32/2024 (Foreign Currency Act), which came into effect on 1 January 2025. These regulatory developments represent a significant step towards improving the domestic foreign exchange market.

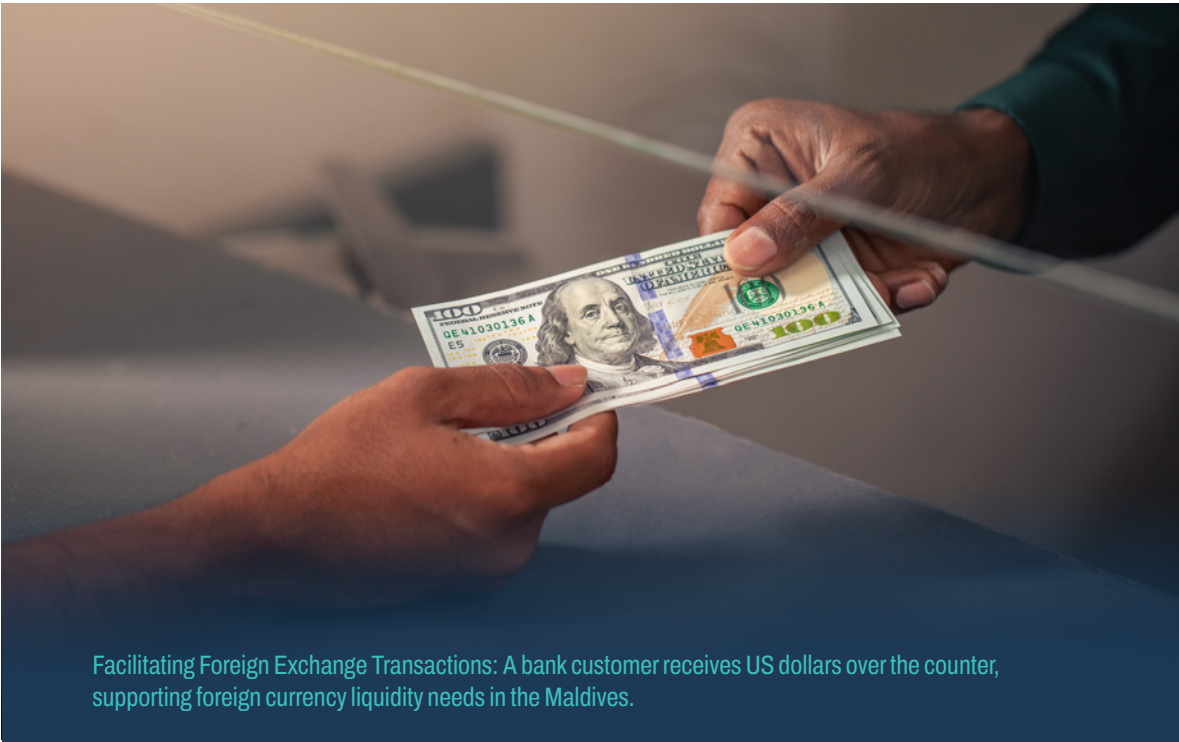
The MMA continued to provide foreign currency support to the domestic economy through foreign exchange intervention to commercial banks. Additionally, within the existing 'Framework on Currency Swap Arrangement for SAARC Countries, 2024-2027', the MMA signed a bilateral currency swap agreement with the Reserve Bank of India (RBI) on 7 October 2024. This agreement allows the MMA to draw a swap facility under both USD/EUR window and Indian Rupee (INR) window, against Ruffiyaa, with a maximum limit of US\$400 million and INR30 billion, respectively. In this regard, to foster market confidence, manage short-term liquidity and to strengthen

the gross international reserves, the MMA accessed the US\$400 million under the USD/EUR swap window.

### Exchange Rate Stability

To manage the exchange rate stability, the MMA actively intervened in the domestic foreign exchange market. In 2024, the US dollar sales by the MMA reached US\$ 997.7 million, reflecting a marginal annual increase of 0.2%.

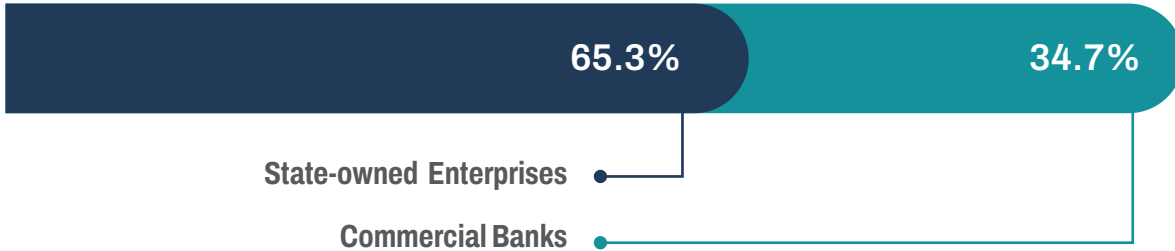
Comprising 65.3% (US\$651.8 million), the largest proportion of the total US dollar sales were made to state-owned enterprises (SOEs), primarily for the import of fuel, food staples, medicine and medical equipment, as well as foreign debt repayments of SOEs. Concurrently, the MMA continued to allocate US dollars to commercial banks to facilitate foreign exchange demand of the public and local businesses. The total sales to commercial banks amounted to US\$346.0



Facilitating Foreign Exchange Transactions: A bank customer receives US dollars over the counter, supporting foreign currency liquidity needs in the Maldives.

# US\$ 997.7 Million

US Dollars Injected to the Domestic Market, 2024



million during the year, recording a notable annual increment of 12.5%. This included normal weekly allocations to banks, foreign currency facilitated for Maldivians traveling abroad for medical and education purposes, US\$500 per person for Maldivians traveling abroad from Velana International Airport (via the Bank of Maldives) as well as sales for other foreign currency requirements of the public, including Hajj and Umrah Groups.

## Liquidity management of the banking system

The primary policy instruments to manage the surplus rufiyaa liquidity in the banking system include ODF, OLF and MRR. In this regard, average ODF placements during the year were MVR6.4 billion, recording a significant decline of 26% (MVR2.0 billion) compared to 2023. Considering the liquidity conditions outlined above, the MRR for foreign currency deposits was revised to 7.5% in October 2024, while the MRR for local currency deposits remained at 10% since June 2021.

## Reserve Management

The Gross International Reserves act as a safety buffer to absorb external shocks to the economy, maintain market confidence, and uphold international credibility to fulfill current and future debt commitments. Furthermore, the reserves function as a crucial policy instrument for intervening in the market, supporting the local currency, and implementing monetary and exchange rate policies.

The MMA manages the Gross International Reserves of the Maldives in line with the MMA Act of 1981, adhering to the Reserve Management Policy defined by the Board of Directors of the MMA and the Investment Guidelines formulated by the Investment Committee. The primary goals of reserve management pursued by the MMA encompass capital preservation, ensuring sufficient liquidity of funds, and generating additional returns while upholding the MMA's investment objectives of safety and liquidity.

To achieve these objectives, the MMA allocates the foreign reserves to a diverse portfolio spanning different asset classes, counterparties, and maturities. This involves monitoring various investment-related risks within specified limits outlined in the Investment Guidelines. Consistent with previous years, thorough research was conducted to identify potential new investment opportunities while staying informed about developments in the global financial market.

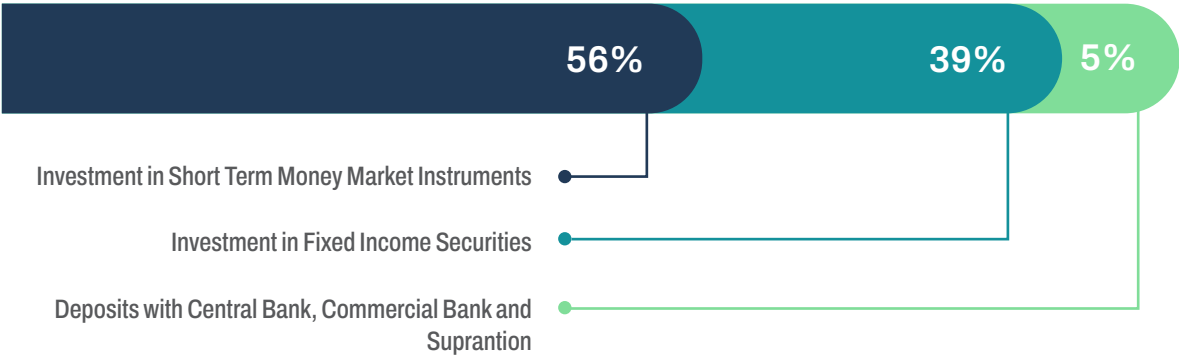
In 2024, the majority of foreign reserves were allocated to money market instruments, followed by fixed-income securities issued

by sovereigns, supranational institutions, and government agencies. A larger proportion of reserves was invested in money market instruments this year, reflecting the need to address short-term liquidity requirements.

The MMA continued to establish new counterparty relationships with banks and international financial institutions to support and expand reserve management activities. By the end of 2024, the MMA had established counterparty relationships with 27 institutions.

Additionally, a new Asset and Investment Management System was introduced in 2024 to streamline reserve management operations.

### Investments by Asset Classes, 2024



## Box 3: Foreign Exchange Market Reforms

### Background

The Maldives is a small open economy heavily dependent on imports for almost all economic activities. This is demonstrated from the Maldivian Balance of Payments (BOP), in which the merchandise trade deficit has been the key driver of the persistent current account (CA) deficit, representing the high value of imports (mainly capital goods, petroleum products and food items) in comparison with the limited export base (largely marine products). The economy is also primarily driven by its tourism sector, which in turn, has significant interlinkages to other economic sectors. As such, earnings from the tourism sector, alongside inflows from Foreign Direct Investments (FDI) to the sector, play a crucial role in reducing and financing the overall CA deficit, respectively.

In this regard, earnings from the tourism sector, which account for a significant percentage of GDP both directly and indirectly, serve as the main source of foreign currency (FX) earnings to the country and as the government's FX revenue. While a portion of the FX earnings are exchanged to the official market, the remaining is assumed to be circulated within the informal market and deposited in foreign banks abroad. In principle, the exchange of such FX earnings should take place within the banking system. However, in the case of Maldives, a major portion of the accumulation takes place within the informal market, resulting in a significant mismatch between the economic demand for FX and what is available within the official banking system.

The ability of the informal market to fulfill the significant mismatch between economic demand for FX and that supplied by the formal market each year signifies the depth of the informal market and the availability of ample FX liquidity within the economy, albeit not within the banking system. Consequently, when it comes to sourcing FX, individuals, businesses and SOEs are constrained to resort to the informal market at elevated premiums above the official exchange rate. This issue has further exacerbated over recent years, with elevated informal market premiums post-pandemic. While the MMA has increased its FX-Intervention to defend the exchange rate peg, this has caused significant drains on reserves and

is unsustainable in the medium-to-long term. Therefore, there is a substantial need for FX reforms in order to ensure that FX flows are deposited and exchanged to the banking system, and to ensure sufficient FX is available at the official exchange rate for all economic purposes.

## Newly Introduced Regulatory Measures

In an effort to address these issues and strengthen the regulatory framework governing the foreign currency market, the MMA introduced Regulation No.: 2024/R-91 (Regulation on Foreign Currency), effective 1 October 2024. This regulation represents a significant policy shift, repealing the long-standing Monetary Regulation that had been in effect since 1 March 1987. The Regulation mandates all local transactions to be conducted in Rufiyaa, with exemptions provided for some transactions. Additionally, the regulation mandates all Tourism Goods and Services Tax (TGST) liable companies to declare and deposit their sales to a domestic bank, while such businesses that fall into defined categories are also required to convert specified amounts to a domestic bank. These measures were introduced with the aim of directing and retaining foreign currency earnings within the domestic banking system. Additionally, banks are required to sell to MMA, a percentage of the foreign currency converted to the bank. This is expected to have a positive impact on reserves, which in turn will allow the MMA to increase its FX Intervention.

To further reinforce the regulatory measures, the MMA introduced Law No.: 32/2024 (Foreign Currency Act), effective 1 January 2025, repealing the aforementioned regulation. Under this Act, in addition to tourism goods and service providers, non-tourism businesses (excluding financial institutions) that meet the specified threshold are also required to deposit and convert their foreign currency, as stipulated in the Act and its related regulations. As such, the two main requirements

### 1. Deposit Requirement

Tourism Goods and Service Providers and Non-Tourism businesses (excluding financial institutions) that earn a minimum of USD15 million (or equivalent) in the previous calendar year are required to deposit their total sales proceeds realized in foreign currency in a calendar month, to a local bank.

### 2. Conversion Requirement

Tourism Goods and Service Providers that fall under Category A and Category B, and businesses that do not fall under Category A and B (excluding financial institutions) that earn a minimum of USD 15 million (or equivalent) in the previous

calendar year, are required to convert a specific amount of foreign currency to a local bank. The details of the conversion requirements are as follows:

Categories	Types of Business	Conversion Requirement
Category A	Tourist resorts, integrated tourist resorts, private islands, resort hotels and any other similar establishment	USD 500 per tourist arrival during a calendar month OR 20% of monthly gross sales received in foreign currency
Category B	Tourist vessel, tourist hotels, tourist guesthouses and homestay tourist guesthouse	USD 25 per tourist arrival during a calendar month OR 20% of monthly gross sales received in foreign currency
Businesses that do not fall under Category A and B (excluding financial institutions) that earn a minimum of USD 15 million (or equivalent) in the previous calendar year	Both tourism and non-tourism businesses that meet the criteria	20% of monthly gross sales received in foreign currency

With the implementation of these regulatory measures, it is expected to increase the availability of foreign currency within the domestic banking system and reduce the role of the informal market in catering for the FX demand.

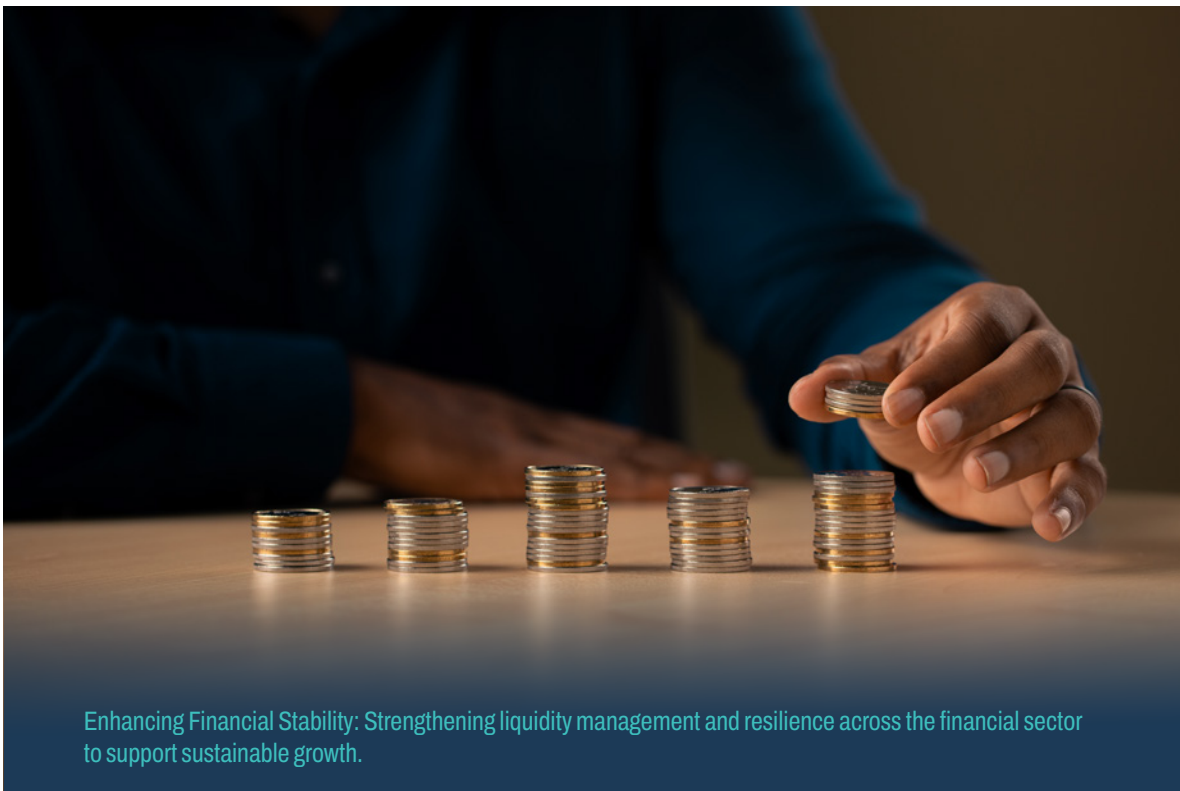
# Financial Stability

Maintaining a sound and stable financial system in the Maldives is one of the fundamental objectives of the MMA and is essential to uphold public confidence in the financial system. To fulfil this objective, the MMA licenses, regulates, and supervises financial institutions, ensuring that potential risks are identified and the system's capacity to address such challenges is effectively assessed. Furthermore, the MMA implements strategic measures aimed at enhancing and fostering the growth of the financial sector. Institutions and service providers within the regulatory scope of the MMA include

commercial banks, insurance companies, finance companies, insurance brokers and agents, as well as payment service providers such as money remittance operators, card acquirers, and electronic money issuers.

## Developments to the Regulatory Framework

To strengthen the supervisory and regulatory activities of the financial sector, the following regulation and circulars were issued to the financial institutions in 2024.



Enhancing Financial Stability: Strengthening liquidity management and resilience across the financial sector to support sustainable growth.

- The second amendment to the “Regulation on Corporate Governance for Banks, Insurance Companies and Finance Companies” was made during the year due to challenges faced by the government in nominating its representatives.
- The “Regulation on Money Changing Businesses” was issued in October 2024. The regulation provides for licensing, regulating and supervision and other related matters to Money Changers.
- The circular for “Mandatory Phishing Simulation Exercises and Reporting Requirements” was issued on 6 November 2024 to enhance cybersecurity awareness and readiness within banks. This circular requires banks to conduct annual phishing simulation exercises and submit the findings to the MMA by the end of June each year. Additionally, banks must report any phishing attacks to the MMA through Cybersecurity Event reporting, regardless of whether the system was exploited.
- Initiated work on the implementation of a Risk-Based Solvency Framework, aimed at aligning regulatory standards with international best practices to enhance the financial resilience and solvency of insurance companies operating in the Maldives.
- Started assessing the insurance protection gap and exploring the development of a Natural Catastrophic Pool, to address vulnerabilities and strengthen financial preparedness for natural disasters, ensuring better risk management across the industry.
- In October 2024, the MMA introduced the Regulation on Foreign Currency to strengthen foreign currency liquidity and

channel foreign currency earnings through the formal banking system. This regulation was subsequently repealed with the enactment of the Foreign Currency Act.

- The Foreign Currency Act was ratified on 14 December 2024 and came into effect on 1 January 2025, providing the legislative basis for foreign currency-related activities.

## Commenced a Feasibility Study on Coral Reef Insurance

- A Feasibility Study on Coral Reef Insurance in the Maldives was commenced, focusing on evaluating the potential for innovative insurance solutions to protect coral reefs, a vital resource for the country’s economy and environment.

## Licensing, Supervision and Other Regulatory Activities

As part of the MMA’s mandate to ensure financial stability, it is necessary to ensure that financial institutions function in a safe and sound manner and in accordance with the laws and regulations governing these institutions. Accordingly, the MMA conducts regular on-site examinations and off-site monitoring of these institutions and undertakes work related to the issuance and cancellation of licenses.

### On-site Examinations

- The examination of Mauritius Commercial Bank, started in October 2023, was completed. This examination focused on assessing the bank’s compliance with the Regulation on Corporate Governance, Risk Management Guidelines, and AML/CFT risk management related to MoneyGram services.

- The examination of Bank of Ceylon, started in December 2023, was completed. This examination focused on assessing the bank's compliance with the Regulation on Corporate Governance and Risk Management Guidelines.
- The examination of Bank of Maldives (BML), started in December 2023 focusing on cyber resiliency, was completed.
- Examinations of State Bank of India, Maldives Islamic Bank, and BML were conducted, focusing on the adequacy of the implementation of IFRS-9 provisioning.
- The examination of Commercial Bank of Maldives was conducted, focusing on the bank's compliance with Risk Management Guidelines and the adequacy of IFRS-9 implementation provisioning.
- The examination of Maldives Finance and Leasing Company Pvt Ltd is ongoing, focusing on compliance with the Regulation on Corporate Governance and Risk Management Guidelines.
- An on-site examination of Allied Insurance Company of the Maldives Pvt Ltd was completed to evaluate compliance with the Regulation on Corporate Governance and Risk Management Guidelines.
- A full-scope on-site examination of Amana Takaful (Maldives) Plc, focusing on operations and overall compliance with insurance regulations and guidelines, was completed.

## Off-site Monitoring

Off-site monitoring of financial institutions involves the evaluation and analysis of financial reports and other information submitted to

the MMA. The findings are compiled into off-site reports, which play a critical role in the supervisory process. A risk-based approach is employed, focusing on identifying significant risks faced by financial institutions, assessing their risk management practices, and evaluating their financial resilience to potential threats. Additionally, the reports emphasize compliance with regulatory requirements.

In 2024, regular off-site monitoring activities were conducted for banks, finance companies, and insurance companies. Financial statements and other submitted data were reviewed, and quarterly off-site reports were prepared under the risk-based framework. These reports provided insights into key financial performance indicators, the effectiveness of risk management practices, and adherence to regulatory standards.

## Licences Issued and Revoked During the Year

- 8 money changer licences were cancelled during the year, either at the licensee's request or as a result of non-compliance to licensing conditions.

## License Applications

- **Bank License:** One application received in 2023 was rejected in 2024 as it does not meet the criteria for a banking licence. Two Tier 1 Bank license applications remain under evaluation as of year-end.
- **Development Bank License:** One development bank license application was received during the year and a conditional license was granted.
- **Insurance Companies:** One application was submitted for review. After careful evaluation, the application was rejected.

- **Insurance Brokers:** Two applications were received. One application was rejected after a comprehensive review, while the other remained under evaluation as of year-end.
- **Insurance Agents:** A total of 28 applications were submitted. Twelve licenses were issued, while 14 applications remained under evaluation as of year-end. Additionally, 2 license applications were rejected.
- **E-Money Issuance Service Provider License:** One application was received and was under evaluation at year-end.
- **Remittance Service Provider Licenses:** Five applications were received. One license was approved, one was rejected, and the remaining were under review.
- **Money Changing Business Licenses:** In response to the new Regulation of Money Changing Business, 98 applications were received by the 30 November deadline, comprising:
  - 79 Tier 1 applications (44 new and 35 from existing license holders)
  - 19 Tier 2 applications (5 new and 14 from existing license holders)
- A company was authorized to introduce family takaful products as a composite takaful company, effective from 21st March 2024.

## Development of the Financial Sector

In 2024, the MMA continued its efforts to enhance the financial sector by promoting financial inclusion, strengthening consumer protection, and modernizing financial infrastructure. Key initiatives included the

finalization of the National Financial Inclusion Strategy (NFIS), which is set for official launch, and the development of a Green Finance Taxonomy to facilitate sustainable financing in the Maldives. Additionally, the MMA supported the SME Credit Gap Assessment under the Maldives Competitiveness and Growth Project, working closely with the World Bank to improve access to finance for small and medium enterprises.

On the regulatory front, the Financial Institutions Licensing Division was established to oversee licensing functions, and the Regulation on Money Changing Business was operationalized. These efforts, along with strengthened financial consumer protection measures, reflect the MMA's commitment to fostering a resilient, inclusive, and well-regulated financial sector in the Maldives.

### Credit Information Bureau

The Credit Information Bureau (CIB) of the Maldives was established in 2011, governed by Regulation No. 2011/R-29 (Credit Information Regulation 2011), issued under Law No. 24/2010 (Maldives Banking Act). It is an initiative of the MMA, financed by the Asian Development Bank (ADB), to establish a credit information registry for the Maldives to improve access to finance and enhance the efficiency of the financial sector. The main objective of the CIB is to provide a national credit information registry that supports the financial sector in making more informed credit decisions. The CIB also aims to provide a Secured Transactions Registry to facilitate and encourage access to credit through the use of movable property as collateral.

In 2024, the CIB facilitated and assisted a World Bank consultant in conducting the SME Credit Gap Assessment under the Maldives Competitiveness and Growth Project. This

five-year project is financed by the World Bank and implemented by the Ministry of Finance and Planning. The MMA is the supporting agency overseeing the development and implementation of the Digital Credit Infrastructure component of the project.

## Credit Information System

The Credit Information System collects credit information from all banks and financial institutions that are members of the bureau. All banks and financial institutions in the Maldives are members of the bureau and are legally obligated to submit credit information to the bureau. The credit information collected includes public record data, statutory information, identity information, credit transactions, and payment histories of individual consumers and commercial entities. This data is compiled into Credit Information Reports (CIR), which support member institutions in making informed credit decisions. Individuals and corporate entities may also request Self-Inquiry Reports (SIR) to assess their credit standing.

Accordingly, during 2024, a total of 94,687 CIRs were obtained by member institutions of the CIB. This included 86,893 consumer CIRs and 7,794 commercial CIRs, representing an increase of 8.97% compared to the previous year.

Meanwhile, demand for SIRs continued to rise, driven by increased public awareness and usage by institutions for financial evaluations. To enhance the efficiency of the SIR issuance process, the government's digital identity mechanism, 'eFaas,' was integrated into the SIR request system. A total of 1,145 SIRs were issued in 2024, including 1,098 individual reports and 47 corporate reports.

## Financial Consumer Protection Section

In pursuit of maintaining stability and public trust in the financial sector, a complaint-handling mechanism for financial consumer complaints has been established at the MMA. During 2024, the Financial Consumer Protection Section received 30 written complaints, all of which were reviewed and addressed with responses provided to the complainants.

To further strengthen efforts to protect financial consumers, the MMA is developing a Financial Consumer Protection Regulation. This project is being carried out through a technical assistance programme under the Maldives Competitiveness and Growth Project, financed by the World Bank.

## Financial Inclusion and Green Finance

As part of the initiatives led by the MMA to improve financial inclusion in the Maldives, the MMA spearheaded the formulation of National Financial Inclusion Strategy (NFIS) for the Maldives. The NFIS was formulated through extensive consultations with technical committees comprising relevant experts from government agencies and private companies. While the development of this strategy has been completed, preparations are currently underway for its official launch.

Significant work was also undertaken in one of the NFIS's key pillars—Inclusive Green Finance (IGF). In this regard, the MMA initiated the development of a Green Finance Taxonomy to assist banking service providers in identifying economic activities conducted by individuals and MSMEs that contribute to climate change mitigation and adaptation. This taxonomy,

developed in collaboration with the Alliance for Financial Inclusion (AFI), will enable the introduction of new green loans and promote environmentally friendly economic activity in the Maldives.

Additionally, as part of ongoing efforts to promote green finance in the Maldives, the MMA is working with the Sustainable Banking and Finance Network to develop a National Sustainable Finance Roadmap for the Maldives. This project aims to propose a clear, operational and realistic framework for action that will support financial institutions in scaling up their contributions to the environmental and social goals of the Maldives.

### Islamic Finance Section

In 2024, the MMA placed significant emphasis on promoting Islamic finance through various awareness programmes and initiatives. In July 2024, the MMA held an event at the

Islamic University of Maldives titled “Insights into Islamic Finance with the Shariah Council of MMA (SCoMMA)”. The event focused on enhancing awareness and understanding of Sukuk and Islamic finance among the staff of the Islamic University of Maldives (IUM) and students from higher education institutions.

Likewise, in December 2024, the MMA, in collaboration with Islamic financial institutions and the Ministry of Education, hosted a programme titled “Practical Insights: Islamic Finance for Educators”. This event was designed for Islam teachers from higher secondary schools in the Malé region and aimed at enhancing their understanding of Islamic finance and its practical applications in the Maldives.

Moreover, to establish the Maldives as a leading hub for Shariah-compliant digital asset innovation in South Asia, the MMA plans to conduct research into the feasibility



Practical Insights: Islamic Finance for Educators’ programme, aimed at enhancing awareness and understanding of Islamic finance among educators in the Maldives.

of establishing an Islamic Digital Asset Centre in the Maldives. The key objectives of this initiative are to enhance financial inclusion through Shariah-compliant solutions, attract foreign investment by leveraging the Maldives' strategic location and regulatory environment, and foster innovation in Islamic Fintech while adhering to global standards. To support this, the MMA published a Request for Proposals for the project in December 2024.

During the year, the MMA granted approval to a financial institution to establish an Islamic Finance window. Furthermore, a physical meeting of the SCoMMA was held during the year to discuss approval of product structures and industry challenges. One new product structure was approved by the SCoMMA to be made available to the public.

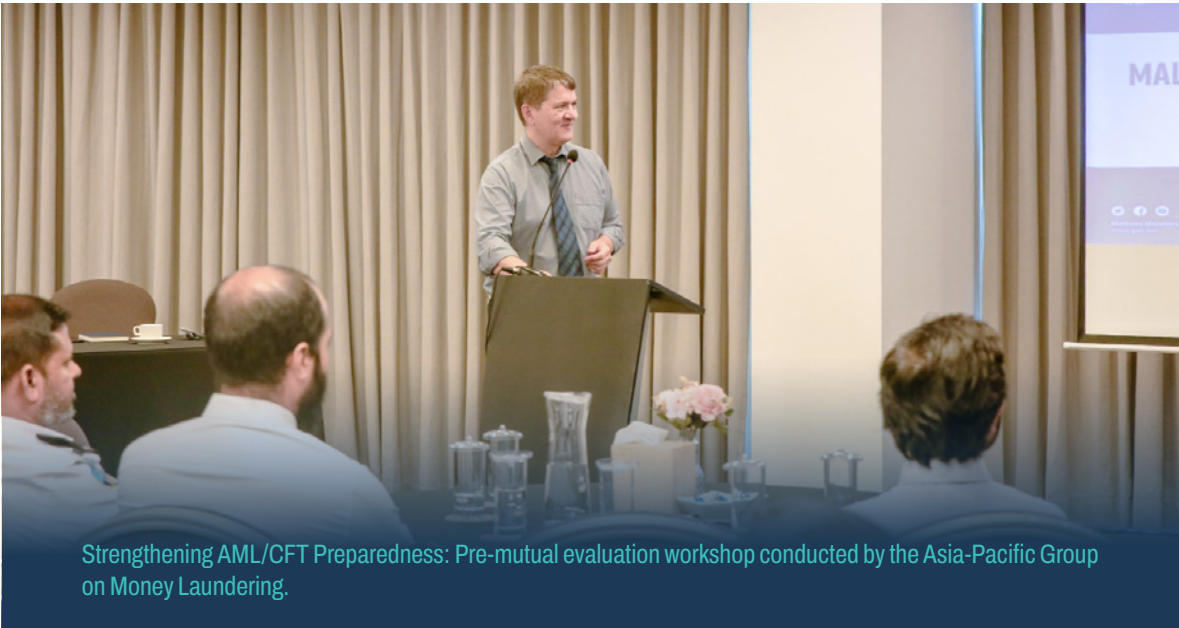
## Measures Taken to Prevent Financial Crimes

The MMA is dedicated to maintaining the integrity of the financial system and sustaining public trust. A central aspect of

this commitment is the proactive prevention of financial crimes, particularly those related to money laundering and terrorist financing.

In 2024, significant progress was made in strengthening both domestic and international cooperation efforts by the Financial Intelligence Unit (FIU). Notably, several key Memoranda of Understanding (MoUs) were signed to enhance information sharing and collaboration. The Financial Monitoring Agency of the Republic of Kazakhstan formalised an MoU with the Maldives FIU, fostering greater cooperation in financial oversight. In addition, MoUs were executed with the Anti-Money Laundering Office (AMLO) of the Kingdom of Thailand and the Unidade de Informação Financeira of the Democratic Republic of Timor-Leste, underscoring a collective commitment to enhancing cross-border financial intelligence sharing and regulatory coordination.

Following extensive efforts throughout 2023, the FIU successfully attained membership in the Egmont Group of FIUs in June 2024. This achievement marks a significant milestone in FIU's commitment to aligning with global best



Strengthening AML/CFT Preparedness: Pre-mutual evaluation workshop conducted by the Asia-Pacific Group on Money Laundering.

practices. Moreover, as FIU is a member of the Asia-Pacific Group on Money Laundering (APG), the country is required to undergo a mutual evaluation, which has been initiated by APG in 2024. The purpose of this evaluation is to assess the country's compliance with international standards on combating money laundering, terrorism financing, and proliferation financing.

Throughout 2024, FIU conducted several sector-specific training programs regarding the compliance obligations of Reporting Entities and red flags across key financial and non-financial sectors. These training sessions were designed to equip Reporting Entities with the necessary knowledge and tools to effectively combat financial crimes and ensure adherence to regulatory requirements. The targeted sectors included banking sector, insurance sector and payment service providers. Additionally,

training sessions were also extended to the financing sector to enhance due diligence practices and regulatory compliance, as well as to money changers and Designated Non-Financial Businesses & Professions (DNFBP) which includes businesses and professions that are susceptible to money laundering and other financial crime risks. These initiatives reflect FIU's commitment to fostering a culture of compliance and vigilance across all relevant sectors.

The FIU also continued its supervisory activities to ensure compliance by Reporting Entities. As part of this effort, an on-site AML/CFT examination of one bank was conducted, along with an offsite examination of another bank. In addition, multiple compliance checks were carried out for Reporting Entities during 2024.

# Currency, Banking and Payment Systems

## Currency

The MMA is the sole issuer of the Maldivian currency and has the legal obligation to ensure that the demand for currency is adequately met. The MMA is also responsible for safeguarding the integrity and quality of the Maldivian currency. Accordingly, the MMA oversees the complete lifecycle of banknotes and coins, including the addition of new security features, printing and minting of banknotes and coins, issuing new currency, and the destruction and replacement of banknotes and coins that are unfit for circulation.

## Currency in Circulation

At the end of 2024, the total value of banknotes in circulation stood at MVR 4.1 billion, marking an annual increase of 4.5%. The total value of coins in circulation increased by 5.2% compared to the previous year, reaching MVR 88.8 million.

## Printing Banknotes

A shipment of MVR 100 banknotes was received by the MMA on 15 December 2024 to replenish the stock. This is a reprint of the current MVR 100 banknote, featuring the currency symbol printed on both sides of the banknote, along with the face value on the top left of the obverse and the top right of the

### Value of Banknotes in Circulation, 31 December 2024

**MVR4.1** | **BILLION**  
31 December 2024

MVR 1000  
14.12%

MVR 500  
74.03%

MVR 100  
7.52%

MVR 50  
1.48%

MVR 20  
1.32%

MVR 10  
0.90%

MVR 5  
0.62%

reverse. The banknote bears the signature of Governor Ali Hashim and is dated 7 July 2024, 1 Muharram 1446.

## Minting of Coins

A shipment of MVR 1 coins was received by the MMA on 5 December 2024 to replenish the stock.

## Destruction of Banknotes

The MMA regularly destroys banknotes that are unfit for circulation in accordance with the banknote destruction policy.

The total of number of unfit banknotes received to the MMA increased by 82.6% compared to 2023. In 2024, a total of 719,596 banknotes valued at MVR 46,347,615.00 were destroyed.

## Payment Systems and Services

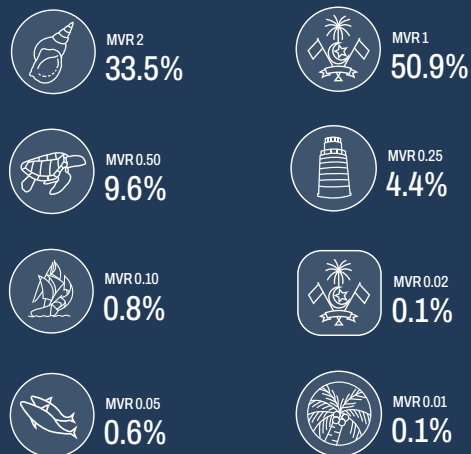
### Payment Systems

An efficient and reliable payment system is a cornerstone of financial stability and a key contributor to the resilience of financial market infrastructures. It enables the smooth and secure execution of financial transactions, fostering trust and efficiency in the financial sector. As part of its strategic priorities, the MMA remains committed to advancing the national payment infrastructure to meet the evolving needs of the economy.

The MMA currently operates three payment systems: the Maldives Real-Time Gross Settlement (MRTGS) System, the Automated Clearing House (ACH) System, and Favara – the Maldives Instant Payment System. Each

### Value of Coins in Circulation, 31 December 2024

**MVR88.71** | **MILLION**  
31 December 2024



### Quantity of Banknotes Destroyed, 2024



system serves a distinct function in facilitating various types of payments. The MRTGS System processes high-value, time-critical interbank transactions on a real-time, gross settlement basis. The ACH System handles high volumes of low-value transactions through batch processing. Launched in August 2023, Favara introduces 24/7/365 instant payment capabilities for MVR transactions, representing a significant milestone in the modernization of the nation’s payment infrastructure.

In 2024, the number of transactions settled through the MRTGS System totaled 424,520—a decrease of 1.52% compared to 2023. In terms of total transactions value, this represented a decrease of 9.79%. This decline may be attributed to the increase the transaction limit for Favara transfers from MVR 50,000 to MVR 200,000, implemented in March 2024.

During the same period, the volume of direct credits settled through the ACH System decreased by 36.54%. to total 1,048,262 transactions, with a cumulative value of MVR

14.59 billion by the end of 2024.

Additionally, it should be noted that the volume of cheques processed via the ACH System decreased significantly by 15.96% over the year. In terms of value, this represented a decline of 12.34%. The continued decline in cheque usage is consistent with the trend observed in 2022 and 2023. This may be largely attributed to the significant efforts undertaken by stakeholders to reduce the use of cheque, the introduction of Favara and a general shift in preference towards the use of available digital alternatives.

Launched in August 2023, Favara transactions comprise both Favara transfers and Favara requests. Of the total value of Favara transactions, 7.76 million transactions were Favara transfers, amounting to MVR 23.72 billion. Meanwhile, the number of Favara requests processed during the year totaled 7,427 transactions, with a total value of MVR 16.56 million.

### Volume of Transactions Processed Through MRTGS, ACH and Favara in 2023 and 2024

Payment System	2023			2024		
	MVR	USD	Total	MVR	USD	Total
MRTGS	176,000	255,081	<b>431,081</b>	149,975	274,545	<b>424,520</b>
ACH - Direct Credit	1,045,813	605,907	<b>1,651,720</b>	355,356	692,906	<b>1,048,262</b>
ACH - Cheque	162,929	61,692	<b>224,621</b>	136,158	52,624	<b>188,782</b>
Favara Transactions	915,459	-	<b>915,459</b>	7,767,810	-	<b>7,767,810</b>

## Value of Transactions Processed Through MRTGS, ACH and Favara in 2023 and 2024 (in billions)

Payment System	2023			2024		
	MVR	USD	Total	MVR	USD	Total
MRTGS	3,614.31	15.10	<b>3,847.15</b>	3,215.75	16.51	<b>3,470.40</b>
ACH - Direct Credit	6.53	0.61	<b>15.94</b>	4.07	0.68	<b>14.59</b>
ACH - Cheque	11.87	1.16	<b>29.76</b>	9.48	1.08	<b>26.08</b>
Favara Transactions	2.76	-	<b>2.76</b>	23.73	-	<b>23.73</b>

# Payment Services

## Licensing, Oversight and Other Regulatory Activities

A strong and effective legal framework is essential for ensuring the security and efficiency of the payments market. The rapid evolution of the payments sector has led to the emergence of various Payment Service Providers (PSPs), promoting innovative business models.

Consequently, there is an increased need for a robust and continuously updated legal framework that can address new regulatory challenges. This is crucial for ensuring the stability of the payment market and the responsible conduct of PSPs.

To further enhance its oversight function, the MMA initiated the development of a comprehensive oversight framework for payment systems and PSPs, in line with the international best practices and standards. This framework is expected to be finalized and implemented in 2025.

## Licenses issued and cancelled during the year

In 2024, the MMA received two applications for PSP licences, both of which were approved. These applications were submitted by Dhivehi Raajjeyge Gulhun Plc (Dhiraagu) and Ooredoo Maldives Plc, in fulfilment of a licensing

condition imposed in 2022. The condition required both companies to offer payment services through a separate entity established specifically for providing payment services or conducting financial business.

Accordingly, the following licences were issued during the year:

1. A PSP licence was issued to Dhiraagu FinTech Pvt. Ltd. in August 2024 to provide electronic money issuance services. With the issuance of this license, the operations of the electronic money issuance service previously conducted by Dhiraagu will now be carried out under Dhiraagu FinTech Pvt. Ltd. The PSP license issued to Dhiraagu will be cancelled once Dhiraagu FinTech Pvt. Ltd. commences its operations.
2. A PSP license was issued to Techfin Maldives Pvt. Ltd. in September 2024 to provide electronic money issuance service and remittance service. With the issuance of this license, the operations of the electronic money issuance service and remittance service previously conducted by Ooredoo Maldives Plc will now be operated under Techfin Maldives Pvt. Ltd. The PSP license issued to Ooredoo Maldives Plc will be cancelled once Techfin Maldives Pvt. Ltd. commences its operations.

## On-site Examinations

As part of its oversight mandate, the MMA regularly conducts on-site examinations of licensed Payment Service Providers (PSPs) to evaluate risk management practices, operational controls, and compliance with regulatory requirements.

The following on-site inspections of PSPs were conducted in 2024:

1. An examination of Island Financial Services Pvt. Ltd. was conducted to assess compliance with the regulatory and operational requirements related to its remittance service. A primary focus of the examination was on assessing the PSP's compliance with issues identified during the previous on-site inspection.
2. An examination of FahiPay Pvt. Ltd. was conducted to assess compliance with regulatory and operational requirements for its electronic money issuance service. The inspection focused on adherence to the internal controls, as well as compliance with the internal policies and guidelines issued by the MMA.

During the year, one PSP providing remittance service in the Maldives was subjected to an administrative penalty under the National Payment System Act, on grounds of repeated non-compliance with the instructions issued by the MMA. These measures aim to strengthen the compliance culture and encourage PSPs to implement stricter control measures within their operations.

## Off-site Examinations

Throughout 2024, the MMA continued its regular off-site monitoring of all licensed PSPs. This process involves systematic review

and analysis of the financial reports and other pertinent information submitted by these institutions in accordance with the reporting schedule established by the MMA.

The primary objective of these activities is to assess the financial condition of the PSPs, ensure compliance with relevant regulatory requirements, adequacy of the technological platforms used to provide the licensed payment services and identify any areas of concern. Where necessary, the MMA provides recommendations to address any identified issues, contributing to the ongoing stability and soundness of the payment services.

As part of the off-site examinations, all licensed PSPs are required to submit audited financial statements and system audits of the technological platforms used to provide their services. In 2024, four PSPs were subjected to administrative penalties for the late submission of audited financial statements and four PSPs were subjected to administrative penalties for the late submission of system audit reports.

## Electronic Money Issuance Service

Since 2022, four licensed PSPs have been active in the provision of electronic money issuance services in the Maldives.

By the end of 2024, over 92,000 electronic money accounts were registered across these providers. However, only slightly more than 25,000 of these accounts were active during the year representing a 12% increase in active accounts compared to 2023.

In line with the increase in active accounts, there was a slight increase in both the volume

and value of transactions processed through electronic money accounts. In terms of volume, the number of transactions grew by 2%, from 1.74 million transactions in 2023 to 1.77 million transactions in 2024. Correspondingly, the total value of transactions increased from MVR 425 million to MVR 459 million, reflecting an 8% increase compared to the previous year.

Airtime top-ups continued to lead as the most frequent type of transaction, comprising 63.2% of total transaction volume in 2024. Post-paid bill payments followed, accounting for 26.9% of transaction volume. In terms of value, however, the pattern differed: airtime top-ups contributed 26.5%, while post-paid bill payments represented 53.7% of the total transaction value.

Additionally, the number of merchants and agents in the market increased by 9% during the year. By the end of 2024, there were over 1,900 merchants and agents, up from just over 1,700 in the previous year. Furthermore, over 88% of all inhabited islands in the Maldives are now served by the distribution network of electronic money issuance service providers.

## Remittance Service

During the year, Island Financial Services Pvt. Ltd., NBL Money Transfer (Maldives) Pvt. Ltd., and Ooredoo Maldives Plc. were operational in providing remittance services.

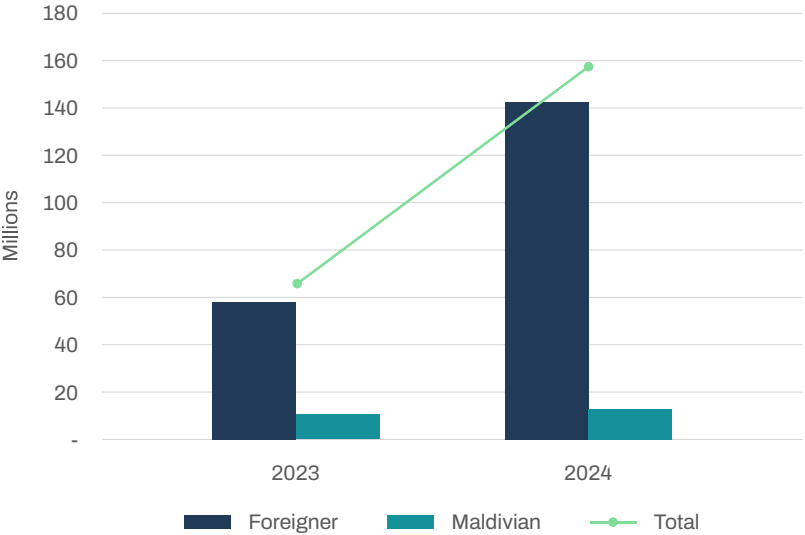
## Outward Remittances

In 2024, outward remittances from the Maldives saw a notable surge, with over 124,000 transactions amounting to more than USD 155 million. This represented a significant growth of 47.8% in transaction volume and 121.5% in transaction value compared to 2023.

Foreign nationals continued to dominate outward remittances, accounting for 92% of the total value, while Maldivians contributed 8%. Notably, the value of remittances sent by Maldivians increased by 8% compared to the previous year. Meanwhile, remittances by foreigners recorded a substantial increase of 143%.

The sharp rise in outward remittances can be attributed to joint efforts of the governments of Bangladesh and the Maldives, who

### Outward Remittance by Locals and Foreigners 2023 - 2024



## Composition of Outward Remittance by Destination Countries, 2024



implemented strict measures to curb cash transfers through unofficial channels and introduced initiatives to promote remittances via official channels. Furthermore, awareness campaigns organized by the Bangladeshi High Commission and NBL Money Transfer (Maldives) Pvt. Ltd. played a key role in encouraging the use of formal remittance channels. In addition, remittance companies improved customer service, expanded their networks, and refined marketing strategies to attract a larger customer base.

Bangladesh retained its position as the leading destination for outward remittances, receiving

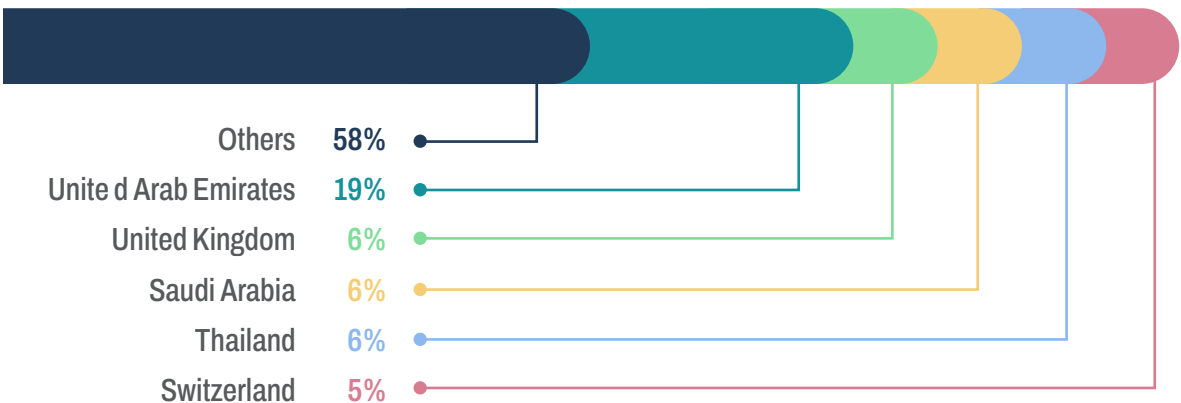
72% of the total value. Nepal ranked second, with 5% followed by the Philippines and Egypt closely followed, each contributing 4%.

## Inward Remittances

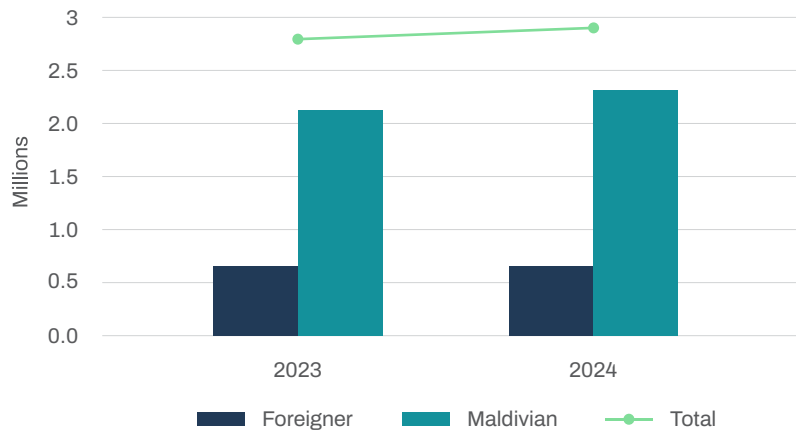
In 2024, over 3,000 inward remittance transactions totalling USD 2.9 million were recorded in the Maldives. This marked a 5% decline in transaction volume and a 6% increase in value compared to the previous year.

Maldivians accounted for the majority of inward remittances, receiving over 78% of the

## Composition of Inward Remittance by Destination Countries, 2024



## Inward Remittance by Locals and Foreigners 2023 - 2024



total value—similar to their share in 2023. The total value of inward remittances received by Maldivians rose by 7% compared to the previous year, while the value received by foreigners dropped by 0.4%.

The United Arab Emirates was the largest source of inward remittances, contributing 19% of the total value. This was followed by the United Kingdom, Saudi Arabia and Thailand, each accounting for 6% of the transactions. Switzerland ranked fifth, contributing 5% of the total value.

## Payment Transactions Acquisition Service

Global Payments Asia-Pacific Maldives Pvt. Ltd. and V.T.T Finance Pvt. Ltd. have remained the two licensed Payment Service Providers authorized to offer Payment Transaction Acquisition Services in the Maldives since obtaining their licenses in March 2022. As of the end of 2024, no additional licenses have been issued to provide this service.

While banks in the Maldives provide both card issuance and card payment acquisition

services, these PSPs specialize exclusively in acquiring card payments. In 2024, over 72 million card payment transactions were acquired collectively by banks and PSPs, representing a total transaction value of approximately MVR 60 billion. This reflects a year-on-year increase of 67% in transaction volume and 45% in value.

The market structure continued to be dominated by banks, which accounted for over 99% of the total transaction volume and 85% of the transaction value. The geographical focus of bank-led acquiring services remains concentrated in the Greater Malé region, resorts, and other key local areas, demonstrating a sustained stronghold in these segments.

## Maldives Payment System Development Project

As part of its efforts to modernize the payment landscape of the Maldives, the MMA formally commenced work on the implementation of an Instant Payment System in 2020 under the Maldives Payment System Development Project (MPSD).

The MPSD project consists of two phases; Phase I includes the implementation of the Maldives Instant Payment System (MIPS) – Favara while Phase II encompasses the delivery of a Payment Platform with a supporting white-label mobile application.

## Phase I – Instant Payment System

Favara commenced operations in August 2023. In its first year of operations five banks were successfully onboarded: Bank of Maldives Plc, Maldives Islamic Bank Plc, State Bank of India, the Mauritius Commercial Bank (Maldives) Private Limited, and Bank of Ceylon.

In March 2024, changes were introduced to Favara’s transaction limits following increased system stability and growing confidence in its performance. As part of these enhancements, the Favara Transfer limit for a single transaction was increased from MVR 50,000 to MVR 200,000, while the Favara Request limit was raised from MVR 5,000 to MVR 10,000.

Throughout 2024, collaborative efforts between the MMA, participating banks, and the system vendor focused on completing the required developments. Efforts were also directed towards onboarding additional participants to Favara to enhance the system’s reach.

Accordingly, during the second half of 2024, MMA conducted the User Acceptance Testing (UAT) with four entities: two banks—Habib Bank Limited and Commercial Bank of Maldives Private Limited—and two non-bank

PSPs—Dhivehi Raajjeyge Gulhun Plc and Ooredoo Maldives Plc. In addition, during the last quarter of 2024, the MMA commenced onboarding activities for FahiPay Pvt. Ltd. and Payer Pvt. Ltd., further expanding the system’s participant base.

## Phase II – Payment Platform

Over the course of the year, the project progressed substantially, marked by the completion of infrastructure setup and the successful initial deployment of the solution. The MMA carried out internal testing on both the application and payment platform to confirm the system readiness for the next phase. Following this, UAT commenced in the third quarter, with the testing process expected to conclude in 2025.

## Banking Services to the Government

The MMA, as the main banker to the government, continued its services in 2024 to operate the governments’ Single Treasury Account called the Public Bank Account (PBA) and the accounts related to government’s various projects.

In addition, the project for automation and streamlining of financial communications between institutions which was initiated in 2019 with the aim of strengthening and enhancing the banking services provided to the government was continued in 2024.

# Economic Research and Statistics

The MMA conducts research and analysis on economic and financial developments in the domestic and global economy, which is imperative for formulating an effective monetary policy. This research also provides analytical support to efficiently achieve the objectives of the MMA. Further, the MMA compiles and disseminates macroeconomic statistics on a regular basis.

## Economic Research

In 2024, the MMA continued to undertake comprehensive research, spanning from monetary policy to other key economic and

financial issues. Focusing on the broader economy, analyses on topics related to monetary policy, real sector, fiscal sector, financial as well as the external trade sector were disseminated through the MMA Research and Policy Notes series, the monthly Economic Update, the Quarterly Economic Bulletin (QEB) and the Annual Report, all published on the MMA website.

Additionally, MMA inaugurated its first Research Conference on 14 December 2024, featuring research paper presentations by MMA staff on the theme “Inflation Drivers and Policy Challenges in the Maldives”.



The conference brought together economic practitioners and researchers from the Maldives and abroad, with the aim to foster dialogue between policymakers, industry experts and academics, and promoting research collaborations between the MMA and external researchers on topics relevant to the MMA. The conference concluded with panel discussions on “Navigating the Future: Policy Adaptation in the Age of Fintech and Artificial Intelligence – Solutions” and “Key Lessons and Shifting Sands: How Climate Change and Global Energy Transitions are Reshaping Gross International Reserves”.

Furthermore, the first MMA-ADBI-APAE Joint Research Workshop 2024 was held on 15 December 2024, in collaboration with the Asia-Pacific Applied Economics Association (APAEA) and Asian Development Bank Institute (ADBI). The workshop theme was “Monetary Policy and Central Banking Issues in Asia and Pacific”, which featured research findings from ADBI as well as collaborative research findings by MMA-APAEA teams. These presentations were followed by expert discussions aimed at fostering deep dialogue on central banking and monetary policy issues.

## Economic Forecasting

The MMA produces forecasts of key macroeconomic indicators by developing medium and long-term econometric models, which are applied for providing analytical input in the formulation of effective macroeconomic policies. The authority produces projections for the gross international reserves, inflation and the indicators for the tourism sector. In collaboration with the Ministry of Finance and Planning, the MMA also prepares bi-annual forecasts of the Gross Domestic Product. In addition, the authority also established a quarterly GDP forecasting model for the Maldives in 2024.

## Economic Surveys

As in previous years, the MMA continued to conduct the Quarterly Business Survey (QBS), to complement existing monetary and financial data and in areas where statistical information is unavailable. The QBS is designed to provide a rapid assessment of current business trends and expected future economic activity of businesses in selected sectors. The survey has now been fully migrated to an online portal and is exclusively administered through this platform.

The MMA also continued to conduct the Bank Credit Survey on a quarterly basis in 2024. This qualitative survey remains a critical tool for analyzing the current developments and expectations regarding the demand for and supply of bank credit extended by commercial banks to the domestic market. The findings from this survey complement the prevailing statistical data on domestic credit from the banking system and assist in the formulation of monetary policy.

## Statistics

In 2024, consistent with previous years, the Statistics Division collected, processed, and disseminated comprehensive macroeconomic and financial data and metadata. During the first half of the year, MMA participated in the pilot Financial Access Survey conducted by the International Monetary Fund (IMF). As part of this initiative, data were collected on new indicators and indicator breakdowns, with a significant focus on gender-disaggregated data. With broader institutional coverage including several indicators on Fintech institutions and instruments, the survey enhanced the overall level of the financial access data.

MMA also conducted information sessions for financial institutions to refresh the compilation guidelines and underlying regulatory, statistical, and accounting concepts related to financial returns data submitted by the institutions. The two-day sessions, coordinated by the Statistics Division and the Banking and Other Financial Institutions Division, were well received with multiple staff across financial institutions participating in the sessions.

In 2024, the final testing stages of the Maldives International Transactions Reporting System (MITRS) were completed, and the live system was formally implemented for all banks. This project was launched in 2023 to automate the reporting of transactional data needed for Balance of Payments (BOP) statistics compilation. Initial testing of transactions reporting started in March 2024 and the MMA carried out testing of various modules throughout the year, most notably the testing of the reconciliation statement module in July 2024. Prior to the launching of the live system, the MMA issued a circular to all the banks along with the Reporting Guidelines which takes into

account the changes to the Purpose Codes of the MITRS and other operational guidance, streamlining the process in accordance with the feedback from commercial banks.

The Statistics Division also updated MMA Statistics Database, transforming it into a centralized platform that integrates and provides access to key data dissemination platforms, including Query, Viya, and the MMA Statistics API. This update enhances accessibility to macroeconomic and financial data published by the MMA and supports ongoing efforts to streamline and improve user experience. Following this update, a new “Tables” tab was introduced, providing direct access to the tables from the Monthly Statistics publication and further improving user accessibility.

Throughout the year, the Statistics Division enhanced operational efficiency by automating key processes and improving statistical workflows, thereby streamlining tasks and strengthening data management.

# Governance

## Board of Directors

The Board of Directors is the policymaking body of the MMA, responsible for defining and adopting monetary policies, and making key decisions related to monetary objectives, interest rates, currency supply in the Maldives, and other related matters. The Board also determines policies relating to the functions of the Authority, as well as the general administration and operations of the institution.

The Board of Directors comprises seven members, including both executive and non-executive members, and is inclusive of the Governor and Deputy Governor.

As at 31 December 2024, the composition of the Board of Directors was as follows:

- Mr Ahmed Munawar  
Chairperson (Governor)
- Mr Ahmed Imad  
Deputy Governor
- Ms Idham Hussain  
Assistant Governor
- Mr Ahmed Zayan  
Ministry of Finance

Three positions were vacant as at 31 December 2024.

## Main Resolutions Adopted by the Board of Directors in 2024

During the year 2024, six meetings of the Board of Directors were held. The main resolutions

adopted by the Board were as follows:

1. Revision to Minimum Reserve Requirements
2. Approval of Payment Service Provider License to Dhiraagu
3. Revision to Regulations Pertaining to Banking Regulations
4. Approval of license for Development Bank of Maldives
5. Approval to resume Open Market Operations
6. Approval of Foreign Currency Regulation
7. Revisions to Money Changer Regulation
8. Reviewing Eligible Assets for Minimum Reserve Requirements.

## Audit and Risk Committee

The Audit and Risk Committee is a subcommittee of the Board of Directors of the MMA, established to assist the Board in providing independent oversight of the MMA's governance, risk management, compliance, and internal control practices.

The main responsibilities of the Audit and Risk Committee include providing the Board with independent, objective advice on the adequacy of management's arrangements concerning values and ethics, organizational governance, risk management, fraud prevention and detection, internal control framework, compliance, internal audit, external audit, and

the financial reporting process.

The Audit and Risk Committee consists of three non-executive directors of the Board. Members of the Audit and Risk Committee during the year 2024 were:

- Mr. Asad Ali – Chairperson (Private sector), 01 January 2024 - 07 December 2024
- Uz. Ashraf Rasheed – (Ministry of Finance), 01 January 2024 - 09 May 2024
- Uz. Mohamed Shahdy Anwar – (Private sector), 05 June 2024 - 07 December 2024
- Mr. Abdul Haleem Abdul Latheef – (Ministry of Economic Development), 05 June 2024 - 05 December 2024

## Executive and Management Committee

According to Law no. 6/81 (Maldives Monetary Authority 1981), the Governor is the executive head of the MMA responsible for implementing the policies and decisions undertaken by the Board of Directors and carrying out the day-to-day management and operations of the MMA. Mr. Ali Hashim is the Governor of the MMA since his appointment on 8 September 2019 to 22 July 2024. Following the dismissal of Governor Hashim, Mr. Ahmed Munawar was appointed as the Governor of MMA on 31 July 2024.

Although the Governor remains accountable and responsible for the day-to-day management and operations of the MMA, areas and divisions are created for the implementation of operations. In this regard, the Executive Committee—which consists of the Governor, Deputy Governor and the respective area heads—acts as the highest-level body to carry out the functions of the MMA.

The Executive Committee assists in implementing policies formulated by the Board to achieve key objectives of the MMA and assists the Governor in day-to-day running of the MMA.

## Internal Audit

The objective of the MMA's Internal Audit is to provide independent and objective assurance and consulting services, designed to add value and improve the operations of the Authority. Internal Audit supports the MMA in achieving its objectives by applying a systematic and disciplined approach to evaluating and enhancing the effectiveness of risk management, controls, and governance processes. Internal Audit reports administratively to the Governor and functionally to the Board's Audit and Risk Committee.

In 2024, Internal Audit conducted audits and consultancy engagements, including AML policy compliance audits, reserve management process audit, access controls audits of critical systems, payment portal audit and cash counts. Additionally, SWIFT system monitoring logs were reviewed and Internal Audit staff observed the destruction process of unfit notes that were removed from circulation during the year.

## Risk Management

The Risk and Compliance Unit aims to create and protect value at the MMA by supporting the management of uncertainty related to organisational objectives. This is achieved through proactive risk identification, analysis, evaluation, and treatment—alongside communication, consultation, monitoring, review, and reporting activities.

In 2024, compliance reviews were conducted across all MMA business units and annual counterparty screening was completed to ensure alignment with the AML/CFT framework. Additional screenings were undertaken to support business units in their customer due diligence processes, and counterparty questionnaires were updated to assist external entities in conducting due diligence on the MMA.

Enterprise risk assessment was conducted, providing insights into organizational risk exposure. The MMA also continued its participation in international surveys on central bank risk management, contributing to global knowledge sharing. An operational efficiency assessment of external asset managers was undertaken.

A key initiative during the year was the review of Standard Operating Procedures (SOPs) and internal guidelines across Business Units. Progress was made on projects related to the implementation of Business Continuity Plan, reinforcing the Authority's preparedness for unforeseen events.

As part of capacity building efforts, the MMA received technical assistance from an International Monetary Fund (IMF) mission to identify gaps within the Authority's risk management function and to propose recommendations for enhancing its maturity. Following this, an implementation plan was developed, along with the drafting of a comprehensive risk universe, risk appetite and tolerance limits. The Risk Register Automation initiative also progressed in collaboration with Data Analytics Group. A review of this work was conducted, and updates are planned to incorporate IMF's recommendations, further strengthening the risk management process at the MMA.

## Strategic Planning and Development projects

The Strategic Planning and Development Projects Section (SPDPS) made significant contributions in 2024.

### Strategic Plan Development

Following the conclusion of the MMA's Strategic Plan 2018–2022, which was extended to 2024 due to challenges from the Covid-19 pandemic, the Strategic Planning and Development Projects Section (SPDPS) began developing a new three-year strategic plan for 2025-2027 in March 2024. This subsequent plan is structured around four key thematic areas: Protecting, Evolving, Collaborating, and Future-Focused.

Notably, unlike its predecessor, the Strategic Plan 2025-2027 was developed entirely in-house by the SPDPS team and the MMA's Strategic Action Plan Committee, with the involvement of the entire MMA team. The Strategic Action Plan Committee comprised experts from its core policy and operational divisions.

The new plan incorporates realistic yet ambitious initiatives designed to enhance the MMA's operational efficiency, support its key policy objectives, and foster innovation within the financial sector. It is hoped that this plan will further enhance the MMA's operations and advance the country's financial sector.

### Digital Signature Project

Driven by the aim of reducing paper consumption in the Authority's business processes, management launched the Digital Signature Project. The initial phase of this

project focused on conducting information sessions and staff discussions to determine the optimal design and usability of an electronic signature system within the MMA.

Throughout 2024, the SPDPS was instrumental in identifying digital signature categories, use cases, and end-user scenarios. Furthermore, the section continued its study on the feasibility of developing and implementing a digital signature application for MMA-wide use.

## Maldives Payment System Development Project (MPSD)

Continuing its support from the previous year, the SPDPS provided crucial Project Management support for the Maldives Payment System Development Project throughout 2024 in alignment with its mandate to ensure the effective execution of this critical initiative.

Significant progress was achieved under Phase II of the project, which involves the delivery of a payment platform and a white-label mobile application. In this regard, the SPDPS played an essential role in coordinating with various stakeholders involved in the user acceptance testing of the new payments platform and mobile application.

## The Data Analytics Group

The Data Analytics Group (DAG) played a transformative role in 2024, advancing data-driven decision-making and fostering a culture of analytical excellence within the MMA. The year began with the launch of an “Introduction to R” workshop, equipping participants with foundational programming and data

analysis skills. This initiative contributed to strengthening internal capabilities and promoting a culture of continuous learning.

Since its launch earlier in the year, the “Enterprise Risk Management (ERM) Risk Register Automation” project made significant progress. The system is designed to provide a comprehensive solution for logging, updating, and tracking changes to organizational risks while enabling real-time reporting capabilities. This initiative is expected to play a key role in enhancing the MMA’s overall risk management process.

DAG also led the development of a new database project for the Banks and Other Financial Institutions Division. This initiative, which replaces the previous Excel-based system, progressed significantly in 2024. The new framework enables improved data storage, analysis, and reporting. Once finalized, the system will enhance supervisory processes and ensure data accuracy.

In collaboration with the Research Division, DAG organized a data-driven art competition as part of the MMA Research Conference. DAG provided technical guidance to participants and played a central role in planning and executing the event, which aimed to enhance data storytelling and promote the creative use of analytics.

Additionally, DAG further enhanced the MMA Budget Dashboard to offer real-time insights, historical comparisons, and alignment with the strategic plan. This interactive tool continues to support improved budget analysis and decision-making, improving accessibility and interpretation for management.

# Human Resources

The MMA remains committed to preserving and cultivating its human capital to ensure the delivery of high-quality services. In line with this objective, the Authority places strong emphasis on the recruitment of adept candidates, places significant emphasis on staff retention and capacity-building initiatives, and strive to foster a conducive and comfortable working environment. These principles are embedded in the MMA's internal policies, which are meticulously designed to promote staff unity, establish a robust framework for retention and incentives, and ensure access to essential training and development opportunities.

## Staff Recruitment

As of the end of 2024, the Authority's workforce comprised a total of 289 professionals. During the year, 10 new staff members were recruited, while 4 employees rejoined the MMA following the successful conclusion of their advanced studies.

Throughout the year, 13 employees departed from the Authority due to various reasons. Notably, 5 employees pursued academic endeavors overseas, reflecting their continued commitment to personal and professional growth.

The MMA places strong emphasis on gender equality, ensuring equal opportunities in recruitment, career advancement, and training. In line with this commitment, the Authority maintained a gender ratio of 52:48 (female to male). With regard to academic qualifications,

78% of staff were graduates, with 46% holding a bachelor's degree and 32% holding a master's degree.

## Changes to the MMA's Organisational Structure and Management

To enhance operational efficiency and support employee well-being, several structural and policy changes were implemented in 2024:

- A dedicated Banks and Other Financial Institutions Licensing Division was established under the Financial Sector Development area on 16 September 2024, with the aim of streamlining licensing services.
- To support the implementation and regulation of new foreign exchange policies, a specialized section named Foreign Exchange and Market Development Section was created within the Reserve Management and Market Operations Division on 13 October 2024.
- Effective from 10 January 2024, the feeding break benefit was revised, allowing staff an additional hour for feeding breaks until their child reaches the age of two.
- In recognition the importance of staff welfare, the MMA introduced financial assistance programs in 2024 to support mental health treatments and daycare services.

## Staff Training and Development

The year 2024 was a highly productive one in terms of staff training and capacity-building initiatives. A total of 135 training and meeting programmes were conducted throughout the year, benefiting over 213 staff members, who were given opportunities to develop their skills and enhance their knowledge across various fields.

A total of 155 staff travelled to different countries to participate in 104 international training programmes, while 58 staff attended 31 international meetings. In addition, 21 staff took part in 10 online training sessions, and 11 staff participated in five local training and meeting programmes conducted in collaboration with various domestic institutions. These achievements reflect the MMA's strong commitment to staff development and the effective and efficient utilisation of the allocated budget to meet the strategic goals of the Human Resource Division.

To ensure that staff are provided with the most suitable and impactful learning opportunities, the Human Resource Division continues to assess the local training market and engage with relevant companies and institutions. Furthermore, the development of a dedicated travel application has been initiated to streamline the administration of training-related tasks. This initiative aims to establish a modernised, automated platform that enhances the existing training and meetings database, while enabling empirical research and data analytics.

## MMA Scholarship Program

In 2024, the MMA awarded three staff members scholarships under the Human Resource

Development (HRD) Scholarships Programme to pursue master's degrees. The scholarships were granted in the fields of MSc Accounting and Data Analytics, MSc Cyber Security Management and MSc Forensic Accounting—all of which have been identified as core areas aligned with the Authority's long-term skills requirements.

The MMA HRD Scholarship Programme has functioned as a consistent and effective initiative that enhances staff knowledge, skills, and competencies and in turn contributes to strengthening the quality of the MMA's skills inventory.

## Staff Loan Scheme

The staff loan scheme introduced in 2017 under the Regulation no. 2017/R-50 (Regulation on Issuing Loans to Employees of the Maldives Monetary Authority) remained active in 2024. During the year, the loan procedures were restructured to expand accessibility, resulting in 67 employees benefiting from the scheme.

## Staff Social Activity

In 2024, the MMA Social Club maintained a robust schedule of activities aimed at fostering camaraderie, staff wellness, and engagement. Key internal events included the annual Maahefun celebration, the MMA Badminton Tournament, the Aharemenge Champions League (One-Day Futsal Cup), the Netball Tournament, and the popular Fishing Trip. The year also introduced innovative initiatives such as the Art with Data Competition and participation in the Maldives Half Marathon's 5K Fun Run, demonstrating the Club's expanding focus on both physical and creative well-being.



Fostering Team Spirit: MMA Staff Netball Tournament celebrating teamwork, camaraderie, and active participation across the Authority.

Ramadan was observed with a series of activities designed to bring members together in the spirit of the season. These included the Ramadan Quiz, the Carrom Clash, and digital engagement challenges, all of which facilitated connection and celebration during the holy month.

The Club also represented MMA in external events, notably the prestigious Club Maldives Classic Cup, where the team reached the finals and displayed commendable sportsmanship. Furthermore, the annual team trip, held towards the end of the year, provided a relaxing opportunity for staff to connect and rejuvenate.

Overall, 2024 was a successful year for the MMA Social Club, characterized by diverse experiences, strong team spirit, and memorable moments. Looking forward, the Club remains dedicated to offering meaningful engagement opportunities, recognising that its strength lies in the collective energy, creativity, and participation of its members.

## MMA Training Institute

In 2024, the MMA Training Institute (MMA TI) conducted various training programmes aimed at meeting the capacity-building needs of financial institutions and enhancing the knowledge and skills of MMA staff. A total of 282 participants attended these programmes, comprising officials from the MMA as well as other financial institutions.

Programmes conducted during the year included the Macroeconomic Foundation Course, held in collaboration with the International Monetary Fund (IMF); the U.S. Currency Seminar conducted in collaboration with the U.S. Secret Service and Travelex; the Research Writing Workshop, held in collaboration with the World Bank; Actuarial Training for non- Actuaries and SQL Training. Additionally, the MMA TI offered Power BI Data Analyst training, Self-Defense Training, a Dhivehi Language Course, and the Springboard Leadership Course in collaboration with the

SEACEN Centre, Malaysia. An Employee Orientation Training was also conducted to familiarise newly joined staff with the operations of the MMA.

In addition, the MMA TI conducted Macroeconomic Awareness Workshops for secondary school students with a total of 728 participants attending these sessions.

The MMA TI also continued to offer professional qualifications programmes to staff of financial institutions in the Maldives. In collaboration with the Asian Institute of Chartered Bankers, Malaysia, the third batch of the Chartered Banker qualification was launched in 2024. A total of 51 participants from the MMA and other Financial Institutions enrolled in the foundation level of this programme.



Building Economic Awareness: Students participating in MMA's Macroeconomic Awareness Workshops for secondary schools.

# Operational Infrastructure

The MMA continues to prioritize the advancement and implementation of technology solutions to enhance its operational efficiency. In 2024, Technology Service Division (TSD) began providing remote support services to assist MMA staff in resolving technical issues encountered in their day-to-day work. In addition, TSD was engaged in the development of applications and portals for various divisions of the MMA, including the FX Portal and the MMA Research Conference platform.

To facilitate the growth of the fintech ecosystem in the Maldivian financial services industry, TSD is planning to establish an Innovation Hub and a regulatory sandbox. The Innovation Hub will serve as a platform for exploring innovative technologies while the Regulatory Sandbox will enable the safe testing of fintech solutions in a controlled environment, ensuring compliance with regulatory requirements. To support this initiative, TSD engaged consultants with

expertise in fintech and regulatory frameworks. These consultants conducted workshops and held consultations with stakeholders to gather information, identify challenges, and better understand the unique needs of the Maldivian financial industry.

Also, several infrastructure development projects were undertaken to improve the Authority's physical working environment and operational capacity:

- A two-story storage facility was constructed within the MMA premises and is now in use.
- To address space constraints and enhance security, the MMA acquired a plot of land in Hulhumalé for the development of a new office building. During the year, initial work was carried out on concept development and the preparation of a preliminary architectural design, outlining the overall vision and layout of the proposed facility.



Strengthening Infrastructure: Concept development initiated for the MMA's new office building to expand capacity and enhance security.

# International Relations

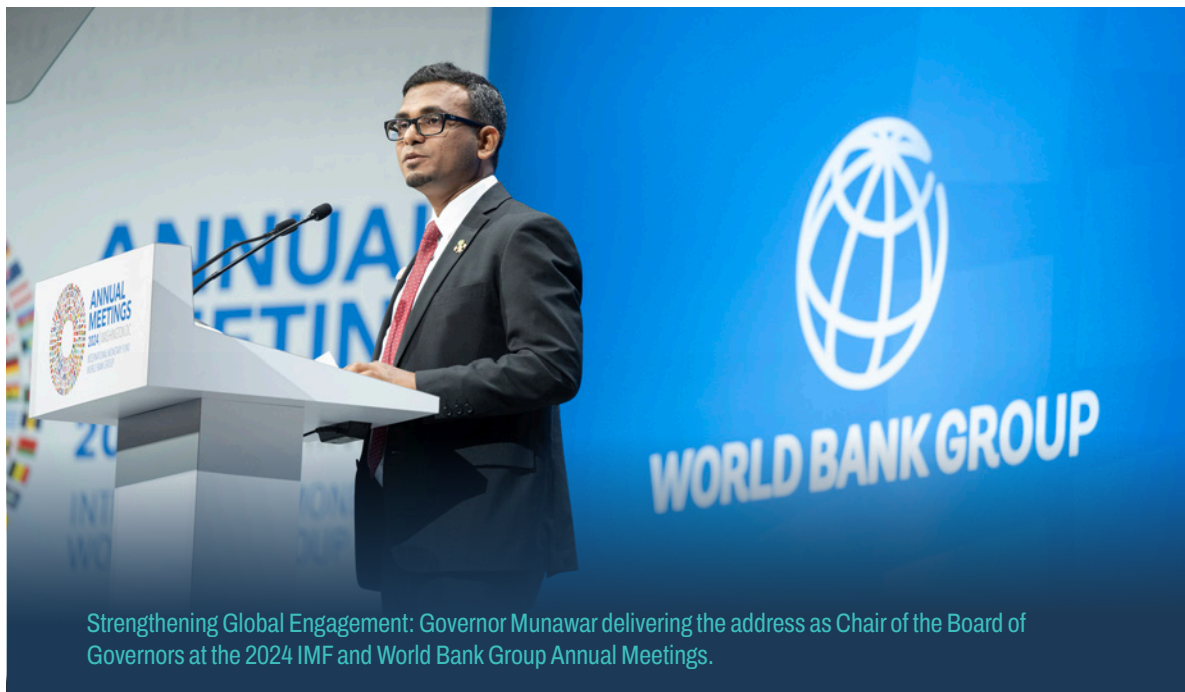
The MMA continues to work closely with other central banks, bilateral and multilateral organizations to foster a safe and sound financial system in the Maldives by sharing expertise and best practice. In this regard, the MMA maintains close collaborations with international financial institutions and development agencies such as the International Monetary Fund (IMF), the World Bank, the Asian Development Bank (ADB), and the SAARCFINANCE network.

## International Monetary Fund

As a member of the IMF, the Maldives holds a seat on the IMF Board of Governors. The former Governor of the MMA, Mr. Ali Hashim,

represented the Maldives on the Board until his dismissal on 22 July 2024. Following his appointment as Governor of the MMA on 31 July 2024, Mr. Ahmed Munawar now represents the Maldives on the IMF Board of Governors. Meanwhile, Ms. Mariyam Hussain Didi, Advisor at the MMA, serves as the Alternate Governor to the IMF.

Governor Ali Hashim was elected Chair of the Board of Governors for both the IMF and the World Bank Group (WBG) for 2024. However, following his dismissal, Governor Ahmed Munawar, his successor, continued in the role as Chair of the 2024 Boards of Governors. In line with convention, Governor Ahmed Munawar was also appointed as the Governor representing the Maldives at the World Bank



Strengthening Global Engagement: Governor Munawar delivering the address as Chair of the Board of Governors at the 2024 IMF and World Bank Group Annual Meetings.

Group Board of Governors for the duration of the 2024 IMF/WBG Annual Meetings. The Maldives' appointment as Chair of both the WBG and the IMF marks a historic achievement for the country.

The Maldives participates in IMF decision-making as part of a constituency comprising 11 other countries. Following the retirement of Mr. Mahmoud Mohieldin, who served as Executive Director from 1 November 2020 to 30 October 2024, Dr. Mohamed Maait was appointed as the Executive Director of this constituency, effective 1 November 2024.

Currently, the Maldives' quota in the IMF is 21.2 million SDRs, representing 0.004% of the total IMF quota. In 2021, the IMF made a general allocation of SDRs equivalent to USD 650 billion to all member countries (in proportion to their quotas) to address the long-term global need for reserves and foster the resilience and stability of the global economy. The general SDR allocation to the Maldives in 2021, amounting to SDR20.3 million (USD 28.7 million), was utilized by the government for COVID relief efforts. It is noteworthy that the legal liability for the general SDR allocation was transferred from the MMA to the government.

## IMF Article IV Mission and IMF Staff Visit

The IMF's Charter includes missions and staff visits to member countries to assess economic performance and provide consultation. In this regard, an IMF staff team visited the Maldives from 23 January to 6 February 2024, for the 2024 Article IV consultation. Additionally, the team visited from April 28 to 9 May 2024 and from 16 to 23 September 2024. The IMF Article IV mission and staff visits were led by Ms. Piyaporn Nikki Sodsriwiboon, Deputy Division Chief and Mission Chief for the Maldives, Asia and Pacific Department.

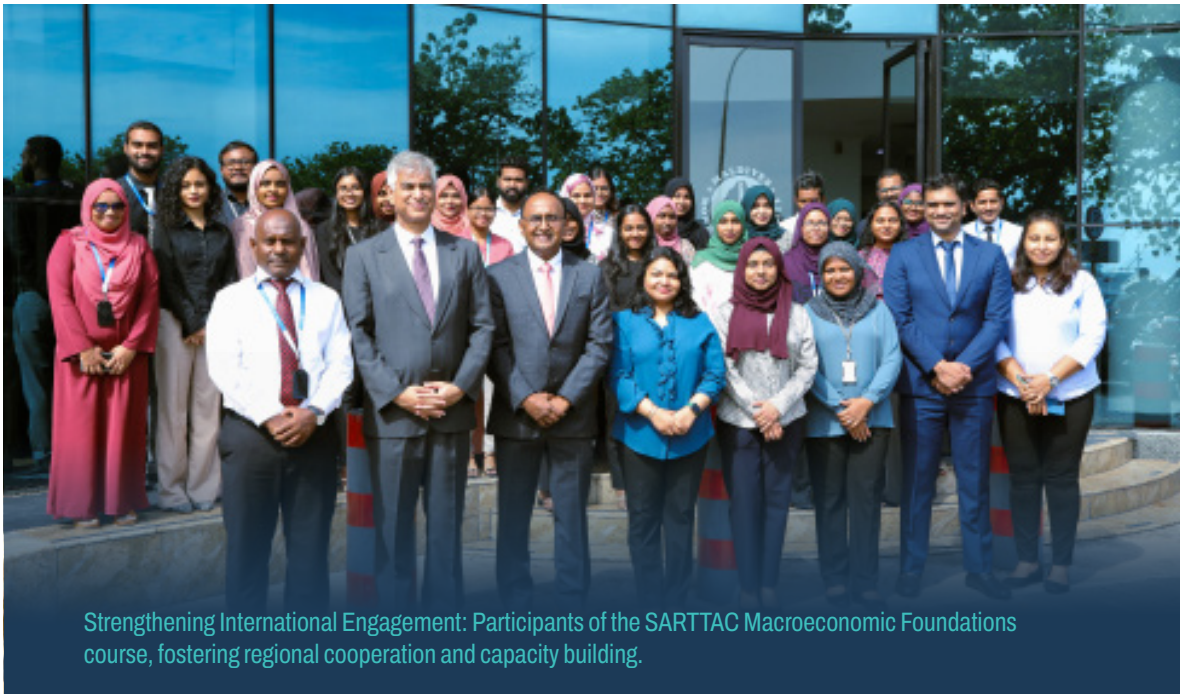
During these visits, the IMF teams engaged in discussions on economic and financial issues with ministers responsible for economic sectors, high-level officials from other government institutions and companies related to economic and financial sectors, private sector companies, and other key stakeholders. Similar to previous years, the Maldives continued to receive training opportunities and technical assistance from the IMF in 2024.

## South Asia Regional Training and Technical Assistance Center (SARTTAC)

SARTTAC is a training and technical assistance center established in 2017 by the IMF, member countries (Bangladesh, Bhutan, India, Maldives, Nepal, Sri Lanka), and development partners. Its goal is to enhance the institutional and human capacity of member country institutions in the design and implementation of macroeconomic and financial policies.

In this regard, SARTTAC provided various training opportunities and technical assistance to the MMA during 2024.

SARTTAC technical assistance (TA) missions to the Maldives were conducted during the year, starting with a mission from 4 to 15 February 2024, which focused on reviewing the implementation of IFRS 9 requirements in the banking sector. A follow-up mission was held from 26 May to 6 June 2024, aimed at assisting the MMA in strengthening its supervisory capacity related to IFRS9 and ECL implementation. A follow-up TA mission visited from 15 to 23 October 2024 to provide assistance on selected regulatory and supervisory topics identified by the MMA and to follow-up on the work carried out during the earlier missions.



## IMF Safeguards Assessment Mission

The IMF Safeguards Assessment Mission was conducted from 25 February to 4 March 2024. The mission was led by Mr. Antonio Manzanera, Mission Chief from the IMF Finance Department. The safeguards assessment was carried out in connection with the financial assistance provided under the Rapid Credit Facility (RCF) approved by the IMF Executive Board in April 2020. The purpose of the assessment was to evaluate MMA’s safeguards related to external audit, legal framework, financial reporting, internal audit and internal controls.

## IMF Technical Assistance Mission Bank Stress Testing

This technical assistance mission, conducted from March 10 to 20, 2024, implemented part of the stress testing recommendation from the 2023 FSAP. The mission was led by Mr.

Torsten Wezel, Senior Economist from the Monetary and Capital Markets Department. The recommendation was to ‘develop methodologies for solvency, liquidity, and market risk stress tests and engage banks in a dialogue about stress test procedures and results, including banks’ own stress tests.’ Building on the methodology used in the FSAP, the mission team developed and shared projection models to forecast bank solvency under baseline and stressed conditions, as well as templates for assessing banks’ liquidity buffers to withstand a funding outflow under stress. Additionally, sensitivity analyses were conducted for market risks relevant to the Maldives.

## IMF technical Assistance Mission to Enhance Risk Management and Compliance

The mission, held from 17 to 21 November 2024, aimed to enhance the risk management function, operations, and compliance

with international standards. Assistance was provided to refine the risk reporting methodology, address gaps in the updating of risk registers, and improve the risk identification and reporting processes to align with international best practices.

#### Technical Assistance Mission on Active Domestic Liquidity Management

The Mission on Active Domestic Liquidity Management was conducted from 20 to 29 October 2024 led by Mr. Oleg Churiy, Monetary and Foreign Exchange (FX) Operations Advisor at SARTTAC. The mission was part of the draft capacity development (CD) workplan for SARTTAC in FY25 (1 May 2024 – 30 April 2025) and was conducted under the guidance and direction of the IMF Monetary and Capital Markets Department (MCM).

The mission aimed to work with the Monetary and Exchange Rate Policy Division (MERPD) of the MMA to analyze and provide recommendations on the following areas: design of the operational framework, open market operations, reserve requirements, collateral framework, liquidity forecasting, and interbank market development.

## SAARCFINANCE NETWORK

The MMA is a member of the SAARCFINANCE Network, a regional network of the South Asian Association for Regional Cooperation (SAARC), consisting of central bank governors and finance secretaries from the region. The main objectives of the SAARCFINANCE Network are to promote cooperation among central banks and finance ministries in SAARC member countries and to facilitate the sharing of experiences on macroeconomic policy challenges facing the region.

## SAARCFINANCE Governors' Group Meeting

The MMA participated in the 45th SAARCFINANCE Group Meeting, Symposium, and the 37th SAARCFINANCE Coordinators' Meeting held in 2024. Governor Mr. Ali Hashim, Advisor Ms Idham Hussain and Senior Research Analyst Mr. Mohamed Imthinan Saudullah represented the MMA at the 45th SAARCFINANCE Governors' Group Meeting Symposium and the 37th SAARCFINANCE Coordinators' Meeting, which took place from 13 to 14 June 2024, in Colombo, Sri Lanka.

## Alliance for Financial Inclusion

The Alliance for Financial Inclusion (AFI) functions as a network of financial policymakers from developing nations dedicated to fostering financial inclusion. AFI facilitates the exchange of knowledge and best practices among its member countries through knowledge exchange programs and peer learning and aids in the formulation of policies that promote financial inclusion. The MMA has held the status of a Principal member within AFI since 2010 and actively participates in all Working Groups of AFI in enhancing financial inclusion.

## South Asia Region Financial Inclusion Initiative – SARFII

The fifth edition of the South Asia Region Financial Inclusion Initiative (SARFII) Leaders Roundtable was held in the Maldives in April 2024. SARFII is an initiative established under the leadership of AFI to enhance financial inclusion in the South Asia region. The fifth SARFII Leaders Roundtable, co-hosted by the MMA and AFI, was held under the theme,

“Promoting Safe, Inclusive, and Resilient Digital Ecosystems in South Asia.” Representatives from financial institutions of SARFII member countries such as Bangladesh, Pakistan, Nepal and Sri Lanka attended the SARFII meetings.

The SARFII meeting also featured a regional training program on “Emerging Frauds and Risks Related to Digital Payments in South Asia”, aimed at participants from institutions of SARFII member countries, including participants from the Maldives. The two-day training focused on mitigating emerging frauds, threats, and risks in the digital payments landscape. To provide participants with comprehensive insights, the MMA collaborated with key stakeholders in the Maldives—such as Maldives Islamic Bank, Dhiraagu, the National Center for Information Technology, and Bank of Maldives for their contributions in the training.

## 2024 AFI Financial Inclusion Awards

The MMA was nominated for the prestigious Institutional Leadership Award by AFI. This award is presented annually to acknowledge the success of member institutions and policymakers in advancing financial inclusion in their respective jurisdictions. The finalists and winners of the AFI Financial Inclusion Awards were announced at the 2024 Global Policy Forum held in San Salvador.

## Other Institutions

The MMA is a member of several regional and international bodies, including the SAARC Payment Council, the International Association of Insurance Supervisors, the Islamic Financial Services Board, the Asian Clearing Union, the Asia Pacific Group on Money Laundering, and

the Alliance for Financial Inclusion. The MMA continues to receive assistance and support from these institutions for the development of the financial sector.

## Participation at International Meetings and Forums

- **Roundtable on Adaptation Financing: Executive Director Mr Hassan Fiyaz attended the Regional Workshop on Climate Finance: Role of Insurance in Financing Climate Risk, and the National Workshop on Climate Finance** held from 15–16 February 2024 in New Delhi, India.
- **Global Workshop on Policy Experimentation and Regulatory Sandboxes on Digital Technologies for Sustainable Development:** Deputy Governor Mr Ahmed Imad and Deputy Manager Ms Raseena Majeed participated in the workshop organised by the United Nations, held at the United Nations Conference Centre in Bangkok, Thailand, from 19–20 February 2024.
- **IMF/Pacific Island Countries High-Level Conference:** Governor Mr Ali Hashim and Research Analyst Mr Mohamed Shaneez Abdul Latheef (Monetary Policy and Exchange Rate Division) participated in the High-Level Conference organised by the International Monetary Fund (IMF), held in Nadi, Fiji, from 26–27 February 2024.
- **2024 World Bank–IMF Spring Meetings:** Governor Mr Ali Hashim, Assistant Governor Ms Idham Hussain, Manager Ms Rushaha Ahmed Shareef, and Deputy Manager Ms Raseena Majeed attended the World Bank–IMF Spring Meetings held in Washington, D.C., from 19–21 April 2024.

- **South Asia Region Financial Inclusion Initiative (SARFII) Leaders Roundtable Meetings:** Governor Mr Ali Hashim, Assistant Governor Ms Mariyam Hussein Didi, and Senior Manager Ms Aishath Asna Hamdi participated in the 4th SARFII Leaders Roundtable held on 30 April 2024 in the Maldives.
- **52nd Asian Clearing Union Standing Technical Committee Meeting:** Executive Director Ms Aminath Shaheeda attended the 52nd Asian Clearing Union Standing Technical Committee Meeting held in Bangladesh on 29 May 2024.
- **52nd Asian Clearing Union Board of Directors Meeting:** Advisor Ms Mariyam Hussain Didi and Executive Director Ms Aminath Shaheeda attended the 52nd Asian Clearing Union Board of Directors Meeting held in Bangladesh on 30 May 2024.
- **10th Pacific Islands Regional Initiative (PIRI) Leaders Roundtable:** Deputy Governor Mr Ahmed Imad and Senior Manager Ms Aishath Asna Hamdi attended the 10th Pacific Islands Regional Initiative (PIRI) Leaders Roundtable held in Nadi, Fiji, from 3–5 June 2024.
- **45th SAARCFINANCE Governors' Group Meeting, Symposium, and 37th SAARCFINANCE Coordinators' Meeting:** Governor Mr Ali Hashim, Advisor Ms Idham Hussain and Senior Research Analyst Mr Mohamed Imthinan Saudullah participated in the meetings held in Colombo, Sri Lanka, from 13–14 June 2024.
- **Local Currency Trade Settlement Arrangement:** Deputy Governor Mr Ahmed Imad participated in the Local Currency Trade Settlement Arrangement meeting held in Beijing and Dalian, China, from 23–29 June 2024.
- **Meeting of the IMF/World Bank Joint Committee on Remuneration (JCR):** Governor Mr Ali Hashim and Assistant Executive Director Ms Leena Zahir Hussain attended the Joint Committee on Remuneration (JCR) meeting held in London, United Kingdom, from 24–25 June 2024.
- **20th Asia NAT CAT and Climate Change Summit 2024:** Manager Mr Musab Habeeb attended the Summi, organised by Asia Insurance Review, held from 10–11 July 2024 in Manila, Philippines.
- **Official Visit to Saudi Arabia:** Governor Mr Ahmed Munawar attended an official meeting held in Riyadh, Saudi Arabia, from 20–23 August 2024.
- **AFI Global Policy Forum:** Assistant Executive Director Ms Aishath Asna Hamdi, Senior Manager Mr Ahamed Saruvash Hameed, Senior Manager Mr Ibrahim Shaugee, Senior Manager Ms Fathimath Sadiq, Manager Mr Hassan Nasih, and Manager Mr Ahmad Nazeeh Mohamed participated in the Alliance for Financial Inclusion Global Policy Forum held from 2–5 September 2024 in San Salvador, El Salvador.
- **Sustainable Banking and Finance Network 8th Global Meeting:** Deputy Governor Mr Ahmed Imad attended the SBFN 8th Global Meeting held in Rio de Janeiro, Brazil, from 11–12 September 2024.
- **Regulatory Roundtable for the Asia Region:** Deputy Manager Ms Hawwa Yusra and Deputy Manager Mr Mohamed Liwaz Latheef

attended the Regulatory Roundtable for the Asia Region organised by UNDP–Milliman Global Actuarial Initiative (GAIN) on 20 September 2024 in Kuala Lumpur, Malaysia.

- **Insurance Cooperation and Development Conference:** Assistant Manager Ms Aishath Hawra and Assistant Manager Ms Eaman Tholal attended the Insurance Cooperation and Development Conference held in Nanning, Guangxi, China, from 25–26 September 2024.
- **RBI Currency Swap Agreement:** Governor Mr Ahmed Munawar, Deputy Governor Mr Ahmed Imad, and Advisor Ms Idham Hussain visited the Reserve Bank of India in New Delhi, India, for the signing of the currency swap agreement between the MMA and the Reserve Bank of India, from 6–9 October 2024.
- **IMF/World Bank Annual Meetings 2024:** Governor Mr Ahmed Munawar, Deputy Governor Mr Ahmed Imad, Executive

Director Ms Mariyam Rashfa, and Assistant Executive Director Ms Leena Zahir Hussain participated in the IMF/World Bank Annual Meetings held in Washington, D.C., from 20–26 October 2024.

- **RBI High-Level Policy Conference of Central Banks on Balancing Inflation and Growth: Perspectives from the Global South:** Governor Mr Ahmed Munawar and Advisor Ms Idham Hussain participated in the High-Level Policy Conference on *Balancing Inflation and Growth: Perspectives from the Global South*, organised by the Reserve Bank of India, held in Mumbai, India, from 20–22 November 2024.
- **Eighth High-Level Central Bank Governance Forum:** Deputy Governor Mr Ahmed Imad and Board Member Uz Ashraf Rasheed attended the Eighth High-Level Central Bank Governance Forum held in Dubai, United Arab Emirates, from 30 April to 2 May 2024.

# Annual Financial Statements

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# Abbreviations and Acronyms of Annual Financial Statements

<b>ACH</b>	Automated Clearing House
<b>ACU</b>	Asian Clearing Union
<b>ADB</b>	Asian Development Bank
<b>AHS</b>	Affordable Housing Scheme
<b>BCCI</b>	Bank of Credit and Commerce International
<b>BIS</b>	Bank for International Settlements
<b>CGS</b>	Credit Guarantee Scheme
<b>CMF</b>	Commodity Murabahah Financing
<b>CNY</b>	Chinese Yuan
<b>COVID</b>	Coronavirus Disease
<b>DR</b>	Disaster Recovery
<b>EAD</b>	Exposure at Default
<b>ECL</b>	Expected Credit Loss
<b>EIR</b>	Effective Interest Rate
<b>ERP</b>	Enterprise Resource Planning System
<b>FARR</b>	Foreign Asset Revaluation Reserve
<b>FSI</b>	Floor Space Index
<b>FVOCI</b>	Fair Value through Other Comprehensive Income
<b>FVPL</b>	Fair Value through Profit or Loss
<b>HDC</b>	Housing Development Corporation
<b>IAS</b>	International Accounting Standards
<b>IBRD</b>	International Bank for Reconstruction and Development
<b>IDA</b>	International Development Association
<b>ICBC</b>	Industrial and Commercial Bank of China
<b>IFRS</b>	International Financial Reporting Standards
<b>IMF</b>	International Monetary Fund
<b>ITFC</b>	International Islamic Trade Financing Corporation
<b>LGD</b>	Loss Given Default
<b>MCIB</b>	Maldives Credit Information Bureau

<b>MIGA</b>	Multilateral Investment Guarantee Agency
<b>MIPS</b>	Maldives Interoperable Payment System
<b>MIRA</b>	Maldives Inland Revenue Authority
<b>MMA</b>	Maldives Monetary Authority
<b>MOFP</b>	Ministry of Finance and Planning
<b>MRR</b>	Minimum Reserve Requirement
<b>MRTGS</b>	Maldives Real Time Gross Settlement
<b>MVR</b>	Maldivian Rufiyaa
<b>OCI</b>	Other Comprehensive Income
<b>ODF</b>	Overnight Deposit Facility
<b>OLF</b>	Overnight Lombard Facility
<b>OMO</b>	Open Market Operation
<b>PD</b>	Probability of Default
<b>POCI</b>	Purchased or Originated Credit-Impaired
<b>PUC</b>	Projected Unit Credit
<b>RCF</b>	Rapid Credit Facility
<b>RDF</b>	Randhifahafeh
<b>RTGS</b>	Real Time Gross Settlement
<b>SDF</b>	Sovereign Development Fund
<b>SDR</b>	Special Drawing Rights
<b>SICR</b>	Significant Increase in Credit Risk
<b>SME</b>	Small and Medium Enterprises
<b>SOFR</b>	Secured overnight financing rate
<b>SPPI</b>	Solely Payments of Principal and Interest
<b>STO</b>	State Trading Organisation
<b>STR</b>	Secured Transaction Registry
<b>SWIFT</b>	Society for Worldwide Interbank Financial Telecommunication
<b>USD</b>	United States Dollar
<b>WIP</b>	Work in Progress
<b>XDR</b>	Special Drawing Rights

## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of Maldives Monetary Authority

### Report on the Audit of the Financial Statements

#### Opinion

We have audited the financial statements of Maldives Monetary Authority (the Authority) which comprise the statement of financial position as at 31 December 2024, and the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended 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 Authority 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 are independent of the Authority in accordance with the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants* (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.

#### Other Information

Management is responsible for the other information. The other information comprises the information included in the Annual Report for the year ended 31 December 2024, but does not include the financial statements and our auditor's report thereon.

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 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. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

## **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 Authority'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 Authority or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Authority'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 Authority'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 Authority'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 Authority to cease to continue as a going concern.

## Deloitte.

- 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.

For DELOITTE PARTNERS

MALE'



Mohamed Siraj Muneer

Partner

29 April 2025

# Statement of Financial Position

As at 31 December 2024

(all amounts in Maldivian Rufiyaa unless otherwise stated)

	Note	2024	2023
<b>ASSETS</b>			
<b>Foreign currency financial assets</b>			
Cash and balances with banks	7	8,632,220,961	4,710,404,870
IMF related assets	8	433,683,276	458,405,766
Investments in securities	9	3,873,813,198	4,247,968,201
Subscriptions to international agencies	10	834,222	833,140
Interest and other receivables	11	70,547,143	49,025,121
<b>Total foreign currency financial assets</b>		<b>13,011,098,800</b>	<b>9,466,637,098</b>
<b>Local currency financial assets</b>			
Cash and balances with banks	7	80,104,901	46,233,396
Subscriptions to international agencies	10	8,264,330	8,264,330
Investments in securities	9	79,198,188	77,566,132
Investment in Government treasury bonds	12	14,283,960,429	14,508,238,577
Short term loans	13	1,885,551	1,658,184
Long term loans	14	31,721	45,709
Interest and other receivables	11	3,422,728	6,050,879
<b>Total local currency financial assets</b>		<b>14,456,867,848</b>	<b>14,648,057,207</b>
<b>Total financial assets</b>		<b>27,467,966,648</b>	<b>24,114,694,305</b>
<b>Local currency non-financial assets</b>			
Gold and silver assets	15	67,877,675	53,990,038
Inventories	16	64,812,829	71,533,774
Property, plant and equipment	17	685,248,469	573,261,978
Intangible assets	18	13,168,866	14,112,651
Other assets	19	20,237,292	16,261,712
<b>Total local currency non-financial assets</b>		<b>851,345,131</b>	<b>729,160,153</b>
<b>Total assets</b>		<b>28,319,311,779</b>	<b>24,843,854,458</b>

The accounting policies and notes on pages 133 to 205 form an integral part of the financial statements.

# Statement of Financial Position

As at 31 December 2024

(all amounts in Maldivian Rufiyaa unless otherwise stated)

	Note	2024	2023
<b>LIABILITIES</b>			
<b>Foreign currency financial liabilities</b>			
Balances of commercial banks	20	3,745,427,111	4,701,247,614
Balances of the Government and Government institutions	21	796,982,910	866,358,479
Payable to Asian Clearing Union	22	894,947,799	705,152,864
IMF related liabilities	23	485,247,374	498,787,818
Interest bearing loans	24	71,886,814	75,813,830
Deposits of international financial institutions	25	834,222	833,140
Other liabilities	26	6,301,522,970	68,996,321
Term deposits	27	308,400,000	-
<b>Total foreign currency financial liabilities</b>		<b>12,605,249,200</b>	<b>6,917,190,066</b>
<b>Local currency financial liabilities</b>			
Balances of commercial banks	20	9,441,050,632	11,476,130,301
Balances of the Government and Government institutions	21	389,071,355	908,717,465
Currency in circulation	29	4,228,647,332	4,046,139,454
Balances of insurance companies and payment service providers	30	17,392,176	14,792,176
Deposits of international financial institutions	25	31,590,787	25,279,537
Deposit insurance fund	31	106,382	15,146
Other liabilities	26	113,165,497	114,013,404
Debt Instruments	32	-	210,929,978
<b>Total local currency financial liabilities</b>		<b>14,221,024,161</b>	<b>16,796,017,461</b>
<b>Total financial liabilities</b>		<b>26,826,273,361</b>	<b>23,713,207,527</b>
<b>Other liabilities</b>			
Deferred grants	28	1,893,217	2,447,329
Pension and other employment benefits payable	33	18,263,799	24,058,681
<b>Total other liabilities</b>		<b>20,157,016</b>	<b>26,506,010</b>
<b>Total liabilities</b>		<b>26,846,430,377</b>	<b>23,739,713,537</b>
<b>EQUITY</b>			
Capital	34	50,000,000	50,000,000
Reserves	34	1,422,881,402	1,054,140,921
<b>Total equity</b>		<b>1,472,881,402</b>	<b>1,104,140,921</b>
<b>Total liabilities and equity</b>		<b>28,319,311,779</b>	<b>24,843,854,458</b>

The Board of Directors of the Maldives Monetary Authority approved these financial statements on 29 April 2025.

Signed for and on behalf of the Board by,



Ahmed Munawar - Governor



Uz. Makhzoom Saleem - Director

The accounting policies and notes on pages 133 to 205 form an integral part of the financial statements.

# Statement of Comprehensive Income

As at 31 December 2024

(all amounts in Maldivian Rufiyaa unless otherwise stated)

	Note	2024	2023
<b>OPERATING INCOME</b>			
<b>Foreign currency income and expenses</b>			
Interest income on foreign currency financial assets	35	307,040,925	411,781,400
Profit from foreign currency financial assets		3,543,346	
Interest expense on foreign currency financial liabilities		(83,719,875)	(119,270,566)
<b>Net foreign currency income</b>		<b>226,864,396</b>	<b>292,510,834</b>
<b>Local currency income and expenses</b>			
Interest income on local currency financial assets	36	382,729,527	328,486,513
Profit from local currency financial assets		586,536	528,156
Interest expense on local currency financial liabilities		(112,526,772)	(123,995,651)
Profit remuneration on commodity murabahah facility		(13,775,601)	(12,532,381)
<b>Net local currency income</b>		<b>257,013,690</b>	<b>192,486,637</b>
<b>Other income</b>			
Other income	37	54,974,580	42,287,871
Income from foreign exchange management		96,124,745	88,473,774
Net investment income		23,274,093	(20,319,262)
Net foreign exchange revaluation loss		(3,833,493)	(5,354,401)
<b>Total other income</b>		<b>170,539,925</b>	<b>105,087,982</b>
<b>Total net operating income</b>		<b>654,418,011</b>	<b>590,085,453</b>
<b>OPERATING EXPENSES</b>			
Personnel expenses	38	118,539,976	113,435,877
Administration expenses	39	137,271,378	150,712,877
Depreciation, amortisation and impairment		35,983,950	21,801,665
<b>Total operating expenses</b>		<b>291,795,304</b>	<b>285,950,419</b>
Net impairment loss on financial instruments	45	(353,447)	(160,092)
<b>Net profit for the year</b>		<b>362,269,260</b>	<b>303,974,942</b>
<b>OTHER COMPREHENSIVE INCOME</b>			
<b>Items that are or may be reclassified subsequently to profit or loss:</b>			
Net unrealised gain from securities at FVOCI		52,879,511	118,248,839
Gain on gold and silver revaluation	15	13,887,637	7,291,643
		<b>66,767,148</b>	<b>125,540,482</b>
<b>Items that will not be reclassified to profit or loss:</b>			
Re-measurement gain / (loss) from defined benefit plan	33	7,017,140	(7,036,459)
Gain from property revaluation	17	87,351,604	-
		<b>94,368,744</b>	<b>(7,036,459)</b>
<b>Total other comprehensive income</b>		<b>161,135,892</b>	<b>118,504,023</b>
<b>Total comprehensive income</b>		<b>523,405,152</b>	<b>422,478,965</b>
Transferred to FVOCI reserve	34	(52,879,511)	(118,248,839)
Transferred to FARR-gold and silver revaluation gain	34	(13,887,637)	(7,291,643)
Transferred to FARR-foreign exchange revaluation loss	34	3,833,493	5,354,401
Transferred to Other reserves	34	(7,017,140)	7,036,459
Transferred to Property revaluation reserve	34	(87,351,604)	-
<b>Profit for the year per MMA Act</b>		<b>366,102,753</b>	<b>309,329,343</b>

The accounting policies and notes on pages 133 to 205 form an integral part of the financial statements.

## Statement of Changes in Equity

As at 31 December 2024

(all amounts in Maldivian Rufiyaa unless otherwise stated)

	Note	Contributed capital	General reserve	Foreign asset revaluation reserve	Retained earnings	FVOCI reserve	Property revaluation reserve	Other reserves	Total
<b>As at 1 January 2023</b>		<b>50,000,000</b>	<b>582,790,308</b>	<b>80,379,049</b>	<b>155,299,770</b>	<b>(146,352,726)</b>	<b>34,788,975</b>	<b>2,406,465</b>	<b>759,311,841</b>
Profit re-appropriation to the Government	40	-	-	-	(77,649,885)	-	-	-	(77,649,885)
Transfer to general reserve	34.2	-	77,649,885	-	(77,649,885)	-	-	-	-
Profit for the year		-	-	-	303,974,942	-	-	-	303,974,942
Transfer of foreign currency revaluation loss	34.3	-	-	(5,354,401)	5,354,401	-	-	-	-
Other comprehensive gain from gold and silver revaluation	15	-	-	7,291,643	-	-	-	-	7,291,643
Other comprehensive loss from defined benefit plan	34.6	-	-	-	-	-	-	(7,036,459)	(7,036,459)
Other comprehensive gain arising from change in value of securities at FVOCI		-	-	-	-	118,248,839	-	-	118,248,839
<b>As at 31 December 2023</b>		<b>50,000,000</b>	<b>660,440,193</b>	<b>82,316,291</b>	<b>309,329,343</b>	<b>(28,103,887)</b>	<b>34,788,975</b>	<b>(4,629,994)</b>	<b>1,104,140,921</b>
<b>As at 1 January 2024</b>		<b>50,000,000</b>	<b>660,440,193</b>	<b>82,316,291</b>	<b>309,329,343</b>	<b>(28,103,887)</b>	<b>34,788,975</b>	<b>(4,629,994)</b>	<b>1,104,140,921</b>
Profit re-appropriation to the Government	40	-	-	-	(154,664,671)	-	-	-	(154,664,671)
Transfer to general reserve	34.2	-	154,664,672	-	(154,664,672)	-	-	-	-
Profit for the year		-	-	-	362,269,260	-	-	-	362,269,260
Transfer of foreign currency revaluation loss	34.3	-	-	(3,833,493)	3,833,493	-	-	-	-
Other comprehensive gain from gold and silver revaluation	15	-	-	13,887,637	-	-	-	-	13,887,637
Other comprehensive gain from defined benefit plan	34.6	-	-	-	-	-	-	7,017,140	7,017,140
Other comprehensive gain arising from change in value of securities at FVOCI		-	-	-	-	52,879,511	-	-	52,879,511
Gain from property revaluation		-	-	-	-	-	87,351,604	-	87,351,604
<b>As at 31 December 2024</b>		<b>50,000,000</b>	<b>815,104,865</b>	<b>92,370,435</b>	<b>366,102,753</b>	<b>24,775,624</b>	<b>122,140,579</b>	<b>2,387,146</b>	<b>1,472,881,402</b>

The accounting policies and notes on pages 133 to 205 form an integral part of the financial statements.

# Statement of Cash Flows

As at 31 December 2024

(all amounts in Maldivian Rufiyaa unless otherwise stated)

	Note	2024	2023
<b>Cash flows from operating activities</b>			
<b>Receipts</b>			
Interest received - foreign currency		289,264,980	406,478,657
Interest received - local currency		385,842,787	330,655,537
Fees, commission and other miscellaneous income received		77,214,207	22,392,962
		<b>752,321,974</b>	<b>759,527,156</b>
<b>Disbursements</b>			
Interest paid - foreign currency		(85,208,841)	(117,396,279)
Interest paid - local currency		(113,238,182)	(124,480,951)
Profit Remuneration - local currency		(13,947,168)	(12,289,684)
Payments to employees		(117,427,996)	(127,042,020)
Payments to suppliers		(110,415,158)	(88,221,730)
Fees/commission paid		(10,142,600)	(49,742,277)
		<b>(450,379,945)</b>	<b>(519,172,941)</b>
<b>Net cash generated from operating activities</b>	<b>41</b>	<b>301,942,029</b>	<b>240,354,215</b>
<b>Cash flows from investing activities</b>			
<b>Receipts and Disbursements</b>			
Net (decrease) / increase in currency deposits		(6,528,672,012)	2,308,835,894
Net (decrease) / increase in deposits from financial institutions		(3,112,594,194)	730,028,401
Net (decrease) / increase in deposits from the Government and Government		(607,487,999)	3,174,771,519
Net increase in deposits from Term Deposits		308,400,000	-
Net (decrease) / increase in other liabilities		(374,836)	422,129
Net decrease in assets held with the IMF		12,314,952	16,168,369
Net decrease / (increase) in investments in short term securities		434,199,559	(538,093,128)
Net decrease / (increase) in loans and advances to the Government and Government institutions		220,660,908	(6,507,539,042)
Expenditure on development projects and intangible assets		(3,062,840)	(5,002,888)
Purchase of property, plant and equipment		(56,612,212)	(441,257,051)
Profit paid to the Government		(154,664,671)	(77,649,885)
Net increase in other assets		(235,898)	(287,141)
<b>Net cash used in investing activities</b>		<b>(9,488,129,243)</b>	<b>(1,339,602,823)</b>
<b>Cash flows from financing activities</b>			
<b>Sources:</b>			
Net increase in currency in circulation		182,507,878	319,862,097
Net increase / (decrease) in liabilities with other central banks		6,245,410,091	(1,541,580,948)
Net increase / (decrease) in payable to Asian Clearing Union		187,162,500	(29,859,560)
Net decrease in interest bearing loans		(1,938,532)	(1,960,216)
Repayment of lease liabilities		(427,255)	(376,102)
Net increase / (decrease) in grants received		114,277	(148,365)
<b>Net cash generated from / (used in) financing activities</b>		<b>6,612,828,959</b>	<b>(1,254,063,094)</b>
<b>Net decrease in cash and cash equivalents</b>		<b>(2,573,358,255)</b>	<b>(2,353,311,702)</b>
Exchange rate effect on cash and cash equivalents		842,345	(8,006,872)
Cash and cash equivalents as at the beginning of the year		3,680,366,390	6,041,684,964
<b>Cash and cash equivalents as at the end of the year</b>	<b>42</b>	<b>1,107,850,480</b>	<b>3,680,366,390</b>

The accounting policies and notes on pages 133 to 205 form an integral part of the financial statements.

# Notes to the Financial Statements

Year ended 31 December 2024

(all amounts in Maldivian Rufiyaa unless otherwise stated)

## 1. REPORTING ENTITY AND STATUTORY BASE

These are the financial statements of the Maldives Monetary Authority (the Authority); the institution established under the Maldives Monetary Authority Act (MMA Act) of 1981 of the Republic of Maldives. The Authority is domiciled in the Republic of Maldives and is situated at Majeedhee Building, Male', Republic of Maldives.

The Authority was established in 1981 and has the following primary objectives: -

- (a) To maintain price stability conducive to the sustainable growth of the economy;
- (b) without prejudice to attainment of the objective (a), to maintain financial stability; and,
- (c) without prejudice to attainment of objectives (a) and (b), to support the Government in achieving macroeconomic stability and economic growth.

These financial statements for the year ended 31 December 2024 were authorised for issue by the Board of Directors of the Authority in accordance with the Section 35 of MMA Act.

### 1.1. NATURE AND EXTENT OF ACTIVITIES

In carrying out its mandate as the central bank of the Maldives, the Authority, undertakes the following functions in accordance with Section 22 of MMA Act; -

- i. determine and implement monetary policy of Maldives;
- ii. advise on the exchange rate regime;
- iii. determine and implement the exchange rate and exchange rate policies, in order to implement the exchange rate regime;
- iv. maintain and manage External Reserves of Maldives;
- v. issue and manage the currency of Maldives;
- vi. regulate and supervise the financial sector, other than those Securities Businesses and services regulated under the Law No. 2/2006 (Maldives Securities Act);
- vii. organize, operate and participate in payment systems and Securities settlement systems;
- viii. open accounts for, and accept deposits from, the Government, its agencies and Government affiliated institutions, as well as Banks in Maldives and other Financial Institutions;
- ix. provide services as correspondent, banker, agent or depository for any Monetary authority, central bank or Financial Institution;
- x. open and maintain accounts with such Banks or other depositories in or outside Maldives, and appoint them as correspondents or agents of the Authority, as may be required;
- xi. purchase, sell or deal in gold coins, Bullion or foreign currency;
- xii. purchase, sell, invest, or deal in Treasury Bills, other Securities and financial instruments issued or guaranteed by foreign governments or Financial Institutions;

## Notes to the Financial Statements

Year ended 31 December 2024

(all amounts in Maldivian Rufiyaa unless otherwise stated)

- xiv. grant loans, advances and Re-discounts to Banks and other Financial Institutions in Maldives for a period not exceeding 90 (Ninety) days on such terms and conditions as prescribed by the Board; Upon the expiry of the aforementioned period of 90 (Ninety) days after considering the circumstances, the term of such a loan, advance or Re-discount may be extended by additional periods not exceeding 90 (Ninety) days and such extensions may only be given a maximum of 3 (Three) times;
- xv. grant temporary advances to the Government upon agreed terms and conditions;
- xvi. grant advances to the Government on terms and conditions to be agreed upon, in respect of subscriptions and other expenses relating to the membership of Maldives in any international Financial Institution, the participation of Maldives in any account thereof, and any transactions and operations undertaken in connection therewith;
- xvii. act as a banker to the Government, and as a financial advisor and fiscal agent to the Government and to any other public authority in Maldives;
- xviii. borrow money and issue guarantees, inside or outside Maldives, on such terms and conditions the Board prescribes;
- xix. organise and operate a Clearing House, in conjunction with the Banks;
- xx. collect, compile, analyse and publish statistics and information for the purpose of achieving the objectives of the Authority;
- xxi. carry out development projects for the purposes of developing the financial sector of the Maldives and increasing financial inclusion within the Maldives, and levy fees or charges for services provided under such projects;
- xxii. acquire, purchase, seize, hold, assign interests in, transfer, lease, sell or mortgage immovable property such as land or buildings as well as moveable property;
- xxiii. oversee payment, clearing, and Securities settlement systems, and regulate and oversee payment instruments;
- xxiv. manage funds for the Government and public authorities;
- xxv. undertake issuance and management of Securities issued by the Government or a public authority or a company whose majority shares are owned by the Government;
- xxvi. issue Securities in its own name and purchase, sell, redeem, Discount and Re-discount such Securities;
- xxvii. appoint and remove primary dealers of the Securities issued in the name of the Authority;
- xxviii. purchase, sell or invest in Securities and financial instruments specified by the Board;
- xxix. carry out any functions assigned to the Authority by any other statute; and
- xxx. carry out any activities necessary to achieve the objectives of the Authority or to exercise the functions of the Authority.

The activities carried out in order to achieve its objective of price and financial system stability of the country can be broadly segregated into foreign currency and local currency activities. Results of these activities are classed as operating activities in the context of the statement of comprehensive income.

# Notes to the Financial Statements

Year ended 31 December 2024

(all amounts in Maldivian Rufiyaa unless otherwise stated)

## Foreign currency activities

Foreign currency activities result mainly from the Authority's holdings of foreign currency assets under its foreign reserves management function. The foreign reserves portfolio comprises foreign currency assets held for investment and settlement purposes. The majority of foreign currency assets are denominated in United States Dollars, Euros, Pound Sterling, Australian Dollars and Chinese Yuan. Investment of the country's foreign reserves is in investment grade instruments with counter parties with low credit risk and terms to maturity generally less than three years. Investments are held to maturity, other than certain investments that are held to collect contractual cash flow and for sale.

## Local currency activities

Local currency activities largely involve the Authority offsetting the daily net flows to or from Government or market by advancing funds to or withdrawing funds from the banking system. Financial operations undertaken in the market with the objective of achieving policy objectives are undertaken at prevailing interest rates with terms to maturity less than thirty days and are fully collateralized with high quality government assets. In cooperation with the government, the Authority helps manage certain economic development programs including holding long term securities or providing guarantees. In addition to this, the majority of the Authority's operating expenses are also in local currency.

## 2. BASES OF ACCOUNTING

### Basis of preparation

The financial statements are prepared on the historical cost basis, except for certain assets and liabilities that have been measured at fair value as identified in specific accounting policies below.

### Going Concern basis

The financial statements have been prepared on a going concern basis, as Board of Directors is satisfied that the Authority has adequate resources to continue as a going concern for the foreseeable future. In making this assessment, the Authority has considered a wide range of information including projections of profitability, regulatory capital requirements and funding needs. The assessment also includes consideration of reasonably possible downside economic scenarios and their potential impacts on the profitability, capital and liquidity of the Authority.

### Statement of compliance

These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board.

# Notes to the Financial Statements

Year ended 31 December 2024

(all amounts in Maldivian Rufiyaa unless otherwise stated)

## Reporting format

The Authority presents financial assets and financial liabilities, and their associated income and expense streams, by distinguishing between foreign currency and local currency activities. In the statement of financial position, assets and liabilities are presented broadly in order of liquidity within such distinguished category. The Authority considers that this reporting approach provides appropriate reporting of the Authority's activities.

## Currency of presentation

The financial statements are presented in Maldivian Rufiyaa, unless otherwise stated, and are rounded to the nearest Rufiyaa.

## Foreign currency translation

The Authority's functional and presentation currency is Maldivian Rufiyaa. Transactions in foreign currencies are initially recorded in the functional currency ruling at the date of transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the reporting date. All differences are included in the statement of comprehensive income. In addition to that, the Authority shall require to adhere section 28 of the MMA Act. Gains or losses arising from foreign currency translation are excluded to derive the profit for the year as per MMA Act. For the purposes of retranslation, the following Maldivian Rufiyaa exchange rates for major currencies were used:

	31 December 2024	31 December 2023
	MVR	MVR
1 Australian Dollar	9.6117	10.5501
1 Euro	16.0759	17.1206
1 Japanese Yen	0.0977	0.1089
1 Singapore Dollar	11.3541	11.6870
1 Special Drawing Rights (SDR)	20.1097	20.6617
1 Pound Sterling	19.3962	19.7259
1 Chinese Yuan	2.1127	2.1621
1 United States Dollar	15.42	15.4000

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using exchange rates at the dates of initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. The exchange rate of Maldivian Rufiyaa against USD is permitted to fluctuate within a  $\pm 20\%$  band of MVR 12.85 per USD. This band took effect from 11 April 2011 and was made in accordance with the Chapter 3, Section 13 of MMA Act prior to the fourth amendment.

# Notes to the Financial Statements

Year ended 31 December 2024

(all amounts in Maldivian Rufiyaa unless otherwise stated)

## 3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The application of the Authority's accounting policies requires management to exercise judgements. This may involve a higher degree of judgement or complexity, and major sources of estimation of uncertainty that have a significant risk of resulting in a material adjustment within the next financial year are set out in the following paragraphs. Detailed information about each of these estimates and judgements is included in the related MO together with information about the basis of calculation for each affected line item in the financial statements.

### Classification and measurement of financial assets and financial liabilities and impairment

#### (i) Classification of assets

The Authority's foreign currency financial assets are classified at amortised cost, Fair value through profit or loss (FVPL) or Fair value through other comprehensive income (FVOCI). A financial asset managed by a supranational financial institution is classified as FVPL while externally managed financial assets and fixed income securities are classified as FVOCI. The remaining financial assets of the Authority's financial assets are classified at amortised cost. The Authority has also assessed its holdings of local currency financial assets at amortised cost.

#### (ii) Measurement of the expected credit loss allowance

The measurement of the expected credit loss (ECL) allowance for financial assets measured at amortised cost and FVOCI is an area that requires the use of complex models and significant assumptions about future economic conditions and credit behaviour (e.g. the likelihood of banks and security issuers defaulting and the resulting losses). Explanation of the inputs, assumptions and estimation techniques used in measuring ECL is further detailed in note 45.1.2.3.

A number of significant judgements are also required in applying the accounting requirements for measuring ECL, such as:

- Determining criteria for significant increase in credit risk;
- Choosing appropriate models and assumptions for the measurement of ECL;
- Establishing and incorporating forward-looking scenarios relevant for each type of instrument for the calculation of ECL associated with the instrument;
- Establishing groups of similar financial assets for the purposes of measuring ECL.
- Detailed information about the judgements and estimates made by the Authority in the above areas is set out in note 45.1.2.3.

### Fair value of financial instruments

Where the fair values of financial assets and financial liabilities cannot be derived from active markets, they are determined using a variety of valuation techniques that include the use of mathematical models.

# Notes to the Financial Statements

Year ended 31 December 2024

(all amounts in Maldivian Rufiyaa unless otherwise stated)

The inputs to these models are derived from observable market data where possible, but if this is not available, judgment is required to establish fair values. The judgments include considerations of liquidity and inputs such as discount rates.

## Pensions, gratuity and other post-employment benefit plans

The cost of defined benefit plans is determined using an internal valuation. This valuation involves making assumptions about discount rates, rate of compensation and future pension/gratuity increases/decreases. Due to the long-term nature of these plans, such estimates are subject to significant uncertainty. Assumptions used are disclosed separately in the notes to the financial statements (see note 33).

## Revaluation of freehold land

The Authority engaged independent professional valuers to determine the fair value of its freehold land. It is determined using valuation techniques that include the use of mathematical models as there is no active market to derive the prices of similar assets. The inputs to these models are derived from observable market data where possible, but if this is not available, judgment is required to establish fair values (see note 17.3).

## 4. MATERIAL ACCOUNTING POLICIES

The accounting policies applied are consistent with those used in the previous financial year.

### 4.1 Financial assets and liabilities

#### Measurement methods

##### *Amortised cost and effective interest rate*

The amortised cost is the amount at which the financial asset or financial liability is measured at initial recognition minus the principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount and, for financial assets, adjusted for any loss allowance.

The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial asset or financial liability to the gross carrying amount of a financial asset (i.e. its amortised cost before any impairment allowance) or to the amortised cost of a financial liability. The calculation does not consider expected credit losses and includes transaction costs, premiums or discounts and fees and points paid or received that are integral to the effective interest rate, such as origination fees.

When the Authority revises the estimates of future cash flows, the carrying amount of the respective financial assets or financial liability is adjusted to reflect the new estimate discounted using the original effective interest rate. Any changes are recognised in profit or loss.

# Notes to the Financial Statements

Year ended 31 December 2024

(all amounts in Maldivian Rufiyaa unless otherwise stated)

## *Interest income*

Interest income is calculated by applying the effective interest rate to the gross carrying amount of financial assets, except for:

Financial assets that are not Purchased or Originated Credit-Impaired (POCI) but have subsequently become credit-impaired (or 'stage 3'), for which interest revenue is calculated by applying the effective interest rate to their amortised cost (i.e. net of the expected credit loss provision).

## *Initial recognition and measurement*

Financial assets and financial liabilities are recognised when the Authority becomes a party to the contractual provisions of the instrument. Regular way purchases and sales of financial assets are recognised on value-date, the date on which the Authority purchases or sells the asset.

At initial recognition, the Authority measures a financial asset or financial liability at its fair value plus or minus, in the case of a financial asset or financial liability not at FVPL, transaction costs that are incremental and directly attributable to the acquisition or issue of the financial asset or financial liability, such as fees and commissions. Transaction costs of financial assets and financial liabilities carried at fair value through profit or loss are expensed in the statement of comprehensive income. Immediately after initial recognition, an ECL is recognised for certain financial assets measured at amortised cost and investments in debt instruments measured at FVOCI, as described in note 45.1.5, which results in an accounting loss being recognised in the statement of comprehensive income when an asset is newly originated.

When the fair value of financial assets and liabilities differs from the transaction price on initial recognition, the entity recognizes the difference as follows:

- (a) When the fair value is evidenced by a quoted price in an active market for an identical asset or liability (i.e. a level 1 input) or based on a valuation technique that uses only data from observable markets, the difference is recognised as a gain or loss.
- (b) In all other cases, the difference is deferred, and the timing of recognition of deferred day one gain or loss is determined individually. It is either amortised over the life of the instrument, deferred until the instrument's fair value can be determined using market observable inputs, or realised through settlement.

### **4.1.1 Financial assets**

#### **(i) Classification and subsequent measurement**

The Authority classifies its financial assets in the following measurement categories:

- Fair value through other comprehensive income (FVOCI); or
- Fair value through profit or loss (FVPL); or
- Amortised cost.

## Notes to the Financial Statements

Year ended 31 December 2024

(all amounts in Maldivian Rufiyaa unless otherwise stated)

Debt instruments are those instruments that meet the definition of a financial liability from the issuer's perspective, such as loans, government and corporate bonds, both foreign and domestic.

Classification and subsequent measurement of debt instruments depends on:

- (i) the Authority's business model for managing the asset; and
- (ii) the cash flow characteristics of the asset.

Based on these factors, the Authority classifies its debt instruments into one of the following three measurement categories:

- **Amortised cost:** Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest (SPPI), and that are not designated at FVPL, are measured at amortised cost. The carrying amount of these assets is adjusted by any expected credit loss allowance recognised and measured as described in note 45.1.4 Interest income from these financial assets is included under 'Operating income' using the effective interest rate (EIR) method.
- **FVOCI:** Financial assets that are held for collection of contractual cash flows and for selling the assets, where the assets' cash flows represent SPPI, and that are not designated at FVPL, are measured at FVOCI. Movements in the carrying amount are taken through other comprehensive income (OCI), except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses on the instrument's amortised cost which are recognised 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 recognised in 'Net Investment Income'. Interest income from these financial assets is included under 'Operating income' using the effective interest rate method.
- **FVPL:** Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in profit or loss within 'Net trading income' in the period in which it arises, unless it arises from debt instruments that were designated at fair value or which are not held for trading, in which case they are presented separately in 'Net investment income'. Interest income from these financial assets are included in 'Interest income' using effective interest rate method.

*Business model:* the business model reflects how the Authority manages the assets in order to generate cash flows. That is, whether the Authority's objective is solely to collect the contractual cash flows from the assets or is to collect both the contractual cash flows and cash flows arising from the sale of assets. If neither of these is applicable, then the financial assets are

## Notes to the Financial Statements

Year ended 31 December 2024

(all amounts in Maldivian Rufiyaa unless otherwise stated)

classified as part of 'other' business model and measured at FVPL. Factors considered by the Authority in determining the business model for assets include past experience on how the cash flows for these assets were collected, how the asset's performance is evaluated and reported to key management personnel, how risks are assessed and managed and how managers are compensated. The domestic currency portfolios are mostly held for the purpose of collecting the contractual cash flows. The Authority's regular program of fixed term policy instruments are held until maturity.

*SPPI:* Where the business model is to hold assets to collect contractual cash flows or to collect contractual cash flows and sell, the Authority assesses whether the financial instruments' meet the 'SPPI test'. In making this assessment, the Authority considers whether the contractual cash flows are consistent with a basic lending arrangement i.e. interest includes only consideration for the time value of money, credit risk, other basic lending risks and a profit margin that is consistent with a basic lending arrangement. Where the contractual terms introduce exposure to risk or volatility that are inconsistent with a basic lending arrangement, the related financial asset is classified and measured at fair value through profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are SPPI.

The Authority reclassifies debt securities when and only when its business model for managing those assets changes. The reclassification takes place from the start of the first reporting period following the change. Such changes are expected to be very infrequent and none occurred during the period.

### *Equity instruments*

Equity instruments are instruments that meet the definition of equity from the issuer's perspective; that is, instruments that do not contain a contractual obligation to pay and that evidence a residual interest in the issuer's net assets. Examples of equity instruments include basic ordinary shares. The Authority does not currently hold any equity holdings.

### **(ii) Impairment**

The Authority assesses, on a forward-looking basis, the ECL associated with its debt instrument assets carried at amortised cost and FVOCI and with the exposure arising from loans, deposits, advances and commitments and financial guarantee contracts. The Authority recognizes a loss allowance for such losses at each reporting date. The measurement of ECL reflects:

- An unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- The time value of money; and
- Reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

## Notes to the Financial Statements

Year ended 31 December 2024

(all amounts in Maldivian Rufiyaa unless otherwise stated)

Note 45.1.2 provides more detail of how the expected credit loss allowance is measured.

### *Presentation of allowance for ECL in the statement of financial position*

Loss allowance 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;
- loan commitments and financial guarantee contracts: as a provision;
- debt instruments measured at FVOCI: no allowance is recognised in the statement of financial position because the carrying amount of these assets is their fair value. However, the loss allowance is recognised in profit or loss and disclosed in Note 45.1.4.

The Authority would only write-off its financial assets, in whole or in part, when it has exhausted all practical recovery efforts and has concluded there is no reasonable expectation of recovery. Note 45.1.6 provides more detail on how the conclusion is made.

### **(iii) Modification of lending arrangements**

The Authority may sometimes renegotiate or otherwise modify the contractual cash flows of loans to banks. When this happens, the Authority will assess whether or not the new terms are substantially different to the original terms. The Authority would do this by considering, among others, the following factors:

- If the borrower is in financial difficulty, whether the modification merely reduces the contractual cash flows to amounts the borrower is expected to be able to pay.
- Whether any substantial new terms are introduced, that substantially affects the risk profile of the loan.
- Significant extension of the loan term when the borrower is not in financial difficulty.
- Significant change in the interest rate.
- Change in the currency the loan is denominated in.
- Insertion of collateral, other security or credit enhancements that significantly affect the credit risk associated with the loan.

If the terms are substantially different, the Authority would derecognize the original financial asset and recognize a 'new' asset at fair value and recalculate a new EIR for the asset. The date of renegotiation would be consequently considered to be the date of initial recognition for impairment calculation purposes, including for the purpose of determining whether a significant increase in credit risk has occurred. However, the Authority would also assess whether the new financial asset recognised is deemed to be credit-impaired at initial recognition, especially in circumstances where the renegotiation was driven by the debtor being unable to make the originally agreed payments. Differences in the carrying amount would also be recognised in the income statement as a gain or loss on derecognition.

## Notes to the Financial Statements

Year ended 31 December 2024

(all amounts in Maldivian Rufiyaa unless otherwise stated)

If the terms are not substantially different, the renegotiation or modification does not result in derecognition, and the Authority would recalculate the gross carrying amount based on the revised cash flows of the financial asset and recognize a modification gain or loss in the income statement. The new gross carrying amount would be recalculated by discounting the modified cash flows at the original EIR (or credit-adjusted EIR for purchased or originated credit-impaired financial assets).

### (iv) Derecognition other than on a modification

Financial assets, or a portion thereof, are derecognised when the contractual rights to receive the cash flows from the assets have expired, or when they have been transferred and either (i) the Authority transfers substantially all the risks and rewards of ownership, or (ii) the Authority neither transfers nor retains substantially all the risks and rewards of ownership and the Authority has not retained control.

### 4.1.2 Financial liabilities

#### (i) Classification and subsequent measurement

Financial liabilities are classified and subsequently measured at amortised cost, except for;

- Financial guarantee contracts (see note 4.2)

#### (ii) Derecognition

Financial liabilities are derecognised when they are extinguished (i.e. when the obligation specified in the contract is discharged, cancelled or expires).

The exchange between the Authority and its original counterparties of debt instruments with substantially different terms, as well as substantial modifications of the terms of existing financial liabilities, are accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The terms are substantially different if the discounted present value of the cash flows under the new terms, including any fees paid net of any fees received and discounted using the original EIR, is at least 10% different from the discounted present value of the remaining cash flows of the original financial liability. In addition, other qualitative factors, such as the currency that the instrument is denominated in, changes in the type of interest rate, new conversion features attached to the instrument and change in covenants are also taken into consideration. If an exchange of debt instruments or modification of terms is accounted for as an extinguishment, any costs or fees incurred are recognised as part of the gain or loss on the extinguishment. If the exchange or modification is not accounted for as an extinguishment, any costs or fees incurred adjust the carrying amount of the liability and are amortised over the remaining term of the modified liability.

# Notes to the Financial Statements

Year ended 31 December 2024

(all amounts in Maldivian Rufiyaa unless otherwise stated)

## 4.2 Financial guarantee contracts

Financial guarantee contracts are contracts that require the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due, in accordance with the terms of a debt instrument.

Financial guarantee contracts are initially measured at fair value and subsequently measured based on the amount of the loss allowance (calculated as described in note 44.1.4). For financial guarantee contracts, the loss allowance is recognised as a provision.

## 4.3 Financial instruments

### (a) Cash and balances with banks

Cash and balances with banks comprise foreign currency held at the Authority's premises, cash and balances held in both domestic and foreign currency in local and foreign banks and financial institutions.

Cash and balances are carried at amortised cost in the statement of financial position.

### (b) International Monetary Fund (IMF) related assets and liabilities

In accordance with Section 22 (q) of the MMA Act, the Authority acts as fiscal agent of the Government in its dealings with International Financial Institutions, transact with the International Financial Institutions and undertake financial agency work for the Government.

In compliance with the MMA Act, the accounts with International Monetary Fund (IMF), which records all transactions with the IMF, have been included in these financial statements.

The cumulative allocation of SDR by the IMF is treated as a liability. Exchange gains and losses arising on revaluation of IMF assets and liabilities are recognised in the statement of comprehensive income.

All other charges and interest pertaining to balances with the IMF are recorded immediately in the statement of comprehensive income.

### (c) Investment in securities

Investment in securities comprise of investment in securities with foreign banks, investment in Government treasury bills and investment in held to collect contractual cash flows and for sale securities. The Authority has classified these debt securities at amortised cost, except for those held to collect contractual cash flows and for sale which are classified as FVOCI.

### (d) Loans and advances

Loans and advances include loans and advances to the Authority's employees; they were initially measured at fair value plus incremental direct transaction costs, and subsequently measured at their amortised cost using the effective interest method.

# Notes to the Financial Statements

Year ended 31 December 2024

(all amounts in Maldivian Rufiyaa unless otherwise stated)

## (e) Deposits and borrowings

Financial liabilities under deposits and borrowings include balances of commercial banks, balances of the government and government institutions, interest bearing loans received from Ministry of Finance and Planning (MOFP) and balance of insurance and remittance companies that are measured at amortised cost.

Deposits and borrowings are initially measured at fair value minus incremental direct transaction costs, and subsequently measured at their amortised cost using the effective interest method.

## (f) Interest

### *Effective interest rate*

Interest income and expense are recognised in the income statement using the effective interest method. The EIR is the rate that exactly discounts the estimated future cash payments and 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 EIR for financial instruments other than credit-impaired assets, the Authority estimates future cash flows considering all contractual terms of the financial instrument, but not future credit losses.

For credit-impaired financial assets, a credit-adjusted effective interest rate is calculated using estimated future cash flows including expected credit losses.

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

### *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 at initial recognition, minus principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between that initial amount recognised 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.

# Notes to the Financial Statements

Year ended 31 December 2024

(all amounts in Maldivian Rufiyaa unless otherwise stated)

## *Calculation of interest income and expense*

In calculating interest income and expense, the EIR 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. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the EIR to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

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

For information on when financial assets are credit-impaired, see Note 45.1.2.2.

## *Presentation*

Interest income and expense presented in the statement of comprehensive income include:

- interest on financial assets and financial liabilities measured at amortised cost calculated on an effective interest basis; and
- interest on debt instruments measured at FVOCI calculated on an effective interest basis.

Interest income and expense on all financial assets and financial liabilities are considered to be incidental to the Authority's trading operations and are presented in the net operating income (see note 35 to 36).

## **(g) Currency in circulation**

MMA is the sole statutory authority to issue currency to the public and is carried out in line with the MMA Act. Currency issued by the Authority represents a claim on the Authority in favour of the holder. The liability for currency in circulation is recorded at the face value in the financial statements and is considered to be its fair value. Movements in circulation currency are included as part of financing activities in line with prevailing industry practices among those central banks which present statement of cash flows.

## **(h) Leases**

At inception of a contract, the Authority 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 of consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Authority uses the definition of a lease in IFRS 16.

# Notes to the Financial Statements

Year ended 31 December 2024

(all amounts in Maldivian Rufiyaa unless otherwise stated)

## Authority acting as a lessee

The Authority recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at the 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 the lease asset.

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

The liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicated in the lease or if that rate cannot be determined, the lessee's incremental borrowing rate. The incremental borrowing rate is the rate of interest that a lessee would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. As such, the incremental borrowing rate applied to the Authority's lease is 5.5%. This is the coupon rate of a Government security with a tenure of 10 years.

The lease liability is re-measured when there is a change in future lease payments arising from change in an index or rate, if there is a change in the Authority's estimate of the amount expected to be payable under a residual value guarantee, if the Authority changes its assessment of whether it will exercise an extension option, and penalties for early termination option or if there is a revision in substance to fixed lease payment.

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

The Authority presents right-of-use assets in property, plant and equipment (Note 17) and lease liabilities in other liabilities under local currency financial liabilities (Note 26.4) in the statement of financial position.

## 4.4 Non-financial assets

### (a) Gold and Silver

As permitted by Section 21 (2) of the MMA Act which specifies the composition of external reserve, the Authority holds gold as part of its external reserves. Accordingly, gold is fair valued at the current market price and translated into domestic currency.

## Notes to the Financial Statements

Year ended 31 December 2024

(all amounts in Maldivian Rufiyaa unless otherwise stated)

Additionally, the Authority holds silver as part of its non-financial assets. Silver is also fair valued at the current market price and translated into domestic currency.

These gains or losses are recognised in OCI and transferred to Foreign Asset Revaluation Reserve (FARR). In the event of a sale, the realised gains and losses are recognised in profit or loss.

### (b) Inventories

Inventories of currency on hand are carried at lower of cost and net realisable value. Costs of currency on hand include the cost of bringing inventories to their present location and condition. The value of each category of inventory is determined on first-in-first-out basis. When currency is issued, the value of inventory is reduced, and an expense is recorded as currency issuance costs.

### (c) Property, plant and equipment

Except for the freehold land, property, plant and equipment is stated at cost, excluding the costs of day-to-day servicing, less accumulated depreciation and accumulated impairment in value. The cost of day to day servicing excludes the cost of replacing part of such property, plant and equipment when that cost is incurred if the asset recognition criteria are met.

Freehold land is stated at fair value and the resulting revaluation gain is recognised in statement of comprehensive income within Property Revaluation Reserve. The value for freehold land is based on an independent professional valuation. A revaluation deficit is recognised in the statement of comprehensive income except that a deficit directly offsetting a previous surplus on the same asset is directly offset against the surplus in revaluation reserve.

Depreciation is calculated on a straight-line method over the following estimated useful life or the lease term.

Class of asset	Useful life (Years)
Buildings on freehold land	30
Machinery and equipment	5-15
Furniture and fittings	5-15
Motor vehicles	10
Computer equipment	5
Right of Use Asset	10

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable. The asset's residual values, useful life and methods are reviewed, and adjusted if appropriate, regularly.

# Notes to the Financial Statements

Year ended 31 December 2024

(all amounts in Maldivian Rufiyaa unless otherwise stated)

## (d) Intangible assets

The Authority's intangible assets consist of software namely; Maldives Credit Information Bureau (MCIB) software, and the Maldives Real Time Gross Settlement System (MRTGS), the Automated Clearing House (ACH), Oracle E-Business Suite and other software. Costs of these intangible assets are recognised only when the cost can be measured reliably, and it is probable that the expected future economic benefits that are attributable to it will flow to the Authority.

The cost of an internally generated intangible asset comprises all directly attributable costs necessary to create, produce, and prepare the asset to be capable of operating in the manner intended by management.

In particular, these costs include costs of materials and services used or consumed in generating the intangible asset and finance charges as defined by IAS 23 Borrowing Costs. Selling, administrative and other general overhead expenditure are not components of the cost of an internally generated intangible asset and are charged to statement of comprehensive income as and when they are incurred unless this expenditure can be directly attributed to preparing the asset for use. Identified inefficiencies and initial operating losses incurred before the asset achieves planned performance are also treated the same as the above.

Amortisation of intangible assets is calculated on a straight-line method over the following estimated useful lives:

Class of asset	Useful life (Years)
Oracle E-business suite (ERP)	9
RTGS software	7
Automated clearing house	7
Credit information bureau software	5-10
Other software	3
Central Payments Infrastructure (FAVARA)	10

## (e) Impairment of non-financial assets

The Authority assesses at each reporting date whether there is an indication that a non-financial asset may be impaired and if events or changes in circumstances indicate that the carrying value of a non-financial asset may be impaired, the Authority makes an estimate of the asset's recoverable amount. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are 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. In determining fair value less costs to sell, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, and other available fair value indicators.

# Notes to the Financial Statements

Year ended 31 December 2024

(all amounts in Maldivian Rufiyaa unless otherwise stated)

For assets, an assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Authority estimates the asset's or cash generating unit's recoverable amount.

Previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceeds the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of comprehensive income.

## (f) Deferred replacement cost

Issuing cost of Randhihafaheh (RDF) banknotes includes a component related to replacement of old notes that are already in circulation. The cost of banknotes that are replaced are initially deferred and charged to income statement over the period of their useful life. The unamortised cost of banknotes is recorded as deferred replacement cost in the statement of financial position.

Amortisation of replacement cost is calculated on a sum of year digit method over the following estimated useful lives:

Denomination	Useful life (Years)
Rufiyaa 500	12
Rufiyaa 100	10
Rufiyaa 50	10
Rufiyaa 20	7
Rufiyaa 10	7
Rufiyaa 5	7

## (g) Other receivables

Other receivables are stated at amortised cost.

## 4.5 Non-financial liabilities

### (a) Provisions

Provisions are recognised when the Authority has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the Authority expects a provision to be reimbursed, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain.

## Notes to the Financial Statements

Year ended 31 December 2024

(all amounts in Maldivian Rufiyaa unless otherwise stated)

### (b) 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 Authority 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

Employees are eligible for Maldives Pension Administration Office contributions in line with the Maldives Pension Act of 8/2009. The Authority contributes 7% of employees' pensionable salary to the Maldives Pension Administration Office contributions which is a separately administered defined contribution plan. Accrued rights payable for the past service to those employees in employment with the Authority has been accounted separately in these financial statements per the provisions of Maldives Pension Act of 8/2009.

#### (iii) Retirement gratuity

The Authority provides retirement gratuity for all eligible employees under its staff regulation. Employees who have served the authority for a period of 10 years are entitled for this benefit upon retirement at the age of 65 years. These benefits are recognised in other liabilities in respect of employee's services and are measured at the present value of future payments expected to be made based on services provided by employees up to the reporting date.

Changes in the value of the liability for retirement gratuities and post-retirement benefits are included in the statement of comprehensive income in personnel expenses within operating expenses. The Re-measurement gain or loss is included in other comprehensive income.

### (c) Grants

Grants are recognised at their fair value (where there is a reasonable assurance that the grant will be received and all attaching conditions, if any, will be complied with) are shown under other liabilities. When the grant relates to an expense item, it is recognised in the statement of comprehensive income over the periods necessary to match them to the expenses it is intended to compensate on a systematic basis.

Where the grant relates to an asset, including situations where an asset is given to the Authority the fair value is credited to a deferred grant account and is released to the statement of comprehensive income over the expected useful life of the relevant asset on a systematic basis consistent with the depreciation policy of the related asset. Where assets received under a grant are inventory or an operational expense in nature, the grant amount is taken to the statement of comprehensive income when the inventory is issued, or the expense is incurred.

# Notes to the Financial Statements

Year ended 31 December 2024

(all amounts in Maldivian Rufiyaa unless otherwise stated)

## (d) Other liabilities

Other liabilities are initially recognised at their fair value and subsequently recognised at amortised cost.

## 4.6 Current tax

Effective 1 January 2020, Maldives Inland Revenue Authority (MIRA), replaced the prevailing Business Profit Tax (Law number 5/2011) with the Income Tax Act (Law number 25/2019). According to chapter 3, section 12 (e) of the Income Tax Act, the Authority's income is exempt from tax. Additionally, according to chapter 8, section 54 of the Income Tax Act, the Authority deducted employee withholding tax from the gross amount of each payment made to the employees each month in the manner stipulated in the Act.

## 4.7 Revenue and expenses

Under IFRS 15, the Authority recognizes revenue when the following criteria is met. Both parties must approve the contract and commit to their obligations, with clear identification of each party's rights and payment terms. The contract must have commercial substance, meaning it is expected to affect future cash flows. Additionally, it must be probable that the entity will collect the consideration, based on the customer's ability and intention to pay, which may be adjusted for variable considerations such as price concessions.

All expenditure incurred in running the business and in maintaining the property, plant and equipment in a state of efficiency has been charged to statement of comprehensive income in arriving at the result for the year.

The following specific recognition criteria must also be met before revenue and expenses are recognised:

## (a) Interest income and expenses

Interest income and expense are recognised in the statement of comprehensive income on an accrual basis using the effective interest rate method based on the gross carrying amount of the asset (when the asset is not credit impaired) or to the amortised cost of the liability (see note 4.3 (f)). Interest income mainly includes interest earned from fixed deposit investments, coupon earned from fixed income securities, discount accrued from treasury bills and other discounted instruments.

# Notes to the Financial Statements

Year ended 31 December 2024

(all amounts in Maldivian Rufiyaa unless otherwise stated)

## (b) Miscellaneous

Miscellaneous income and expenses are recognised on an accrual basis.

Net gains and losses of a revenue nature on the disposal of property, plant and equipment have been accounted for in the statement of comprehensive income, having deducted from proceeds on disposal, the carrying amount of the assets and related selling expenses.

Gains and losses arising from incidental activities to the main revenue generating activities and those that are not material are aggregated, reported and presented on a net basis.

## 4.8 Contingent liabilities and commitments including off balance sheet items

All guarantees of indebtedness, forward foreign exchange transactions, foreign currency swaps and other commitments which represents off balance sheet items are shown under respective headings. Where applicable, such amounts are measured at best estimates.

## 4.9 Fair value measurement

The Authority analyses fair value measurements by level in the fair value hierarchy as detailed in Note 46.

## 4.10 Cash flow statement

The statement of cash flows has been prepared by using the 'Direct Method' in accordance with IAS 7 on statement of cash flows, whereby gross cash receipts and gross cash payments of operating activities, financing activities and investing activities have been recognised. Cash and cash equivalents comprise mainly cash balances, money at overnight placements and highly liquid investments that has original maturity of three months or less.

## 4.11 Comparatives

Where necessary, comparatives figures have been adjusted to confirm with changes in presentation in the current year.

# Notes to the Financial Statements

Year ended 31 December 2024

(all amounts in Maldivian Rufiyaa unless otherwise stated)

## 5. NEW ACCOUNTING STANDARDS ADOPTED IN 2024

The Authority has adopted and applied the following standards and amendments for the first time for the 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 the current or future periods. The Authority did not have to change its accounting policies or make retrospective adjustments as a result of adopting these standards:

- Lease Liability in a Sale and Leaseback - Amendments to IFRS 16 Leases
- Non-current Liabilities with Covenants - Amendments to IAS 1 Presentation of Financial Statements
- Supplier Finance Arrangements - Amendments to IAS 7, Statement of Cash Flows and IFRS 7, Financial Instruments: Disclosure

## 6. ACCOUNTING STANDARDS, AMENDMENTS AND INTERPRETATIONS NOT YET EFFECTIVE

Certain new accounting standards and interpretations have been published that are not mandatory for 31 December 2024 reporting periods and have not been early adopted by the Authority.

The Authority is currently assessing the impact of the following amendments:

- IFRS 18 - Presentation and Disclosure in Financial Statements
- Annual Improvements to IFRS Accounting Standards—Volume 11

Additionally, the following new and revised standards are not expected to have a material impact on the Authority's financial statements in the current or future reporting periods and on foreseeable future transactions:

- Contracts Referencing Nature – Dependent Electricity (Amendments to IFRS 9, Financial Instruments and IFRS 7, Financial Instruments: Disclosure)
- Amendments to the Classification and Measurement of Financial Instruments – (Amendments to IFRS 9, Financial Instruments and IFRS 7, Financial Instruments: Disclosure)
- IFRS 19 - Subsidiaries without Public Accountability: Disclosures
- Lack of exchangeability (Amendment to IAS 21, The Effects of Changes in Foreign Exchange Rates)

# Notes to the Financial Statements

Year ended 31 December 2024

(all amounts in Maldivian Rufiyaa unless otherwise stated)

## 7 CASH AND BALANCES WITH BANKS

	2024	2023
<b>7.1 Foreign currency balances</b>		
Foreign currency cash in hand	127,804,619	100,829,902
Balances with other central banks	57,803,066	31,588,803
Balances with other foreign banks	6,032,208	4,435,931
Balances with external asset manager	3,252,278	9,114,639
Balances with local banks - related parties	151,193	50,897
Money at overnight placements with other central banks (Note 7.3)	524,280,000	280,280,000
Investment in fixed deposits with foreign banks (Note 7.4)	5,679,186,000	4,285,820,000
Investment in fixed deposits with local banks - related parties (Note 7.5)	2,235,900,000	-
Expected credit losses	(2,188,403)	(1,715,302)
	<b>8,632,220,961</b>	<b>4,710,404,870</b>
<b>7.2 Local currency balances</b>		
Balances with local banks - related parties	80,127,116	46,246,218
Expected credit losses	(22,215)	(12,822)
	<b>80,104,901</b>	<b>46,233,396</b>
	<b>8,712,325,862</b>	<b>4,756,638,266</b>

## 7.3 Money at overnight placements with other central banks

The Authority invested USD 29,500,000 (2023: USD 18,200,000) in an overnight deposit facility under the repurchase agreement with the Federal Reserve Bank of New York at an interest rate of 4.25% per annum (2023: 5.30%).

## 7.4 Investment in fixed deposits with foreign banks

	2024	2023
Fixed deposits with maturity of 3 months or less	5,679,186,000	3,207,820,000
Fixed deposits with maturity more than 3 months	-	1,078,000,000
	<b>5,679,186,000</b>	<b>4,285,820,000</b>
Expected credit losses	(1,581,685)	(1,678,732)
	<b>5,677,604,315</b>	<b>4,284,141,268</b>

## 7.5 Investment in fixed deposits with local banks - related parties

	2024	2023
Fixed deposits with maturity of 3 months or less	308,400,000	-
Fixed deposits with maturity more than 3 months	1,927,500,000	-
	<b>2,235,900,000</b>	<b>-</b>
Expected credit losses	(541,642)	-
	<b>2,235,358,358</b>	<b>-</b>

## 8 IMF RELATED ASSETS

	2024	2023
Holding of special drawing rights (Note 8.1)	6,802,287	19,577,168
IMF quota (Note 8.2)	426,325,640	438,028,040
Interest receivables	555,349	800,558
	<b>433,683,276</b>	<b>458,405,766</b>

# Notes to the Financial Statements

Year ended 31 December 2024

(all amounts in Maldivian Rufiyaa unless otherwise stated)

## 8 IMF RELATED ASSETS (CONTINUED)

### 8.1 Holding of special drawing rights (SDR)

SDR is an international reserve asset, created by the IMF to supplement its member countries' official reserves. Its value is based on a basket of five key international currencies and SDRs can be exchanged for freely usable currencies.

Holding of SDRs is potentially a claim on freely usable currencies of IMF members, in that holders of SDRs can exchange their currencies for SDRs. The SDRs value as a reserve asset derives from the commitments of members to hold and accept SDRs and to honor various obligations connected with the operation of the SDR system. The IMF ensures that the SDRs claim on freely usable currencies is being honored in two ways: by designating IMF members with a strong external position to purchase SDRs from members with weak external positions, and through the arrangement of voluntary exchanges between participating members in a managed market.

A general allocation of SDR was made to IMF member countries during August 2021 to help countries struggling to cope with the impact of COVID-19 crisis. From this allocation Maldives received an amount of SDR 20,319,247 and this amount was exchanged to USD during the year 2021. The equivalent amount of MVR was transferred to Ministry of Finance and Planning under an agreement entered between MMA and Ministry of Finance and Planning in August 2022.

The amount shown above represents the total holdings of SDRs by the Authority as at the respective reporting dates.

### 8.2 IMF Quota

The International Monetary Fund (IMF) is an international organization of 190 member countries. It was established to promote international monetary cooperation, exchange stability, and orderly exchange arrangements; to foster economic growth and high levels of employment; and to provide temporary financial assistance to countries to help ease balance of payments adjustment. The IMF receives its resources from its member countries and quota subscriptions are a central source of IMF's financial resources. Each country's subscription, or quota, is determined broadly on the basis of the economic size of the country, and taking into account quotas of similar countries.

A member's subscription to IMF resources is equal to its quota and determines the maximum amount of financial resources the member is obliged to provide to the IMF. A member must pay its subscription in full. A country must pay 25% of its quota in widely accepted foreign currencies or SDRs, and the remaining 75% in its own currency.

The quota defines a member's voting power in IMF decisions. Each IMF member has IMF basic votes plus one additional vote for each SDR 0.1 millions of quota. IMF basic votes are fixed at 5.502% of the total votes. As at 31 December 2024, The Republic of Maldives has 1,664 votes representing 0.03% of total votes. The amount of financing a member can obtain from the IMF (access limits) is also based on its quota. Under Stand-By and Extended Arrangements, for instance, a member can currently borrow up to 145% of its quota annually and 435% cumulatively. Access may be higher in exceptional circumstances and to meet specific problems.

The Republic of Maldives has been a member of the IMF since 1978. The Maldives Monetary Authority acts as both fiscal agent and the depository for the IMF. As fiscal agent the Authority is authorised to carry out all operations and transactions with IMF. As depository the Authority maintains IMF's currency holdings and ensures that the assets and liabilities of IMF membership are properly reflected in its accounts and presented in its financial statements. The quota of the Maldives is its membership subscription which is granted mainly by the issue of promissory notes in favour of the IMF and partly by foreign currency payments by the Government of Maldives.

As at 31 December 2024, the IMF Quota of Maldives is SDR 21.2 million (2023: SDR 21.2 million).

# Notes to the Financial Statements

Year ended 31 December 2024

(all amounts in Maldivian Rufiyaa unless otherwise stated)

## 9 INVESTMENTS IN SECURITIES

	2024	2023
<b>Foreign currency balances</b>		
Short term investments in securities (Note 9.1)	35,386,894	33,864,639
Investment in securities at FVOCI (Note 9.2)	3,838,426,304	4,069,233,590
Investment in securities at FVPL (Note 9.3)	-	144,869,972
	<b>3,873,813,198</b>	<b>4,247,968,201</b>
<b>Local currency balances</b>		
Investments held at local banks - related parties	17,606,313	17,606,313
Short term investments in securities (Note 9.1)	61,596,756	59,964,700
Expected credit losses	(4,881)	(4,881)
	<b>79,198,188</b>	<b>77,566,132</b>

### 9.1 Short term investments in securities

#### Investment in Government treasury bills

Under Article 35 (b) of the Maldives Banking Act (Law no. 24/2010), the Authority shall hold the funds of the dormant accounts in a special account to be invested in Government securities.

	2024	2023
<b>Foreign currency balances</b>		
Purchased during the year	35,386,894	33,864,639
<b>Balance as at 31 December</b>	<b>35,386,894</b>	<b>33,864,639</b>

As at 31 December 2024 the Authority has invested in USD Government treasury bills with face values of USD 2,400,000 at purchase price of USD 2,294,870 maturing in 2025. As at 31 December 2023 the Authority invested in USD Government treasury bills amounting to USD 2,199,003 which matured in 2024.

	2024	2023
<b>Local currency balances</b>		
Purchased during the year	59,854,295	57,655,130
Interest receivable on Government treasury bills	1,742,461	2,309,570
<b>Balance as at 31 December</b>	<b>61,596,756</b>	<b>59,964,700</b>

As at 31 December 2024 the Authority has invested in MVR Government treasury bills with face values of MVR 62,600,000 million at purchase price of MVR 59,854,295 maturing in 2025. As at 31 December 2023, the Authority invested in MVR Government treasury bills amounting to MVR 57,655,130 which matured in 2024.

The balance under interest receivable on Government treasury bills comprises of discount receivable from MVR treasury bills of MVR 1,230,663 (2023: MVR 1,188,319) and reverse dual currency treasury bills of MVR 511,799 (2023: MVR 1,121,251).

# Notes to the Financial Statements

## Year ended 31 December 2024

(all amounts in Maldivian Rufiyaa unless otherwise stated)

### 9 INVESTMENTS IN SECURITIES (CONTINUED)

#### 9.2 Investments in securities at FVOCI

	2024	2023
Balance as at 1 January	4,069,233,590	3,418,202,658
Purchased during the year	3,545,931,963	5,186,415,920
Sold and matured during the year	(3,852,100,174)	(4,636,672,789)
Unrealised fair value changes during the year	72,598,279	109,591,061
Realised loss during the year	(3,909,005)	(7,923,725)
Effects of exchange rates	6,671,651	(379,535)
<b>Balance as at 31 December</b>	<b>3,838,426,304</b>	<b>4,069,233,590</b>

This balance represents the investments in debt instruments by the Authority and its appointed external asset managers under the investment policy. As of The balance as at 31 December 2024 USD 65 million (2023: USD 65 million has been provided to the Authority's external asset managers and securities with face values amounting USD 184 million (2023: USD 206 million) has been invested by the Authority in debt securities issued by foreign counterparties.

#### 9.3 Investments in securities at FVPL

	2024	2023
Balance as at 1 January	144,869,972	143,290,432
Purchased during the year	-	-
Sold and matured during the year	(148,345,231)	-
Unrealized fair value changes during the year	3,840,548	4,596,279
Effects of exchange rates	(365,289)	(3,016,739)
<b>Balance as at 31 December</b>	<b>-</b>	<b>144,869,972</b>

This balance included a CNY denominated investment by the Authority in a mutual fund equivalent to USD 10,000,000 invested via an external asset manager during the year 2022. On 12 August 2024, this investment was fully sold by the Authority.

### 10 SUBSCRIPTIONS TO INTERNATIONAL AGENCIES

	2024	2023
<b>MOFP promissory notes issued</b>		
<b>Foreign currency</b>		
Multilateral Investment Guarantee Agency	834,222	833,140
<b>Local currency</b>		
International Bank for Reconstruction and Development	8,264,330	8,264,330
	<b>9,098,552</b>	<b>9,097,470</b>

The Authority is designated as the depository of the International Bank for Reconstruction and Development (IBRD), Asian Development Bank (ADB) and Multilateral Investment Guarantee Agency (MIGA) for the Republic of Maldives. The above balances represent the promissory notes issued by MOFP to the said institutions for membership subscriptions and related purposes. These promissory notes are non-negotiable and non-interest bearing notes payable to the above institutions on demand.

# Notes to the Financial Statements

## Year ended 31 December 2024

(all amounts in Maldivian Rufiyaa unless otherwise stated)

### 11 INTEREST AND OTHER RECEIVABLES

#### 11.1 Foreign currency

	2024	2023
<b>Interest receivable on Cash and balances with banks</b>		
Balance as at 1 January	25,922,327	31,236,585
Interest accrued during the year	110,245,704	211,664,779
Interest realised during the year	(93,423,887)	(217,045,793)
Effect of Exchange rate	14,858	66,756
	<b>42,759,002</b>	<b>25,922,327</b>
Expected credit losses	(12,044)	(6,821)
<b>Balance as at 31 December</b>	<b>42,746,958</b>	<b>25,915,506</b>
<b>Interest receivable on Investments in securities</b>		
Balance as at 1 January	23,092,151	12,594,292
Interest accrued during the year	92,347,137	84,772,269
Interest realised during the year	(91,176,956)	(74,285,028)
Effect of Exchange rate	(34,521)	10,618
	<b>24,227,811</b>	<b>23,092,151</b>
Expected credit losses	(3,514)	(3,465)
<b>Balance as at 31 December</b>	<b>24,224,297</b>	<b>23,088,686</b>
<b>Other receivables</b>		
Other receivables	28,163	20,929
<b>Profit receivable from Foreign currency financial assets</b>		
Balance as at 1 January	-	-
Profit accrued during the year	3,543,346	-
Profit realised during the year	-	-
Effect of Exchange rate	5,366	-
	<b>3,548,712</b>	-
Expected credit losses	(987)	-
<b>Balance as at 31 December</b>	<b>3,547,725</b>	-
<b>Total foreign currency interest and other receivables</b>	<b>70,547,143</b>	<b>49,025,121</b>

#### 11.2 Local currency

	2024	2023
<b>Profit receivable from local currency financial assets</b>		
Balance as at 1 January	1,310,146	781,990
Profit accrued during the year	602,269	528,156
Profit realised during the year	(1,226,096)	-
	<b>686,319</b>	<b>1,310,146</b>
Expected credit losses	(190)	(363)
<b>Balance as at 31 December</b>	<b>686,129</b>	<b>1,309,783</b>
<b>Interest receivable from local currency financial assets</b>		
Balance as at 1 January	4,741,096	5,004,944
Interest accrued during the year	2,736,599	32,294,213
Interest realised during the year	(4,741,096)	(32,558,061)
	<b>2,736,599</b>	<b>4,741,096</b>
Expected credit losses	-	-
<b>Balance as at 31 December</b>	<b>2,736,599</b>	<b>4,741,096</b>
<b>Other receivables</b>		
Other receivables	4,053,012	4,053,012
Less: Allowance for doubtful receivables	(4,053,012)	(4,053,012)
<b>Balance as at 31 December</b>	-	-
<b>Total local currency interest and other receivables</b>	<b>3,422,728</b>	<b>6,050,879</b>

# Notes to the Financial Statements

Year ended 31 December 2024

(all amounts in Maldivian Rufiyaa unless otherwise stated)

## 12 INVESTMENT IN GOVERNMENT TREASURY BONDS

	2024	2023
Balance as at 1 January	14,508,238,577	8,321,741,391
Investment in MVR treasury bond	-	6,350,000,000
Realised during the year	(224,278,148)	(163,502,814)
<b>Balance as at 31 December (Note 12.1)</b>	<b>14,283,960,429</b>	<b>14,508,238,577</b>

On 30 December 2014, the existing balance of government treasury bond and overdraft balance of the Public Bank Account due from Government of Maldives amounting to MVR 6,440,640,354 was re-structured into a long term bond with a maturity of 50 years and carrying an interest of 2.4% per annum.

On 23 February 2022, the authority invested in an additional Government treasury bond of MVR 2.5 billion with a 40 year maturity at an interest rate of 2.4% per annum.

On 28 March 2023, the authority invested in a Government treasury bond of MVR 4.35 billion with a 40 year maturity at an interest rate of 2.9% per annum.

On 28 December 2023, the authority invested in an additional Government treasury bond of MVR 1.998 billion with a 30 year maturity at an interest rate of 2.9% per annum.

The interest and principal repayments are to be made on a monthly basis.

### 12.1 Remaining term to maturity

	2024	2023
Within one year	231,301,272	224,278,148
Two to five years	987,377,801	961,789,069
Six to ten years	1,389,817,108	1,353,760,952
More than ten years	11,675,464,248	11,968,410,408
	<b>14,283,960,429</b>	<b>14,508,238,577</b>

# Notes to the Financial Statements

## Year ended 31 December 2024

(all amounts in Maldivian Rufiyaa unless otherwise stated)

### 13 SHORT TERM LOANS

	2024	2023
Balance as at 1 January	1,658,184	1,400,338
Loans disbursed during the year	2,896,081	2,499,000
Settled during the year	(2,668,714)	(2,241,154)
<b>Balance as at 31 December</b>	<b>1,885,551</b>	<b>1,658,184</b>

The Authority has granted interest free loans to its staff with a repayment period of 6 to 18 months.

### 14 LONG TERM LOANS

	2024	2023
Balance as at 1 January	45,709	40,164
Loans disbursed during the year	-	16,418
Settled during the year	(13,988)	(10,873)
<b>Balance as at 31 December</b>	<b>31,721</b>	<b>45,709</b>

The Authority has granted interest free loans to its staff with a repayment period of upto 7 years.

### 15 GOLD AND SILVER ASSETS

	2024	2023
<b>Gold assets</b>		
Balance as at 1 January	53,469,798	46,190,840
Fair value gain	13,779,611	7,278,958
<b>Balance as at 31 December</b>	<b>67,249,409</b>	<b>53,469,798</b>
<b>Silver assets</b>		
Balance as at 1 January	520,240	507,555
Fair value gain	108,026	12,685
<b>Balance as at 31 December</b>	<b>628,266</b>	<b>520,240</b>
<b>Gold and silver assets as at 31 December</b>	<b>67,877,675</b>	<b>53,990,038</b>

The Authority holds gold and silver as part of its reserves. Gold and silver assets, except gold other articles and silver coins, are fair valued and the gains or losses are recognised in other comprehensive income. Total gain recognised in other comprehensive income for the year ended 31 December 2024 is MVR 13,887,637 (2023: MVR 7,291,643).

### 16 INVENTORIES

	2024	2023
Notes for circulation	42,009,235	44,995,777
Coins for circulation	11,712,711	10,209,526
Coins held abroad in storage (Note 16.1)	4,919,835	10,116,173
Commemorative notes and coins	6,103,590	6,126,127
Circulating coin sets	67,458	86,171
<b>Total inventories</b>	<b>64,812,829</b>	<b>71,533,774</b>

16.1 Coins held abroad amounting MVR 4,919,835 (2023: MVR 10,116,173) represents the cost incurred to mint the coins held at the warehouses of the minting company to be imported upon requirement.

# Notes to the Financial Statements

As at 31 December 2024

(all amounts in Maldivian Rufiyaa unless otherwise stated)

17	PROPERTY, PLANT AND EQUIPMENT	Freehold land	Freehold Land - WIP	Buildings on freehold land	Buildings on freehold land WIP	Machinery and equipment	Furniture and fittings	Furniture and fittings - WIP	Motor vehicles	Computer equipment	Computer equipment WIP	Central Payments Infrastructure Hardware	Central Payments Infrastructure Hardware - WIP	Right of use assets	Total
17.1	Cost/ Revalued														
	Balance as at 1 January 2023	35,788,975	-	39,631,018	733,695	106,985,782	21,173,963	-	3,450,175	51,500,460	-	-	46,484,374	4,082,491	309,830,933
	Additions during the year	210,929,443	210,929,978	-	-	5,214,337	1,332,701	-	-	2,899,802	9,950,790	46,484,374	(46,484,374)	-	441,257,051
	Transfers during the year	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	<b>Balance as at 31 December 2023</b>	<b>246,718,418</b>	<b>210,929,978</b>	<b>39,631,018</b>	<b>733,695</b>	<b>112,200,119</b>	<b>22,506,664</b>	<b>-</b>	<b>3,450,175</b>	<b>54,400,262</b>	<b>9,950,790</b>	<b>46,484,374</b>	<b>-</b>	<b>4,082,491</b>	<b>751,087,984</b>
	Balance as at 1 January 2024	246,718,418	210,929,978	39,631,018	733,695	112,200,119	22,506,664	-	3,450,175	54,400,262	9,950,790	46,484,374	-	4,082,491	751,087,984
	Additions during the year	-	-	-	4,088,011	4,874,114	107,003	67,842	-	2,338,680	6,358,000	38,873,520	-	-	56,707,170
	Transfers during the year	210,929,978	(210,929,978)	4,648,065	(4,743,023)	-	55,323	(55,323)	-	16,308,790	(16,308,790)	-	-	-	(94,958)
	Revaluation	87,351,604	-	-	-	-	-	-	-	-	-	-	-	-	87,351,604
	Disposals during the year	-	-	-	-	(3,267,268)	-	-	-	-	-	-	-	-	(3,267,268)
	<b>Balance as at 31 December 2024</b>	<b>545,000,000</b>	<b>-</b>	<b>44,279,083</b>	<b>78,683</b>	<b>113,806,965</b>	<b>22,668,990</b>	<b>12,519</b>	<b>3,450,175</b>	<b>73,047,732</b>	<b>-</b>	<b>85,357,894</b>	<b>-</b>	<b>4,082,491</b>	<b>891,784,532</b>
	<b>Accumulated Depreciation</b>														
	Balance as at 1 January 2023	-	-	16,896,847	-	88,013,306	18,392,497	-	1,828,729	31,755,461	-	-	-	1,224,747	158,111,587
	Depreciation charge for the year	-	-	1,321,171	-	6,912,950	733,021	-	288,744	6,176,586	-	3,873,698	-	408,249	19,714,419
	<b>Balance as at 31 December 2023</b>	<b>-</b>	<b>-</b>	<b>18,218,018</b>	<b>-</b>	<b>94,926,256</b>	<b>19,125,518</b>	<b>-</b>	<b>2,117,473</b>	<b>37,932,047</b>	<b>-</b>	<b>3,873,698</b>	<b>-</b>	<b>1,632,996</b>	<b>177,826,006</b>
	Balance as at 1 January 2024	-	-	18,218,018	-	94,926,256	19,125,518	-	2,117,473	37,932,047	-	3,873,698	-	1,632,996	158,111,587
	Depreciation charge for the year	-	-	1,334,083	-	6,223,341	799,519	-	288,744	7,147,595	-	15,775,794	-	408,250	31,977,326
	Disposals/ transfers during the year	-	-	-	-	(3,267,269)	-	-	-	-	-	-	-	-	(3,267,269)
	<b>Balance as at 31 December 2024</b>	<b>-</b>	<b>-</b>	<b>19,552,101</b>	<b>-</b>	<b>97,882,328</b>	<b>19,925,037</b>	<b>-</b>	<b>2,406,217</b>	<b>45,079,642</b>	<b>-</b>	<b>19,649,492</b>	<b>-</b>	<b>2,041,246</b>	<b>186,821,644</b>
	<b>Carrying amounts</b>														
	As at 1 January 2023	35,788,975	-	22,734,171	733,695	18,972,476	2,781,466	-	1,621,446	19,744,999	-	-	46,484,374	2,857,744	151,719,346
	As at 31 December 2023	246,718,418	210,929,978	21,413,000	733,695	17,273,863	3,381,146	-	1,332,702	16,468,215	9,950,790	42,610,676	-	2,449,495	573,261,978
	<b>As at 31 December 2024</b>	<b>545,000,000</b>	<b>-</b>	<b>24,726,982</b>	<b>78,683</b>	<b>15,924,637</b>	<b>2,743,953</b>	<b>12,519</b>	<b>1,043,958</b>	<b>27,968,090</b>	<b>-</b>	<b>65,708,402</b>	<b>-</b>	<b>2,041,245</b>	<b>685,248,469</b>

17.2 As at 31 December 2024, property, plant and equipment includes fully depreciated assets having gross carrying amount of MVR 127,644,560 (2023 : MVR 143,264,903).

17.3 The Authority revalued its freehold lands every 5 years. Total revaluation gain of MVR 122,140,759 has been included in the property revaluation reserve through other comprehensive income. The carrying amount of freehold land if stated at cost would have been MVR 422,859,421.

During the year ending 31 December 2024, the valuation was performed by an external professional valuer based on market approach using the comparison method. Revaluation gain for the year amounted MVR 87,351,604.

The following table demonstrates the sensitivity to a reasonably possible change in the key assumptions employed with all other variables held constant in the freehold land valuation for 11,111 sq ft land in Male', and for both 43,401.23 sq ft land and 43,401.12 sqft land in Hulhumale'.

Increase / (decrease) in freehold land value	Sensitivity effect on property revaluation reserve	
	Increase/(decrease) for the year	
Increase in market rate by MVR 100 per sq.ft	9,791,335	9,791,335
Decrease in market rate by MVR 100 per sq.ft	(9,791,335)	(9,791,335)

17.4 The balance under Buildings on freehold land - WIP relates to expenses that were incurred to clear land and fencing of MMA new building in Hulhumale, which has not been completed as at 31 December 2024. The balance under Furniture and Fittings - WIP includes work related to fabrication of aluminum glass partitions in the building, which has not been completed as at 31 December 2024. The amount capitalised during the year under Land - WIP consists of cost price of a 43,401.23 square feet land in Hulhumale', upon the settlement of the promissory note on 30 January 2024 used to purchased the land by the Authority on 30 January 2024. The amount capitalised during the year under Building - WIP consists of expenses incurred to design and build a 3 storey storage facility in the car parking area. 3. The amount capitalized under Computer Equipment - WIP includes work related to computer server upgrade which had been completed by August 2024.

17.5 The balance under Right of Use Assets relate to a lease contract between the Authority and Housing Development Corporation (related party), details of which are presented under Note 26.4

# Notes to the Financial Statements

As at 31 December 2024

(all amounts in Maldivian Rufiyaa unless otherwise stated)

## 18 INTANGIBLE ASSETS

18.1 Cost	Maldives Credit Information Bureau System	Maldives Real Time Gross Settlement System	Automated Clearing House System	Oracle E-Business Suite	Oracle E-Business Suite - WIP	Software - Others	Software - Others WIP	Central Payments Infrastructure	Central Payments Infrastructure - WIP	Total
Balance as at 1 January 2023	21,740,581	19,211,762	23,589,046	15,679,058	-	4,497,685	893,010	69,255	4,302,109	89,982,506
Additions during the year	-	461,700	-	-	200,883	1,773,303	-	6,869,111	(4,302,109)	5,002,888
<b>Balance as at 31 December 2023</b>	<b>21,740,581</b>	<b>19,673,462</b>	<b>23,589,046</b>	<b>15,679,058</b>	<b>200,883</b>	<b>6,270,988</b>	<b>893,010</b>	<b>6,938,366</b>	<b>-</b>	<b>94,985,394</b>
Balance as at 1 January 2024	21,740,581	19,673,462	23,589,046	15,679,058	200,883	6,270,988	893,010	6,938,366	-	94,985,394
Additions during the year	-	-	-	-	245,789	1,917,159	-	899,891	-	3,263,722
Transfers during the year	-	-	-	446,672	(446,672)	893,010	(893,010)	-	-	(200,883)
<b>Balance as at 31 December 2024</b>	<b>21,740,581</b>	<b>19,673,462</b>	<b>23,589,046</b>	<b>16,125,730</b>	<b>-</b>	<b>9,081,157</b>	<b>-</b>	<b>7,838,257</b>	<b>-</b>	<b>98,048,233</b>
<b>Accumulated Amortisation</b>										
Balance as at 1 January 2023	19,260,865	19,211,762	23,418,795	13,288,312	-	3,598,260	-	7,503	-	78,785,497
Amortisation charge for the year	457,794	16,489	170,251	499,364	-	655,205	-	288,143	-	2,087,246
<b>Balance as at 31 December 2023</b>	<b>19,718,659</b>	<b>19,228,251</b>	<b>23,589,046</b>	<b>13,787,676</b>	<b>-</b>	<b>4,253,465</b>	<b>-</b>	<b>295,646</b>	<b>-</b>	<b>80,872,743</b>
Balance as at 1 January 2024	19,718,659	19,228,251	23,589,046	13,787,676	-	4,253,465	-	295,646	-	80,872,743
Amortisation charge for the year	457,794	65,957	-	544,858	-	2,131,692	-	806,323	-	4,006,624
<b>Balance as at 31 December 2024</b>	<b>20,176,453</b>	<b>19,294,208</b>	<b>23,589,046</b>	<b>14,332,534</b>	<b>-</b>	<b>6,385,157</b>	<b>-</b>	<b>1,101,969</b>	<b>-</b>	<b>84,879,367</b>
<b>Carrying amounts</b>										
As at 1 January 2023	2,479,716	-	170,251	2,390,746	-	899,425	893,010	61,752	4,302,109	11,197,009
As at 31 December 2023	2,021,922	445,211	-	1,891,382	200,883	2,017,523	893,010	6,642,720	-	14,112,651
<b>As at 31 December 2024</b>	<b>1,564,128</b>	<b>379,254</b>	<b>-</b>	<b>1,793,196</b>	<b>-</b>	<b>2,696,000</b>	<b>-</b>	<b>6,736,288</b>	<b>-</b>	<b>13,168,866</b>

18.2 As at 31 December 2024, intangible assets include fully amortised/impaired assets having gross carrying amount of MVR 75,684,725 (2023 : MVR 74,776,160).

18.3 The amount capitalised during the year under Software Others - WIP includes expenses incurred for software cost for SWIFT Set up in DR Site. The amount under Oracle E-Business Suite - WIP that was capitalized during the year includes the cost incurred for ERP Database Upgrade Project in DR Site.

# Notes to the Financial Statements

Year ended 31 December 2024

(all amounts in Maldivian Rufiyaa unless otherwise stated)

## 19 OTHER ASSETS

	2024	2023
Prepayments and receivables	17,215,377	10,473,322
Provision for bad debts	(184,392)	(184,392)
Deferred employee benefits	188,816	176,517
Deferred replacement cost	3,017,491	5,796,265
	<b>20,237,292</b>	<b>16,261,712</b>

## 20 BALANCES OF COMMERCIAL BANKS

	2024	2023
<b>Foreign currency balances</b>		
Related parties	2,274,962,627	2,310,288,417
Others	1,470,464,484	2,390,959,197
<b>Total foreign currency balances of commercial banks</b>	<b>3,745,427,111</b>	<b>4,701,247,614</b>
<b>Local currency balances</b>		
Related parties	2,693,939,567	2,690,354,941
Others	905,111,065	999,775,360
	<b>3,599,050,632</b>	<b>3,690,130,301</b>
Overnight placement deposits		
Related parties	4,439,000,000	6,826,000,000
Others	1,403,000,000	960,000,000
	<b>5,842,000,000</b>	<b>7,786,000,000</b>
<b>Total local currency balances of commercial banks</b>	<b>9,441,050,632</b>	<b>11,476,130,301</b>
<b>Total balances of commercial banks</b>	<b>13,186,477,743</b>	<b>16,177,377,915</b>

20.1 In accordance with Section 22(f) of the MMA Act, the Authority is acting as the regulator of the commercial banks operating in the Maldives. In carrying out this duty, the Authority opens accounts and accepts deposits to facilitate interbank transfers and, monitors minimum reserve requirements imposed on the commercial banks. The MRR for local currency deposits currently stands at 10%, while the MRR for foreign currency deposits has decreased to 7.5%, effective 24 October 2024.

On 2nd January 2023, MMA commenced the Commodity Murabahah Facility (CMF) Minimum Reserve Requirement under the Shariah concept of Commodity Murabahah, whereby the Authority opens accounts and accepts deposits to facilitate interbank transfers and, monitors minimum reserve requirements imposed on the Islamic commercial banks. The CMF MRR profit rate for local currency deposits is 1% since the commencement of the facility.

20.2 The Authority offers overnight deposit facility to the commercial banks, whereby banks can place their excess funds at MMA overnight. As at 31 December 2024 and 31 December 2023, the interest rate on overnight deposits of commercial banks at MMA was 1.5% per annum. Additionally MMA commenced the Commodity Murabahah Facility (CMF) Overnight Deposit Facility on 1st December 2022 under the Shariah concept of Commodity Murabahah, whereby Islamic commercial banks and Islamic commercial banking windows can place their excess funds at the MMA overnight. The CMF ODF profit rate is 1.5% per annum, effective 1st December 2022.

## 21 BALANCES OF THE GOVERNMENT AND GOVERNMENT INSTITUTIONS

Related parties	2024	2023
<b>Foreign currency deposits</b>		
MOFP and Government institutions	796,982,910	866,358,479
	<b>796,982,910</b>	<b>866,358,479</b>
<b>Local currency deposits</b>		
MOFP and Government institutions	389,071,355	908,717,465
	<b>389,071,355</b>	<b>908,717,465</b>
<b>Total balances of the Government and Government institutions</b>	<b>1,186,054,265</b>	<b>1,775,075,944</b>

These deposits can be withdrawn on demand and do not carry any interest.

# Notes to the Financial Statements

Year ended 31 December 2024

(all amounts in Maldivian Rufiyaa unless otherwise stated)

## 22 ASIAN CLEARING UNION

### 22.1 Payable to Asian Clearing Union

	2024	2023
ACU Dollar balances	891,276,000	701,470,000
Accrued charges	3,671,799	3,682,864
	<b>894,947,799</b>	<b>705,152,864</b>

The Asian Clearing Union (ACU) was established in 1974 under the auspices of the Economic and Social Commission for Asia and the Pacific as a mechanism for settlement of payments among participating countries' Central Banks. Maldives became a member of ACU in June 2009. The other participants are Bangladesh, the Islamic Republic of Iran, Nepal, Pakistan, India, Bhutan, Myanmar and Sri Lanka. This is a clearing facility to settle payments for current international transactions among territories of participants, on a multilateral basis. Net position as at end of each month is settled or received, after a two-month credit period. Interest is paid by net debtors to net creditors under the arrangement at the end of each settlement period.

The rate of interest applicable for a settlement period will be the closing rate on the first working day of the last week of the previous calendar month offered by the Bank for International Settlements (BIS) for one month US Dollar and Euro deposits. Interest on ACU Dollar transactions were between 4.59% and 5.36% in 2024. Above balance represents the amounts due to and from ACU as at the reporting date.

## 23 IMF RELATED LIABILITIES

	2024	2023
IMF Securities Account (Note 23.1)	324,967,865	333,888,051
IMF No. 1 Account (Note 23.2)	4,747,860	4,878,186
IMF No. 2 Account (Note 23.3)	5,932	6,095
Allocation of SDR (Note 23.4)	154,665,875	158,911,366
Charges payable on SDR allocation (Note 23.5)	859,842	1,104,120
	<b>485,247,374</b>	<b>498,787,818</b>

### 23.1 IMF Securities Account

The Authority maintains the IMF securities account which represent non-negotiable, non-interest bearing securities issued by the MOFP in favour of the IMF, which are payable on demand. These securities are issued for 75% of the quota liability payable in Maldivian Rufiyaa, for use of IMF credit facilities such as Emergency Assistance Facility and Stand-By Agreement etc., and for the revaluations of the accounts. Even though the revaluation is made on a monthly basis, the balances in the Authority's books are revalued as at the last working day of each week. The IMF accounts were last revalued on 31 December 2024 by IMF.

	2024	2023
Balance as at 1 January	333,888,051	331,339,658
Exchange rate effect on IMF Securities account	(8,920,186)	2,548,393
<b>Balance as at 31 December</b>	<b>324,967,865</b>	<b>333,888,051</b>

# Notes to the Financial Statements

## Year ended 31 December 2024

(all amounts in Maldivian Rufiyaa unless otherwise stated)

### 23 IMF RELATED LIABILITIES (CONTINUED)

#### 23.2 IMF No.1 Account

The No. 1 Account is used for IMF transactions and operations, including subscription payments, purchases, repurchases, repayment of borrowing, and sales in Maldivian Rufiyaa.

#### 23.3 IMF No.2 Account

The No. 2 Account is used for the IMF's administrative expenditures and receipts (for example, receipts from sales of IMF publications) in the member's currency and within its territory. Small out-of-pocket expenses, such as telecommunication charges may be debited to this account on a quarterly basis.

#### 23.4 Allocation of SDR

The SDR is an international reserve asset, created by the IMF to supplement its member countries' official reserves. Its value is based on a basket of five key international currencies and SDRs can be exchanged for freely usable currencies of IMF members.

A general allocation of SDR was made to IMF member countries during August 2021 to help countries struggling to cope with the impact of COVID-19 crisis. From this allocation Maldives received an amount of SDR 20,319,247 and this amount was exchanged to USD during the year 2021. The equivalent MVR of this was transferred to Ministry of Finance and Planning under an agreement entered between MMA and Ministry of Finance and Planning in August 2022.

Therefore, the amount shown above represents the total allocation of SDRs to the Authority as at the respective reporting dates, excluding the new SDR allocation received in 2021.

#### 23.5 Charges payable on SDR allocation

SDR allocations are subject to interest charges on each participant's net cumulative allocation. SDR interest rate is determined each Friday, based on the weighted average interest rate on three-month debt in the money markets of the five currencies in the SDR basket (i.e. US dollar, Pound Sterling, Euro, Japanese Yen and Chinese Yuan). Charges on SDR allocations are paid quarterly.

### 24 INTEREST BEARING LOANS - THE MOFP

	MCIB	MIPS	Total 2024	Total 2023
Balance as at 1 January	6,557,929	69,255,901	75,813,830	77,174,032
Repayments during the year	(393,336)	(1,545,196)	(1,938,532)	(1,960,217)
Effects of exchange rates	(168,699)	(1,819,785)	(1,988,484)	600,015
<b>Balance as at 31 December</b>	<b>5,995,894</b>	<b>65,890,920</b>	<b>71,886,814</b>	<b>75,813,830</b>

#### 24.1 On 23 July 2009, the MOFP and the Authority have entered into a subsidiary loan agreement to fund the MCIB project for total loan amounting to SDR 439,000.

The loan has to be repaid in 48 equal semi-annual instalments. The first instalment has been paid on 15 November 2016 and the last instalment fall due on 15 May 2040. The Authority has to pay interest charge at the rate of 1% per annum during the grace period and 1.5% per annum thereafter on the amount withdrawn. As at the reporting date the Authority has repaid SDR 163,507.

# Notes to the Financial Statements

## Year ended 31 December 2024

(all amounts in Maldivian Rufiyaa unless otherwise stated)

### 24 INTEREST BEARING LOANS - THE MOFP (CONTINUED)

- 24.2 The MOFP provided a loan to the Authority for an amount equal to SDR 3,766,177 to undertake the Maldives Interoperable Payment System (MIPS) project. As at the reporting date, the loan amount outstanding is SDR 3,276,574.

Total loan amount	SDR 3,766,177	
Interest rate	0.75% per annum	
Repayment dates	15 March and 15 September of each year	
Annual repayment	From 15/09/2018 to 15/03/2028	SDR 75,324/-
	From 15/09/2028 to 15/03/2048	SDR 150,647/-

### 25 DEPOSITS OF INTERNATIONAL FINANCIAL INSTITUTIONS

	2024	2023
<b>Foreign currency deposits</b>		
Multilateral Investment Guarantee Agency	834,222	833,140
<b>Balance as at 31 December</b>	<b>834,222</b>	<b>833,140</b>

	2024	2023
<b>Local currency deposits</b>		
International Bank for Reconstruction and Development	8,407,223	8,407,223
Asian Development Bank	22,663,112	16,351,862
International Development Association	348,008	348,008
Multilateral Investment Guarantee Agency	172,444	172,444
<b>Balance as at 31 December</b>	<b>31,590,787</b>	<b>25,279,537</b>

- 25.1 The Authority is the designated depository of the International Development Association (IDA), International Bank for Reconstruction and Development (IBRD), Asian Development Bank (ADB) and Multilateral Investment Guarantee Agency (MIGA) for the Republic of Maldives. The above balances represent amounts collected and obligations of the Government of Maldives in terms of subscriptions to these supranational institutions for various purposes as at the respective reporting dates.

# Notes to the Financial Statements

Year ended 31 December 2024

(all amounts in Maldivian Rufiyaa unless otherwise stated)

## 26 OTHER LIABILITIES

	2024	2023
<b>Foreign currency other liabilities</b>		
Payables to other central banks (Note 26.1)	6,245,480,861	-
Bank of Credit and Commerce International (BCCI)	15,063,695	15,077,822
Accrued charges and other payables	39,879,220	52,820,731
Commercial banks human resource development deposits	799,451	798,414
Other deposits	299,743	299,354
	<b>6,301,522,970</b>	<b>68,996,321</b>
	2024	2023
<b>Local currency other liabilities</b>		
Government contribution to IMF Quota (Note 26.2)	92,720,021	92,720,021
Credit Guarantee Scheme (Note 26.3)	9,000,942	8,483,497
Accrued charges and other payables	5,641,428	6,537,307
Lease liabilities (Note 26.4)	2,576,753	3,004,009
Bank of Credit and Commerce International (BCCI)	2,815,015	2,778,102
Commercial banks human resource development deposits	367,316	367,316
Expected credit losses - provision on guarantee	44,022	123,152
	<b>113,165,497</b>	<b>114,013,404</b>

### 26.1 Payables to other central banks

These were payables recorded under a currency swap agreement entered between the Authority and Reserve Bank of India on 22 October 2024. This swap facility will allow the Authority to withdraw up to USD 400 million from Reserve Bank of India. During the year, the Authority withdrew USD 400 million under this agreement for a period of six months, with maturity on 22 April 2025 at Secured overnight financing rate (SOFR) plus 200 basis points. As at the reporting date, USD 5,024,700 was accrued as interest payable under this arrangement.

### 26.2 Government's contribution to IMF quota

The MOFP has made four payments towards the IMF Quota which represents the foreign currency portion of quota payments made by the MOFP for the quota increments in 1992, 1999, 2011 and 2016. There were no payments made during the year 2024.

### 26.3 Credit Guarantee Scheme

The Authority received initial capital of MVR 15 million from Ministry of Finance and Planning for provision for default of guaranteed loans of Credit Guarantee Scheme (CGS). The Authority launched CGS on 7 August 2016, with the aim of facilitating access to finance for the Small and Medium Enterprises (SME) sector. All retail banks (7 banks) in Maldives participated in the scheme.

The scheme guarantees 90% of the loan amount of commercially viable loans between MVR 100,000 and MVR 1 million, issued to Maldivian owned SMEs with no collateral. The loans are offered at 9% interest rate with a maximum repayment period of 5 years. The scheme has been discontinued effective from 1 February 2021.

# Notes to the Financial Statements

## Year ended 31 December 2024

(all amounts in Maldivian Rufiyaa unless otherwise stated)

### 26 OTHER LIABILITIES (CONTINUED)

#### 26.4 Lease liabilities

The Authority has entered into a lease contract with HDC with a lease period of 10 years and recognized a lease liability of value MVR 4,082,491 in 2020. Information relating to the lease is presented below.

##### 26.4.1 Right of use assets

The right of use asset related to the lease is presented within Property, Plant and Equipment in note 17.

##### 26.4.2 Amounts recognized in the statement of comprehensive income

	2024	2023
Interest expense on lease liability	151,951	174,047
Depreciation of right of use asset	408,249	408,249

##### 26.4.3 Amounts recognised in the statement of cash flows

	2024	2023
Total cash out flow from the lease	579,207	550,149

##### 26.4.4 Lease liability

	2024	2023
Balance as at 1 January	3,004,009	3,380,111
Interest charges during the year	151,951	174,047
Lease payments during the year	(579,207)	(550,149)
<b>Balance as at 31 December</b>	<b>2,576,753</b>	<b>3,004,009</b>

##### 26.4.5 Remaining term to maturity

	Contractual outflows		Carrying value	
	2024	2023	2024	2023
Within one year	581,160	579,207	453,419	427,255
Two to five years	2,324,640	2,324,640	2,123,334	1,972,986
Six to ten years	39,056	620,216	-	603,768
	<b>2,944,856</b>	<b>3,524,063</b>	<b>2,576,753</b>	<b>3,004,009</b>

### 27 TERM DEPOSITS

This is the total amount of funds held as term deposits at Maldives Monetary Authority. As of 31 December 2024, the Authority holds a total of USD 20,000,000 in term deposits, with a maturity period of 18 months.

# Notes to the Financial Statements

Year ended 31 December 2024

(all amounts in Maldivian Rufiyaa unless otherwise stated)

## 28 DEFERRED GRANTS

### The movement of deferred grants - Other liabilities

	2024	2023
Balance as at 1 January	2,447,329	3,021,834
Recognised in the statement of comprehensive income	(554,112)	(574,505)
<b>Balance as at 31 December</b>	<b>1,893,217</b>	<b>2,447,329</b>

The Authority has received a grant for the development of the Secured Transaction Registry (STR) of MCIB from the MOFP. The agreed limit for disbursement under the grant arrangement was USD 1,024,767. As at 31 December 2024, USD 970,464 has been disbursed to the Authority in the form of payments to the legal and operational consultants and for the purchase of software for the MCIB enhancement project. During the year, USD 26,185 was released to the statement of comprehensive income, which is consistent with the amortisation policy on software.

The Authority has received a car as a grant from the MOFP in the year 2018. Grant value of the car of MVR 1,509,440 is deferred over its useful life and credited to the statement of comprehensive income on a monthly basis. During the year, MVR 150,944 was released to the statement of comprehensive income, which is consistent with the depreciation policy for motor vehicles.

## 29 CURRENCY IN CIRCULATION

29.1 The Authority, as the sole currency issuing Authority in the Republic of Maldives continue to perform the function of issuing legal tender currency. The amount of currency issued by the Authority and in circulation as at respective reporting dates are as follows;

### Net currency in circulation

		2024	2023
<b>Coins</b>			
1	Laari	99,105	98,366
2	Laari	49,643	49,643
5	Laari	559,715	557,165
10	Laari	698,270	692,855
25	Laari	3,932,457	3,835,831
50	Laari	8,547,951	8,299,912
1	Rufiyaa	45,141,038	42,286,442
2	Rufiyaa	29,783,898	28,612,190
		<b>88,812,077</b>	<b>84,432,404</b>

### Notes

5	Rufiyaa	25,737,425	23,485,880
10	Rufiyaa	37,124,400	34,540,470
20	Rufiyaa	54,639,180	51,854,400
50	Rufiyaa	61,251,150	56,092,900
100	Rufiyaa	311,453,600	296,405,900
500	Rufiyaa	3,064,918,500	3,306,210,500
1000	Rufiyaa	584,711,000	193,117,000
		<b>4,139,835,255</b>	<b>3,961,707,050</b>

<b>Total net currency in circulation</b>		<b>4,228,647,332</b>	<b>4,046,139,454</b>
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29.2 Currency in circulation shown above are after deducting the Authority's holding of Rufiyaa notes and coins amounting to MVR 815,722,392 and MVR 592,469,386 as at 31 December 2024 and 2023 respectively.

# Notes to the Financial Statements

Year ended 31 December 2024

(all amounts in Maldivian Rufiyaa unless otherwise stated)

## 30 BALANCES OF INSURANCE COMPANIES AND PAYMENT SERVICE PROVIDERS

	2024	2023
<b>Balances of insurance companies</b>		
Related parties	4,000,000	4,000,000
Others	11,292,176	9,292,176
<b>Balance as at 31 December</b>	<b>15,292,176</b>	<b>13,292,176</b>
<b>Balances of payment service providers</b>		
Related parties	500,000	250,000
Others	1,600,000	1,250,000
<b>Balance as at 31 December</b>	<b>2,100,000</b>	<b>1,500,000</b>
<b>Grand total</b>	<b>17,392,176</b>	<b>14,792,176</b>

The above balances represent the statutory deposits of the insurance companies and payment service providers operating in the Maldives. These deposits carry interest at the rate of 1% per annum.

## 31 DEPOSIT INSURANCE FUND

	2024	2023
Deposit insurance fund	106,382	15,146
<b>Balance as at 31 December</b>	<b>106,382</b>	<b>15,146</b>

31.1 In order to maintain a stable financial system and to protect the rights of depositors, a Deposit Insurance Scheme regulation came into effect on 24 August 2015. Under this regulation, the Authority established a "Deposit Insurance Fund" and all banks in the Maldives are members. Member banks are required to pay an initial contribution that is payable over five years and an annual premium to the fund. The fund covers deposits up to MVR 30,000 or its equivalent in foreign currency deposits per depositor per member bank.

31.2 On behalf of the fund, the Authority has invested MVR 52,296,773 in Government treasury bills during 2024. Discount received on Government treasury bill upon maturity of the investment is added to the balance of the fund.

## 32 DEBT INSTRUMENTS

	2024	2023
<b>Promissory notes</b>		
Balance as at 1 January	210,929,978	-
Issued during the year	-	210,929,978
Redeemed during the year	(210,929,978)	-
<b>Balance as at 31 December</b>	<b>-</b>	<b>210,929,978</b>

32.1 On 15 March 2023, the Authority acquired a land from Hulhumale' for MVR 421 million, to construct an office building. The authority issued a promissory note for 50% of the total acquisition cost, maturing on 19 March 2024. On January 31, 2024, the Authority made the payment for the early settlement of the promissory note.

# Notes to the Financial Statements

Year ended 31 December 2024

(all amounts in Maldivian Rufiyaa unless otherwise stated)

## 33 PENSION AND OTHER EMPLOYMENT BENEFITS PAYABLE

	2024	2023
Pension payable (Note 33.1)	3,084,726	3,462,785
Retirement gratuity obligation (Note 33.2)	15,179,073	20,595,896
	<b>18,263,799</b>	<b>24,058,681</b>

### 33.1 Pensions payable

	2024	2023
Pre- Maldives Pension Act 8/2009 Pensions Opening balance	2,753,716	3,132,186
Less: payments during the year	(522,551)	(522,551)
Add: winding of interest	126,672	144,081
<b>Present value of Pre- Maldives Pension Act 8/2009 Pensions</b>	<b>2,357,837</b>	<b>2,753,716</b>
Employee and employer pension contribution payable	726,889	709,069
<b>Balance as at 31 December</b>	<b>3,084,726</b>	<b>3,462,785</b>

The Authority provides defined benefit plans ("Pre- Maldives Pension Act 8/2009 Pensions") for those employees who have completed 20 years of service and opted to continue to receive such benefits. This is a frozen calculation, where the pension payment amount was determined based on the salary received by the employee at the date of completing 20 years of service. Pre- Maldives Pension Act 8/2009 Pension was worked out as follows:

- a) An employee who became eligible (by working in public sector for 20 years) to pension arrangement between 5 April 2007 and 10 October 2007 receive a monthly pension under "Pre-New Pension Act Pension" calculated at 1/2 month's salary at the eligibility point until they reach age of 65.
- b) All employees who became eligible after 10 October 2007 up until 31 July 2010 will receive a pension calculated at 1/3 of monthly salary at the eligibility point until they reach age of 65.
- c) The principal assumptions used in determining employee benefit obligations for Pre- Maldives Pension Act 8/2009 Pensions plan are shown below:

	2024	2023
Nominal value of the benefit obligation	2,811,129	3,333,679
Present value of the benefit obligation	2,357,837	2,753,716
Unrecognised interest component	453,292	579,963
Discount rate: 364 day treasury bill rate	4.60%	4.60%
Number of employees in the scheme	10	10
Average remaining years of service	5.20	6.2
Retirement age	65	65

# Notes to the Financial Statements

Year ended 31 December 2024

(all amounts in Maldivian Rufiyaa unless otherwise stated)

## 33 PENSION AND OTHER EMPLOYMENT BENEFITS PAYABLE (CONTINUED)

### 33.2 Retirement gratuity obligation

	2024	2023
Balance as at 1 January	20,595,896	26,966,347
Charge for the year	2,041,878	3,146,128
Interest for the year	684,877	1,440,279
Re-measurement (gain) / loss for the year	(7,017,140)	7,036,459
Less: Payments during the year	(1,126,438)	(17,993,317)
<b>Present value as at 31 December</b>	<b>15,179,073</b>	<b>20,595,896</b>

- a) In accordance with the staff regulation, employees who have served the Authority for a period of 10 years are entitled for the benefit plan upon retirement at the age of 65 years. This is a non-contributory plan whereby the cost of benefits is wholly borne by the Authority. Staff are eligible to claim a portion of the gratuity obligation after completion of 20 years of service.
- b) The Authority has engaged a qualified actuary to estimate the retirement benefit obligation. The projected unit credit (PUC) method in accordance with the requirements of IAS 19. The present value of the defined benefit obligation is based on a series of key valuation assumptions comprising of discount rate, staff turnover, salary increment rate and mortality rate.

The following assumptions and data were used in valuing the defined benefit obligation:

	2024	2023
Discount rate	5.50%	5.50%
Staff turnover rate	6.00%	7.00%
Expected salary increment	2.59%	4.12%
Expected future years of service	8.6 years	11.3 years
Retiring age	65 years	65 years

### c) Sensitivity Analysis

The increase or decrease in one of the assumptions by 100 basis points, given that others remain constant, would have affected the defined benefit obligation by the amounts shown below:

	31 December 2024		31 December 2023	
	Increase	Decrease	Increase	Decrease
Discount rate	(3,127,967)	4,120,755	(3,336,403)	3,740,463
Staff turnover rate	(202,723)	217,049	382,640	(434,332)
Expected salary increment	4,331,966	(3,310,099)	3,754,719	(3,408,982)
Retiring age	(415,005)	427,093	(159,166)	159,746

# Notes to the Financial Statements

Year ended 31 December 2024

(all amounts in Maldivian Rufiyaa unless otherwise stated)

## 34 EQUITY AND RESERVES

### 34.1 Capital

The Authority's authorised and contributed capital is MVR 50 million.

**In addition to the retained earnings, reserves comprise the following;**

### 34.2 General Reserve

The General Reserve is established in accordance with Chapter V, Section 27 of the MMA Act. In accordance with provisions of the Act, the Authority shall allocate 50% of the net profit of the Authority, to General Reserve account until the General Reserve is equal to the authorised capital of the Authority, after which the Authority shall allocate 25% of its net profit to the General Reserve account until the General Reserve is equal to twice of the authorised capital.

After the third amendment to the MMA Act which became effective from 17 August 2015, the Act now states that once the General Reserve is equal to twice the amount of the authorised capital, the Authority shall credit to the General Reserve such amount determined by the Board of Directors of the Authority. During the year 2024, MVR 154,664,672 (2023: MVR 77,649,885 ) was transferred to General Reserve from the Authority's net profit for the year 2023.

### 34.3 Foreign Asset Revaluation Reserve

The Authority established Foreign Asset Revaluation Reserve (FARR) in accordance with Chapter V, Section 28 of the MMA Act. In accordance with the provision of the Act, gains and losses arising from any change in the valuation of the Authority's assets or liabilities in gold, foreign currencies or other units of account, as a result of alterations of the external value of the Rufiyaa, or of any change in the values, parities, or exchange rates in respect of such assets in relation to the Rufiyaa shall be credited to FARR.

These gains or the losses from change in valuation of foreign currency assets, liabilities, gold or other units of account should not be included in the computation of net profit or loss as per MMA Act.

### 34.4 FVOCI reserve

FVOCI reserve comprises of unrealized gains and losses arising from the valuation of investments in debt instruments classified under held to collect contractual cash flows and for sale which will be reclassified to profit and loss account in subsequent periods, when the associated assets are sold, impaired or matured.

### 34.5 Property revaluation reserve

Property revaluation reserve comprises of revaluation gains arising from valuation of property. Any revaluation decrease arising from a valuation will be recognised as an expense to the extent that it exceeds any amount previously credited to the property revaluation reserve relating to the same asset.

When a revalued asset is disposed of, any revaluation surplus may be transferred directly to the General Reserve, or it may be left in property revaluation reserve. The transfer to General Reserve shall not be made through statement of comprehensive income.

### 34.6 Other reserves

Other reserves comprises of re-measurement gains related to defined benefit plan arising from changes in underlying assumptions of retirement gratuity obligation. Re-measurement gain and losses are recognised in Other comprehensive income and the accumulated gain and losses are accounted within other reserves.

# Notes to the Financial Statements

Year ended 31 December 2024

(all amounts in Maldivian Rufiyaa unless otherwise stated)

## 35 FOREIGN CURRENCY INCOME AND EXPENSES

### 35.1 Interest income from foreign currency financial assets

	2024	2023
Interest on overnight placements	14,160,424	21,005,346
Receipts on SDR holdings	4,055,719	4,666,881
Interest on fixed deposit	203,794,594	311,829,525
Interest income from investments in fixed income securities	46,900,213	43,202,502
Interest from external asset management	38,129,975	31,077,146
	<b>307,040,925</b>	<b>411,781,400</b>

Foreign currency interest income is calculated by applying the effective interest rate to the gross carrying amount of financial assets.

### 35.2 Profit from foreign currency financial assets

	2024	2023
Profit from Wakalah Deposits - related parties	3,543,346	-
	<b>3,543,346</b>	<b>-</b>

### 35.3 Interest expense on foreign currency financial liabilities

	2024	2023
Interest on reserve deposits	247,557	280,510
Charges on SDR allocations	6,062,227	6,038,106
Currency swap charges	77,410,091	112,951,950
	<b>83,719,875</b>	<b>119,270,566</b>

## 36 LOCAL CURRENCY INCOME AND EXPENSES

### 36.1 Interest income from local currency financial assets

	2024	2023
Interest on Government treasury bonds	378,028,344	294,547,114
Discounts on Government treasury bills	4,300,065	3,952,268
Interest on advances to Government	-	29,512,733
Other interest income	401,118	474,398
	<b>382,729,527</b>	<b>328,486,513</b>

Local currency interest income is calculated by applying the effective interest rate to the gross carrying amount of financial assets. Interest on advances to Government is charged at the end of each month at an annual interest rate of 1.5% starting from February 2022.

### 36.2 Profit from local currency financial assets

	2024	2023
Profit from investments held at local banks - related parties	586,536	528,156
	<b>586,536</b>	<b>528,156</b>

### 36.3 Interest expense on local currency financial liabilities

	2024	2023
Interest on reserve deposits	22,391,544	23,271,783
Interest on overnight deposit facility	89,976,781	100,578,452
Interest on security deposits of insurance companies and payment service providers	158,447	145,416
	<b>112,526,772</b>	<b>123,995,651</b>

### 36.4 Local currency profit remuneration

	2024	2023
Profit remuneration on commodity murabahah overnight deposit facility	6,102,658	6,561,616
Profit remuneration on MRR under commodity murabahah facility	7,672,943	5,970,765
	<b>13,775,601</b>	<b>12,532,381</b>

## Notes to the Financial Statements

Year ended 31 December 2024

(all amounts in Maldivian Rufiyaa unless otherwise stated)

37 OTHER INCOME	2024	2023
Commissions received	24,024,820	21,507,574
Bank charges received	1,457,541	1,416,519
Annual and application fees from financial institutions	6,210,430	4,704,100
Profit on sale of commemorative coins and notes	454,731	768,121
Profit on sale of currency notes and coins	1,016,247	890,537
Income from credit information services	14,258,550	11,099,800
Miscellaneous income	7,552,261	1,901,220
	<b>54,974,580</b>	<b>42,287,871</b>
<b>38 PERSONNEL EXPENSES</b>	<b>2024</b>	<b>2023</b>
Salaries and wages	110,538,026	103,758,842
Defined contribution costs	4,319,937	4,125,628
Defined benefit plan	2,726,755	4,586,407
Remuneration to the board and shariah council members	955,258	965,000
	<b>118,539,976</b>	<b>113,435,877</b>
<b>39 ADMINISTRATION EXPENSES</b>	<b>2024</b>	<b>2023</b>
Payment charges	28,880,521	22,235,397
Notes and coins related expenses	24,251,471	17,194,269
Software license renewal and maintenance	18,791,636	14,923,232
Staff development expenses	12,530,869	12,375,375
Staff expenses	6,197,530	5,311,877
Public outreach expenses	5,679,848	4,492,612
Maintenance expenses	4,819,024	2,880,018
Utility charges	4,499,726	4,028,911
Expert expenses	4,460,491	4,454,685
Other administrative expenses	4,193,591	3,819,654
Memberships, subscriptions and reference materials	3,984,214	2,903,377
Charges on import of banknotes	3,940,644	2,774,844
Communication expenses	3,906,944	3,777,541
Asset management and custody fees	3,220,462	3,357,310
Services fees to Reserve Advisory and Management Program	2,607,800	2,616,300
Supervisory Expenses	2,053,064	-
Audit fees	1,433,476	1,415,893
Insurance	1,066,412	784,317
Development activities and project expenses	601,703	610,477
Interest expense on lease liability	151,952	174,047
Remuneration charges for SDF custody account	-	40,582,741
	<b>137,271,378</b>	<b>150,712,877</b>

# Notes to the Financial Statements

## Year ended 31 December 2024

(all amounts in Maldivian Rufiyaa unless otherwise stated)

### 40 PROFIT RE-APPROPRIATION TO THE GOVERNMENT

Under Section 27 (2) of the MMA Act, as amended, the Authority's net profit, as determined in accordance with the Act, is paid to the Government after making necessary appropriations to provision and reserves under Sections 26 and 27(1) respectively. During the year, the Authority transferred MVR 154,664,671 to the Government in respect of profit for the year ended 31 December 2023.

	2024	2023
Profit for the year per MMA Act	366,102,753	309,329,343
<b>Distributable profit</b>	<b>366,102,753</b>	<b>309,329,343</b>

### 41 RECONCILIATION OF NET PROFIT WITH OPERATING CASH FLOWS

	2024	2023
<b>Net profit for the year</b>	362,269,260	303,974,942
<b>Add/(subtract) non-cash items:</b>		
Depreciation, amortisation and impairment	35,983,950	21,801,665
Revaluation loss on foreign exchange	3,833,493	5,354,401
Expected credit loss allowance	353,447	160,092
<b>Add/(subtract) movements in other working capital items:</b>		
Decrease in interest receivable	(18,792,567)	(3,661,875)
Increase in other receivables	(97,159,211)	(88,049,421)
(Decrease) / Increase in interest payable	(2,200,375)	1,388,987
Increase / (Decrease) Increase in other payables	17,654,032	(614,576)
<b>Net cash flow generated from operating activities</b>	<b>301,942,029</b>	<b>240,354,215</b>

### 42 CASH AND CASH EQUIVALENTS IN THE STATEMENT OF CASH FLOWS

	2024	2023
Foreign currency cash in hand	127,804,619	100,829,902
Balances with other central banks	57,803,066	31,588,803
Balances with other foreign banks	6,032,208	4,435,931
Balances with external asset manager	3,252,278	9,114,639
Balances with local banks - related parties	80,278,309	46,297,115
Money at overnight placements with other central banks	524,280,000	280,280,000
Investment in fixed deposits with maturities of 3 months or less	308,400,000	3,207,820,000
<b>Cash and cash equivalent as at the end of the year</b>	<b>1,107,850,480</b>	<b>3,680,366,390</b>

# Notes to the Financial Statements

Year ended 31 December 2024

(all amounts in Maldivian Rufiyaa unless otherwise stated)

## 43 CONCENTRATIONS OF FUNDING

The Authority's year-end significant concentrations of funding were as follows:

As at 31 December 2024	2024 Total	Government of Maldives	Commercial banks	Supranational financial institutions	Others
<b>Foreign currency financial liabilities</b>					
Balances of commercial banks	3,745,427,111	-	3,745,427,111	-	-
Balances of the Government and Government institutions	796,982,910	796,982,910	-	-	-
Payable to Asian Clearing Union	894,947,799	-	-	894,947,799	-
IMF related liabilities	485,247,374	-	-	485,247,374	-
Interest bearing loans	71,886,814	71,886,814	-	-	-
Deposits of international financial institutions	834,222	-	-	834,222	-
Other liabilities	6,301,522,970	26,793,670	800,301	-	6,273,928,999
Term Deposits	308,400,000	-	-	-	308,400,000
<b>Total foreign currency financial liabilities</b>	<b>12,605,249,200</b>	<b>895,663,394</b>	<b>3,746,227,412</b>	<b>1,381,029,395</b>	<b>6,582,328,999</b>
<b>Local currency financial liabilities</b>					
Balances of commercial banks	9,441,050,632	-	9,441,050,632	-	-
Balances of the Government and Government institutions	389,071,355	389,071,355	-	-	-
Currency in circulation	4,228,647,332	-	-	-	4,228,647,332
Balances of insurance companies and payment service providers	17,392,176	-	-	-	17,392,176
Deposits of international financial institutions	31,590,787	-	-	31,590,787	-
Deposit insurance fund	106,382	-	106,382	-	-
Other liabilities	113,165,497	-	93,631,516	1,168,366	18,365,615
<b>Total local currency financial liabilities</b>	<b>14,221,024,161</b>	<b>389,071,355</b>	<b>9,534,788,530</b>	<b>32,759,153</b>	<b>4,264,405,123</b>
<b>Total financial liabilities</b>	<b>26,826,273,361</b>	<b>1,284,734,749</b>	<b>13,281,015,942</b>	<b>1,413,788,548</b>	<b>10,846,734,122</b>
<b>Other liabilities</b>					
Deferred grants	1,893,217	-	-	-	1,893,217
Pension and other employment benefit payable	18,263,799	-	-	-	18,263,799
<b>Total other liabilities</b>	<b>20,157,016</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>20,157,016</b>
<b>Total Liabilities</b>	<b>26,846,430,377</b>	<b>1,284,734,749</b>	<b>13,281,015,942</b>	<b>1,413,788,548</b>	<b>10,866,891,138</b>

# Notes to the Financial Statements

Year ended 31 December 2024

(all amounts in Maldivian Rufiyaa unless otherwise stated)

## 43 CONCENTRATIONS OF FUNDING (CONTINUED)

Comparative figures as at 31 December 2023 are as follows:

As at 31 December 2023	2023 Total	Government of Maldives	Commercial banks	Supranational financial institutions	Others
<b>Foreign currency financial liabilities</b>					
Balances of commercial banks	4,701,247,614	-	4,701,247,614	-	-
Balances of the Government and Government institutions	866,358,479	866,358,479	-	-	-
Payable to Asian Clearing Union	705,152,864	-	-	705,152,864	-
IMF related liabilities	498,787,818	-	-	498,787,818	-
Interest bearing loans	75,813,830	75,813,830	-	-	-
Deposits of international financial institutions	833,140	-	-	833,140	-
Other liabilities	68,996,321	51,196,202	928,650	-	16,871,469
<b>Total foreign currency financial liabilities</b>	<b>6,917,190,066</b>	<b>993,368,511</b>	<b>4,702,176,264</b>	<b>1,204,773,822</b>	<b>16,871,469</b>
<b>Local currency financial liabilities</b>					
Balances of commercial banks	11,476,130,301	-	11,476,130,301	-	-
Balances of the Government and Government institutions	908,717,465	908,717,465	-	-	-
Currency in circulation	4,046,139,454	-	-	-	4,046,139,454
Balances of insurance companies and payment service providers	14,792,176	-	-	-	14,792,176
Deposits of international financial institutions	25,279,537	-	-	25,279,537	-
Deposit insurance fund	15,146	-	15,146	-	-
Other liabilities	114,013,404	-	93,749,121	1,879,775	18,384,508
Debt Instruments	210,929,978	-	-	-	210,929,978
<b>Total local currency financial liabilities</b>	<b>16,796,017,461</b>	<b>908,717,465</b>	<b>11,569,894,568</b>	<b>27,159,312</b>	<b>4,290,246,116</b>
<b>Total financial liabilities</b>	<b>23,713,207,527</b>	<b>1,902,085,976</b>	<b>16,272,070,832</b>	<b>1,231,933,134</b>	<b>4,307,117,585</b>
<b>Other liabilities</b>					
Deferred grants	2,447,329	-	-	-	2,447,329
Pension and other employment benefit payable	24,058,681	-	-	-	24,058,681
<b>Total other liabilities</b>	<b>26,506,010</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>26,506,010</b>
<b>Total Liabilities</b>	<b>23,739,713,537</b>	<b>1,902,085,976</b>	<b>16,272,070,832</b>	<b>1,231,933,134</b>	<b>4,333,623,595</b>

# Notes to the Financial Statements

Year ended 31 December 2024

(all amounts in Maldivian Rufiyaa unless otherwise stated)

## 44 CLASSIFICATION OF FINANCIAL ASSETS AND LIABILITIES

The following table provides a reconciliation between line items in the Statement of Financial Position and categories of Financial Instruments.

As at 31 December 2024	Note	FVPL	FVOCI	Amortised Cost	Total carrying amount
<b>Foreign currency financial assets</b>					
Cash and balances with banks	7	-	-	8,632,220,961	8,632,220,961
IMF related assets	8	-	-	433,683,276	433,683,276
Investments in securities	9	-	3,838,426,304	35,386,894	3,873,813,198
Subscriptions to international agencies	10	-	-	834,222	834,222
Interest and other receivables	11	-	-	70,547,143	70,547,143
<b>Total foreign currency financial assets</b>		<b>-</b>	<b>3,838,426,304</b>	<b>9,172,672,496</b>	<b>13,011,098,800</b>
<b>Local currency financial assets</b>					
Cash and balances with banks	7	-	-	80,104,901	80,104,901
Subscriptions to international agencies	10	-	-	8,264,330	8,264,330
Investments in securities	9	-	-	79,198,188	79,198,188
Investment in Government treasury bonds	12	-	-	14,283,960,429	14,283,960,429
Short term loans	13	-	-	1,885,551	1,885,551
Long term loans	14	-	-	31,721	31,721
Interest and other receivables	11	-	-	3,422,728	3,422,728
<b>Total local currency financial assets</b>		<b>-</b>	<b>-</b>	<b>14,456,867,848</b>	<b>14,456,867,848</b>
<b>Total financial assets</b>		<b>-</b>	<b>3,838,426,304</b>	<b>23,629,540,344</b>	<b>27,467,966,648</b>
<b>Foreign currency financial liabilities</b>					
Balances of commercial banks	20	-	-	3,745,427,111	3,745,427,111
Balances of the Government and Government institutions	21	-	-	796,982,910	796,982,910
Payable to Asian Clearing Union	22	-	-	894,947,799	894,947,799
IMF related liabilities	23	-	-	485,247,374	485,247,374
Interest bearing loans	24	-	-	71,886,814	71,886,814
Deposits of international financial institutions	25	-	-	834,222	834,222
Other liabilities	26	-	-	6,301,522,970	6,301,522,970
Term Deposits	27	-	-	308,400,000	308,400,000
<b>Total foreign currency financial liabilities</b>		<b>-</b>	<b>-</b>	<b>12,605,249,200</b>	<b>12,605,249,200</b>
<b>Local currency financial liabilities</b>					
Balances of commercial banks	20	-	-	9,441,050,632	9,441,050,632
Balances of the Government and Government institutions	21	-	-	389,071,355	389,071,355
Currency in circulation	29	-	-	4,228,647,332	4,228,647,332
Balances of insurance companies and payment service providers	30	-	-	17,392,176	17,392,176
Deposits of international financial institutions	25	-	-	31,590,787	31,590,787
Deposit insurance fund	31	-	-	106,382	106,382
Other liabilities	26	-	-	113,165,497	113,165,497
Debt instruments	32	-	-	-	-
<b>Total local currency financial liabilities</b>		<b>-</b>	<b>-</b>	<b>14,221,024,161</b>	<b>14,221,024,161</b>
<b>Total financial liabilities</b>		<b>-</b>	<b>-</b>	<b>26,826,273,361</b>	<b>26,826,273,361</b>

# Notes to the Financial Statements

Year ended 31 December 2024

(all amounts in Maldivian Rufiyaa unless otherwise stated)

## 44 CLASSIFICATION OF FINANCIAL ASSETS AND LIABILITIES (CONTINUED)

The following table provides a reconciliation between line items in the Statement of Financial Position and categories of Financial Instruments.

As at 31 December 2023	Note	FVPL	FVOCI	Amortised Cost	Total carrying amount
<b>Foreign currency financial assets</b>					
Cash and balances with banks	7	-	-	4,710,404,870	4,710,404,870
IMF related assets	8	-	-	458,405,766	458,405,766
Investments in securities	9	144,869,972	4,069,233,590	33,864,639	4,247,968,201
Subscriptions to international agencies	10	-	-	833,140	833,140
Interest and other receivables	11	-	-	49,025,121	49,025,121
<b>Total foreign currency financial assets</b>		<b>144,869,972</b>	<b>4,069,233,590</b>	<b>5,252,533,536</b>	<b>9,466,637,098</b>
<b>Local currency financial assets</b>					
Cash and balances with banks	7	-	-	46,233,396	46,233,396
Subscriptions to international agencies	10	-	-	8,264,330	8,264,330
Investments in securities	9	-	-	77,566,132	77,566,132
Investment in Government treasury bonds	12	-	-	14,508,238,577	14,508,238,577
Short term loans	13	-	-	1,658,184	1,658,184
Long term loans	14	-	-	45,709	45,709
Interest and other receivables	11	-	-	6,050,879	6,050,879
<b>Total local currency financial assets</b>		<b>-</b>	<b>-</b>	<b>14,648,057,207</b>	<b>14,648,057,207</b>
<b>Total financial assets</b>		<b>144,869,972</b>	<b>4,069,233,590</b>	<b>19,900,590,743</b>	<b>24,114,694,305</b>
<b>Foreign currency financial liabilities</b>					
Balances of commercial banks	21	-	-	4,701,247,614	4,701,247,614
Balances of the Government and Government institutions	22	-	-	866,358,479	866,358,479
Payable to Asian Clearing Union	23	-	-	705,152,864	705,152,864
IMF related liabilities	24	-	-	498,787,818	498,787,818
Interest bearing loans	25	-	-	75,813,830	75,813,830
Deposits of international financial institutions	26	-	-	833,140	833,140
Other liabilities	27	-	-	68,996,321	68,996,321
<b>Total foreign currency financial liabilities</b>		<b>-</b>	<b>-</b>	<b>6,917,190,066</b>	<b>6,917,190,066</b>
<b>Local currency financial liabilities</b>					
Balances of commercial banks	21	-	-	11,476,130,301	11,476,130,301
Balances of the Government and Government institutions	22	-	-	908,717,465	908,717,465
Currency in circulation	29	-	-	4,046,139,454	4,046,139,454
Balances of insurance companies and payment service providers	30	-	-	14,792,176	14,792,176
Deposits of international financial institutions	26	-	-	25,279,537	25,279,537
Deposit insurance fund	31	-	-	15,146	15,146
Other liabilities	27	-	-	114,013,404	114,013,404
Debt instruments	32	-	-	210,929,978	210,929,978
<b>Total local currency financial liabilities</b>		<b>-</b>	<b>-</b>	<b>210,929,978</b>	<b>16,796,017,461</b>
<b>Total financial liabilities</b>		<b>-</b>	<b>-</b>	<b>7,128,120,044</b>	<b>23,713,207,527</b>

# Notes to the Financial Statements

Year ended 31 December 2024

(all amounts in Maldivian Rufiyaa unless otherwise stated)

## 45 FINANCIAL RISK MANAGEMENT

Maldives Monetary Authority as the banker of the Government ensures that its reserves are safeguarded. To this effect, the Authority issues currency, regulates the availability of the Maldivian Rufiyaa and promotes its stability, licenses, supervises and regulates institutions in the financial sector, formulates and implements monetary policy, and advises the Government on issues relating to the economy and financial system in order to foster an environment conducive to the orderly and balanced economic development of the Maldives.

The Authority's principal financial liabilities comprise of amounts payable to commercial banks, Government, public entities, international financial institutions and currency in circulation while foreign currency cash and cash equivalents, investment in securities, Government bond and IMF related assets are its main financial assets.

The Authority's most significant risk exposures are considered to be in the areas of credit risk, country risk, operational risk, liquidity risk and market risk.

Financial risk is normally any risk associated with any form of financing. Risk is probability of unfavourable condition if actual returns are less than expected return. The principal risk for the Authority is credit risk.

The following section discusses the Authority's risk management policies. The measurement of ECL under IFRS 9 uses the information and approaches that Authority uses to manage credit risk, though certain adjustments are made in order to comply with the requirements of IFRS 9. The approach taken for IFRS 9 measurement purposes is discussed separately in Note 45.1.1.

### 45.1 Credit risk

Credit risk is the risk of suffering financial loss, should any of the customers, clients or market counterparties fail to fulfil their contractual obligations to the Authority. Credit risk arises mainly from financial assets and financial guarantees.

For the management of credit risk related to foreign exposures, the Authority has established base criteria of exposure to counterparties and issuers of fixed income securities.

The evaluation and monitoring process of the eligible counterparties is based on the analysis and the rating determined by the principal rating agencies; Standard & Poor's, Moody's and Fitch. This process also includes reviewing performance of several other market indicators.

The Authority has established other qualitative and/or quantitative limits on the exposure level for the issuer/financial institution on an individual basis, category, or combined category and instrument basis.

The Authority does not actively manage credit risk for financial assets originated for the purposes of monetary policy operations. For these financial assets, which are mainly short term (3 months or less), the primary consideration is the need of monetary policy. Further, the principal policy of the Authority is to require high quality collateral and these assets are subject to management approval.

#### 45.1.1 Credit risk measurement

##### a) Foreign currency financial assets held abroad

Foreign currency financial assets that are held abroad includes deposits held in foreign banks, investments in fixed deposits, investments in fixed income securities and IMF related assets. As a general guideline, the Authority's investments are made within the investment grade. The Authority has a minimum eligible credit rating limit set in the investment guideline.

Credit risk and liquidity risk are closely linked to the investment strategy of the Authority whereby the Authority's investment strategy prioritises capital maintenance over return. The Authority reviews the counterparty's eligibility on a frequent basis for any material change in the financial standing.

# Notes to the Financial Statements

## Year ended 31 December 2024

(all amounts in Maldivian Rufiyaa unless otherwise stated)

### 45 FINANCIAL RISK MANAGEMENT (CONTINUED)

#### 45.1 Credit risk (Continued)

##### 45.1.1 Credit risk measurement (Continued)

###### b) Foreign currency financial assets held locally

Foreign currency financial assets that are held locally include cash and balances with banks and investment in securities with local counterparties. As at 31 December 2024, these financial assets include investment in Government treasury bills, and balances held with local banks, which are either sovereign guaranteed or an exposure with a related party.

###### c) Local currency financial assets

Local currency financial assets include cash and balances with banks, investment in Government securities and loans provided to staff. It also includes facilities such as Open Market Operation (OMO) and Overnight Lombard Facility (OLF) which require prior approval from the management. These facilities are fully collateralized with high grade Government securities.

###### d) Guarantees

Guarantees include financial guarantees the Authority has committed to as at 31 December 2024. As per IFRS 9, the Authority has assessed the credit risk of these financial guarantees.

The following table sets out the gross carrying amount (principal plus accrued interest) of the financial assets that are exposed to credit risk as at 31 December 2024 and 31 December 2023.

	2024	2023
<b>Foreign currency financial assets</b>		
Cash and balances with banks	8,634,409,364	4,712,120,172
IMF related assets	433,683,276	458,405,766
Investment in securities		
at amortised cost	35,386,894	33,864,639
at FVOCI	3,838,426,304	4,069,233,590
at FVPL	-	144,869,972
Subscriptions to international agencies	834,222	833,140
Interest and other receivables	70,563,688	49,035,407
<b>Local currency financial assets</b>		
Cash and balances with banks	80,127,116	46,246,218
Subscriptions to international agencies	8,264,330	8,264,330
Investments in securities	79,203,069	77,571,013
Investment in Government treasury bonds	14,283,960,429	14,508,238,577
Short term loans	1,885,551	1,658,184
Long term loans	31,721	45,709
Interest and other receivables	3,422,918	6,051,242
<b>Total</b>	<b>27,470,198,882</b>	<b>24,116,437,959</b>

# Notes to the Financial Statements

Year ended 31 December 2024

(all amounts in Maldivian Rufiyaa unless otherwise stated)

## 45 FINANCIAL RISK MANAGEMENT (CONTINUED)

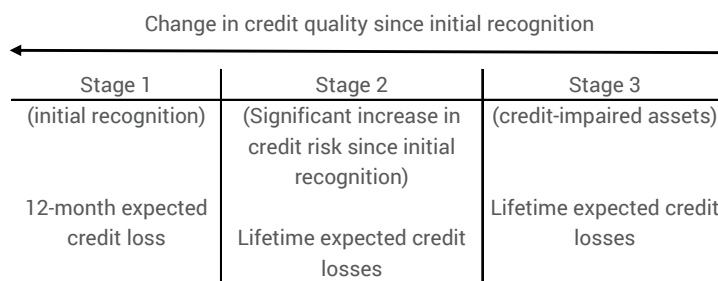
### 45.1 Credit risk (Continued)

#### 45.1.2 Expected Credit loss measurement

IFRS 9 outlines a 'three-stage' model for impairment based on changes in credit quality since initial recognition as summarised below:

- A financial asset that is not credit-impaired on initial recognition is classified in 'Stage 1' and has its credit risk continuously monitored by the Authority.
- If a significant increase in credit risk (SICR) since initial recognition is identified, the financial asset is moved to 'Stage 2' but is not yet deemed to be credit-impaired. Please refer to note 45.1.2.1 for a description of how the Authority determines when a significant increase in credit risk has occurred.
- If the financial asset is credit-impaired, the financial asset is then moved to 'Stage 3'. Please refer to note 45.1.2.2 for a description of how the Authority defines credit-impaired and default.
- Financial assets in stage 1 have their ECL measured at an amount equal to the portion of lifetime expected credit losses that result from default events possible within the next 12 months. Financial assets in stages 2 or 3 have their ECL measured based on expected credit losses on a lifetime basis. For financial assets with a maturity of less than 12 months, the lifetime PD is the same as the 12-month PD. Please refer to Note 45.1.2.3 for a description of inputs, assumptions and estimation techniques used in measuring the ECL.
- A pervasive concept in measuring ECL in accordance with IFRS 9 is that it should consider forward-looking information. note 45.1.2.4 includes an explanation of how the Authority has incorporated this in its ECL models.
- Purchased or Originated Credit-Impaired (POCI) financial assets are those financial assets that are credit-impaired

The following diagram summarises the impairment requirements under IFRS 9 for assets other than POCI financial assets:



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(all amounts in Maldivian Rufiyaa unless otherwise stated)

## 45 FINANCIAL RISK MANAGEMENT (CONTINUED)

### 45.1 Credit risk (Continued)

#### 45.1.2 Expected Credit loss measurement (Continued)

The key judgments and assumptions adopted by the Authority in addressing the requirements of the standard are discussed below:

##### 45.1.2.1 Significant increase in credit risk (SICR)

The Authority considers reasonable and supportable information that is relevant and available, without undue cost or effort, when determining whether the risk of default on a financial assets has increased significantly since initial recognition. This includes both quantitative and qualitative information and analysis based on the Authority's historical experience and experts' credit assessments which include 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).

All financial assets will be first classified in Stage 1 except for POCI financial assets. The criteria for determining whether credit risk has increased significantly vary by portfolio and include quantitative changes in PDs and qualitative factors.

The credit risk of a particular exposure in foreign currency financial assets held abroad is deemed to have increased significantly since initial recognition if:

- The credit rating from all three rating agencies declines below; BBB- for Standard & Poor's and its' equivalent for Moody's and Fitch; or
- The credit rating from one of the agencies goes to BB-; or
- There is a delay in the repayment of an obligation to the Authority by 30 calendar days or more.

The credit risk of a particular exposure in foreign and local currency financial assets held locally and financial guarantees are deemed to have increased significantly since initial recognition depending on the repayment period if:

- There is a delay in the repayment of an obligation to the Authority

# Notes to the Financial Statements

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## 45 FINANCIAL RISK MANAGEMENT (CONTINUED)

### 45.1 Credit risk (Continued)

#### 45.1.2 Expected Credit loss measurement (Continued)

##### 45.1.2.2 Definition of default and credit-impaired assets

###### Definition of default

The Authority considers an exposure as a default when a classification of a financial asset falls to stage 3. In the event of a default the financial asset would be considered as a provisional exposure where the asset would be individually assessed and impairment losses recognised.

###### Quantitative Criteria

To classify foreign currency financial assets held abroad in stage 3, there should be an even higher credit risk whereby the borrower is essentially in default and shall be assessed based on the following:

- The credit rating from all three rating agencies declines below; CCC- for Standard & Poor's and its' equivalent for Moody's and Fitch; or
- The credit rating from one of the agencies goes to D; or
- There is a delay in the repayment of an obligation to the Authority by 90 calendar days or more.

To classify foreign and local currency financial assets held locally and financial guarantees in stage 3, there should be a higher credit risk whereby the borrower is essentially in default and is assessed based on the following:

- There is a delay in the repayment of an obligation to the Authority by a counterparty by 90 calendar days or more.

###### Qualitative Criteria

The authority considers a financial asset as credit-impaired when any of the following instances are observed:

- Significant financial difficulty of the issuer or borrower;
- A breach of contract, such as a default or past-due event;
- The lenders for economic or contractual reasons relating to the borrower's financial difficulty granted the borrower a concession that would not otherwise be considered;
- It becoming probable that the borrower will enter bankruptcy or other financial reorganisation;
- The disappearance of an active market for the financial asset because of financial difficulties;
- The purchase or origination of a financial asset at a deep discount that reflects incurred credit losses.

# Notes to the Financial Statements

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(all amounts in Maldivian Rufiyaa unless otherwise stated)

## 45 FINANCIAL RISK MANAGEMENT (CONTINUED)

### 45.1 Credit risk (Continued)

#### 45.1.2 Expected Credit loss measurement (Continued)

##### 45.1.2.3 Measuring ECL - Explanation of inputs, assumptions and estimation techniques

The ECL is measured on either a 12-month or lifetime basis depending on whether a significant increase in credit risk has occurred since initial recognition or whether an asset is considered to be credit-impaired. Expected credit losses are the discounted product of the PD, Exposure at Default (EAD), and Loss Given Default (LGD), defined as follows:

- The PD represents the likelihood of a borrower defaulting on its financial obligation (as per "Definition of default and credit-impaired" above), either over the next 12-month PD, or over the remaining lifetime PD of the obligation. As most of the Authority's financial assets has a maturity of less than 12 months, the lifetime and 12-month PDs are the same.
- EAD is based on the amounts the Authority expects to be owed at the time of default, over the next 12 months EAD or over the remaining lifetime EAD.
- LGD represents the Authority's expectation of the extent of loss on a defaulted exposure. LGD varies by type of counterparty, type and seniority of claim and availability of collateral or other credit support. LGD is expressed as a percentage loss per unit of EAD. LGD is calculated on a 12-month or lifetime basis, where 12-month LGD is the percentage of loss expected to be made if the default occurs in the next 12 months and lifetime LGD is the percentage of loss expected to be made if the default occurs over the remaining expected lifetime of the loan.

The ECL is determined by projecting the PD, LGD and EAD for each future year, or period to maturity if less, and for each individual exposure or collective segment. These three components are multiplied together and adjusted for the likelihood of survival. This effectively calculates an ECL for each future month, which is then discounted back to the reporting date and summed. The discount rate used in the ECL calculation is the original effective interest rate or an approximation thereof.

The lifetime PD, where applicable, is developed by applying a maturity profile to the current 12-month PD. The maturity profile looks at how defaults develop on a portfolio from the point of initial recognition throughout the lifetime of the loans.

For assessing the risk of default, at initial recognition, the Authority assigns the rating from credit rating agencies for that particular counterparty. The Authority reviews the counterparty's credit ratings on a frequent basis.

The 12-month and lifetime LGDs are determined based on the factors which impact the recoveries made post default. These vary by financial asset type.

- For secured financial assets, LGD is primarily based on collateral type and projected collateral values. Since the Authority requires a significant margin on the collateral provided for these assets such as repos, the LGD is taken as zero. For other secured financial assets such as staff loans the loss is assessed on an individual case basis.
- For unsecured financial assets, such as foreign securities, LGD's are based on Basel II approach or credit rating agency's research calculations.

# Notes to the Financial Statements

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(all amounts in Maldivian Rufiyaa unless otherwise stated)

## 45 FINANCIAL RISK MANAGEMENT (CONTINUED)

### 45.1 Credit risk (Continued)

#### 45.1.2 Expected Credit loss measurement (Continued)

##### 45.1.2.3 Measuring ECL - Explanation of inputs, assumptions and estimation techniques (Continued)

Forward-looking economic information is also included in determining the 12-month and lifetime PD, EAD and LGD. These assumptions vary by financial asset type. Refer to Note 45.1.2.4 for an explanation of forward-looking information.

The assumptions underlying the ECL calculation are monitored and reviewed on an annual basis. There have been no significant changes in estimation techniques or significant assumptions made during the reporting period.

##### 45.1.2.4 Forward-looking information incorporated in the ECL models

The calculation of ECL incorporates forward-looking information. The Authority has performed historical analysis for key economic variables impacting credit risk and expected credit losses for each portfolio. However, the Authority generally does not have any experience of credit loss.

For the foreign currency assets held abroad, the Authority generally relies on the rating agency's default study, as forward looking information is already incorporated in the transition tables used.

As the Authority has responsibilities in relation to the Maldivian economy, including forecasts, the potential impact on the Authority's domestic assets are monitored. The Authority takes necessary measures to mitigate its own exposures from the policy operations.

For sovereign issuances in foreign currency, forward-looking economic variables are incorporated in the determination of the PD through respective rating in transition matrices published by external rating agencies.

For financial assets held locally, various other forward-looking considerations are incorporated such as the impact of any regulatory, legislative or political changes. This is reviewed and monitored for appropriateness on a regular basis.

# Notes to the Financial Statements

Year ended 31 December 2024

(all amounts in Maldivian Rufiyaa unless otherwise stated)

## 45 FINANCIAL RISK MANAGEMENT (CONTINUED)

### 45.1 Credit risk (Continued)

#### 45.1.3 Credit risk exposures

##### a) Maximum exposure to credit risk - Financial assets subject to impairment

The following table contains an analysis of the credit risk exposure of financial instruments for which an ECL allowance is recognised. The gross carrying amount of financial assets below also represents the Authority's maximum exposure to credit risk on these assets.

Foreign currency financial assets						
2024						2023
At Amortised cost	ECL Staging			Purchased credit-impaired	Total	Total
	Stage 1	Stage 2	Stage 3			
Credit grade	12-month ECL	Lifetime ECL	Lifetime ECL			
Rated AAA	551,442,879	-	-	-	551,442,879	298,074,938
Rated AA- to AA+	1,991,495,278	-	-	-	1,991,495,278	71,357,975
Rated A- to A+	3,775,878,887	-	-	-	3,775,878,887	4,283,271,516
Rated B- to B+	49,795	-	-	-	49,795	50,641
PD Negligible	597,737,173	-	-	-	597,737,173	593,954,377
Floor Rate	2,258,273,432	-	-	-	2,258,273,432	7,549,677
<b>Gross carrying amount</b>	<b>9,174,877,444</b>	-	-	-	<b>9,174,877,444</b>	<b>5,254,259,124</b>
Loss allowance	(2,204,948)	-	-	-	(2,204,948)	(1,725,588)
<b>Carrying amount</b>	<b>9,172,672,496</b>	-	-	-	<b>9,172,672,496</b>	<b>5,252,533,536</b>
<b>At FVOCI</b>						
Rated AAA	151,261,495	-	-	-	151,261,495	188,372,877
Rated AA- to AA+	2,939,936,470	-	-	-	2,939,936,470	2,953,860,792
Rated A- to A+	747,228,339	-	-	-	747,228,339	926,999,921
Rated B- to B+	-	-	-	-	-	-
Floor Rate	-	-	-	-	-	-
<b>Gross carrying amount</b>	<b>3,838,426,304</b>	-	-	-	<b>3,838,426,304</b>	<b>4,069,233,590</b>
Loss allowance	(517,372)	-	-	-	(516,232)	(573,375)
<b>Carrying amount</b>	<b>3,837,908,932</b>	-	-	-	<b>3,837,910,072</b>	<b>4,068,660,215</b>
<b>At FVPL</b>						
Rated AAA	-	-	-	-	-	-
Rated AA- to AA+	-	-	-	-	-	-
Rated A- to A+	-	-	-	-	-	-
Rated B- to B+	-	-	-	-	-	-
Floor Rate	-	-	-	-	-	-
PD Negligible	-	-	-	-	-	144,869,972
Loss allowance	-	-	-	-	-	-
<b>Gross carrying amount</b>	-	-	-	-	-	<b>144,869,972</b>
Loss allowance	-	-	-	-	-	-
<b>Carrying amount</b>	-	-	-	-	-	<b>144,869,972</b>
<b>Total</b>	<b>13,011,098,800</b>	-	-	-	<b>13,011,098,800</b>	<b>9,466,637,098</b>

Local currency financial assets						
2024						2023
At Amortised cost	ECL Staging			Purchased credit-impaired	Total	Total
	Stage 1	Stage 2	Stage 3			
Credit grade	12-month ECL	Lifetime ECL	Lifetime ECL			
Floor Rate	98,419,748	-	-	-	98,419,748	65,162,677
Standard Monitoring	-	-	-	-	-	-
PD Negligible	14,358,475,386	-	-	-	14,358,475,386	14,582,912,596
<b>Gross carrying amount</b>	<b>14,456,895,134</b>	-	-	-	<b>14,456,895,134</b>	<b>14,648,075,273</b>
Loss allowance	(27,286)	-	-	-	(27,286)	(18,066)
<b>Carrying amount</b>	<b>14,456,867,848</b>	-	-	-	<b>14,456,867,848</b>	<b>14,648,057,207</b>

Guarantees						
2024						2023
At Amortised cost	ECL Staging			Purchased credit-impaired	Total	Total
	Stage 1	Stage 2	Stage 3			
Credit grade	12-month ECL	Lifetime ECL	Lifetime ECL			
Financial guarantees	-	-	-	-	-	-
PD Negligible	-	-	-	-	-	-
<b>Gross carrying amount</b>	-	-	-	-	-	-
Loss allowance	(44,022)	-	-	-	(44,022)	(123,152)
<b>Carrying amount</b>	-	-	-	-	-	-

Information on how the Expected Credit Loss (ECL) is measured and how the three stages above are determined is included in note 45.1.2 'Expected credit loss measurement'.

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### 45 FINANCIAL RISK MANAGEMENT (CONTINUED)

#### 45.1 Credit risk (Continued)

##### 45.1.4 Loss allowance

The following tables shows reconciliations from the opening to the closing balance of the loss allowance by class of financial instruments. Explanation of these terms: 12-month ECL, lifetime ECL and credit-impaired are included in note 45.1.2.

	Foreign currency financial assets				Total
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Purchased credit- impaired	
<b>Cash and balances with banks</b>					
Loss allowance as at 1 January 2023	1,764,420	-	-	-	1,764,420
Changes in PDs/LGDs/EADs	(49,118)	-	-	-	(49,118)
<b>Loss allowance as at 31 December 2023</b>	<b>1,715,302</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,715,302</b>
Loss allowance as at 1 January 2024	1,715,302	-	-	-	1,715,302
Changes in PDs/LGDs/EADs	473,101	-	-	-	473,101
<b>Loss allowance as at 31 December 2024</b>	<b>2,188,403</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,188,403</b>
<b>Investment in securities at FVOCI</b>					
Loss allowance as at 1 January 2023	360,904	-	-	-	360,904
Changes in PDs/LGDs/EADs	212,471	-	-	-	212,471
<b>Loss allowance as at 31 December 2023</b>	<b>573,375</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>573,375</b>
Loss allowance as at 1 January 2024	573,375	-	-	-	573,375
Changes in PDs/LGDs/EADs	(56,003)	-	-	-	(56,003)
<b>Loss allowance as at 31 December 2024</b>	<b>517,372</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>517,372</b>
<b>Interest and other receivables</b>					
Loss allowance as at 1 January 2023	8,353	-	-	-	8,353
Changes in PDs/LGDs/EADs	1,933	-	-	-	1,933
<b>Loss allowance as at 31 December 2023</b>	<b>10,286</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>10,286</b>
Loss allowance as at 1 January 2024	10,286	-	-	-	10,286
Changes in PDs/LGDs/EADs	6,259	-	-	-	6,259
<b>Loss allowance as at 31 December 2024</b>	<b>16,545</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>16,545</b>
<b>Local currency financial assets</b>					
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Purchased credit- impaired	Total
<b>Cash and balances with banks</b>					
Loss allowance as at 1 January 2023	8,043	-	-	-	8,043
Changes in PDs/LGDs/EADs	4,779	-	-	-	4,779
<b>Loss allowance as at 31 December 2023</b>	<b>12,822</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>12,822</b>
Loss allowance as at 1 January 2024	12,822	-	-	-	12,822
Changes in PDs/LGDs/EADs	9,393	-	-	-	9,393
<b>Loss allowance as at 31 December 2024</b>	<b>22,215</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>22,215</b>
<b>Investment in securities</b>					
Loss allowance as at 1 January 2023	2,480	-	-	-	2,480
Changes in PDs/LGDs/EADs	2,401	-	-	-	2,401
<b>Loss allowance as at 31 December 2023</b>	<b>4,881</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,881</b>
Loss allowance as at 1 January 2024	4,881	-	-	-	4,881
Changes in PDs/LGDs/EADs	-	-	-	-	-
<b>Loss allowance as at 31 December 2024</b>	<b>4,881</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,881</b>

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### 45 FINANCIAL RISK MANAGEMENT (CONTINUED)

#### 45.1 Credit risk (Continued)

##### 45.1.4 Loss allowance (Continued)

	Local currency financial assets				Total
	Stage 1	Stage 2	Stage 3	Purchased credit-impaired	
	12-month ECL	Lifetime ECL	Lifetime ECL		
<b>Interest and other receivables</b>					
Loss allowance as at 1 January 2023	130	-	-	-	130
Changes in PDs/LGDs/EADs	233	-	-	-	233
<b>Loss allowance as at 31 December 2023</b>	<b>363</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>363</b>
Loss allowance as at 1 January 2024	363	-	-	-	363
Changes in PDs/LGDs/EADs	(173)	-	-	-	(173)
<b>Loss allowance as at 31 December 2024</b>	<b>190</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>190</b>

	Guarantees				Total
	Stage 1	Stage 2	Stage 3	Purchased credit-impaired	
	12-month ECL	Lifetime ECL	Lifetime ECL		
<b>Financial Guarantees</b>					
Loss allowance as at 1 January 2023	135,759	-	-	-	135,759
Changes in PDs/LGDs/EADs	(12,607)	-	-	-	(12,607)
<b>Loss allowance as at 31 December 2023</b>	<b>123,152</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>123,152</b>
Loss allowance as at 1 January 2024	123,152	-	-	-	123,152
Changes in PDs/LGDs/EADs	(79,130)	-	-	-	(79,130)
<b>Loss allowance as at 31 December 2024</b>	<b>44,022</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>44,022</b>

#### Net Impairment loss on financial instruments

The following tables shows the expected credit loss on Authority's financial assets and guarantees. During the year 2024, no financial assets were impaired.

As at 31 December 2023	Stage 1	Stage 2	Stage 3	Purchased credit-impaired	Total
	12-month ECL	Lifetime ECL	Lifetime ECL		
<b>Loss allowance for the year</b>	<b>160,092</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>160,092</b>
As at 31 December 2024	Stage 1	Stage 2	Stage 3	Purchased credit-impaired	Total
	12-month ECL	Lifetime ECL	Lifetime ECL		
<b>Loss allowance for the year</b>	<b>353,447</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>353,447</b>

# Notes to the Financial Statements

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## 45 FINANCIAL RISK MANAGEMENT (CONTINUED)

### 45.1 Credit risk (Continued)

#### 45.1.5 Calculation of ECL

The Authority uses different methodologies for assessing the ECLs on its different portfolios.

##### Foreign currency financial assets held abroad

For the purposes of estimating the ECL on foreign currency financial assets held abroad, the Authority uses ratings published by the rating agencies. For the ECL calculation the PDs are based on one year transition rates published by the rating agency. The Authority assigns floor rate (a minimum PD) based on Basel II framework, for financial institutions, corporates and sovereign counterparties where the transition tables indicate a lower PD than the floor rate. The Authority applies practical expedient option due to high credit quality of its financial assets, whereby ECL is calculated only for 12 months. However, when necessary, lifetime PD would be computed using information provided by rating agencies for ECL.

##### Foreign currency and local currency financial assets held locally and financial guarantees

The Authority considers country rating while assigning a PD for financial assets backed by sovereign guarantees and financial assets issued by the Government.

The Authority does not consider that it has any credit exposure on its holdings of securities issued by the Government. Although a PD is assigned, LGD is deemed negligible for such assets. As it is required under IFRS 9, the Authority has looked at alternative scenarios on the Maldivian economy.

The Authority has used historical loss rate and market rates for non-performing loans as the basis for calculating PD for its exposures towards guarantees provided for affordable housing scheme during the year 2024.

#### 45.1.6 Write off policy

The Authority would only write-off its financial assets, in whole or in part, when it has exhausted all practical recovery efforts and has concluded there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include:

(i) ceasing enforcement activity and

(ii) where the Authority's recovery method is foreclosing on collateral and the value of the collateral is such that there is no reasonable expectation of recovering in full.

#### 45.1.7 Modification of financial assets

The contractual terms of a financial asset may be modified for a number of reasons, including changing market conditions, and other factors that are not related to a current or potential credit deterioration of the counterparty. An existing asset whose terms have been modified may be derecognised and the renegotiated asset recognised as a new one at fair value in accordance with the accounting policy set out in 4.2.1. 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 reflects comparison of:

- its remaining lifetime PD at the reporting date based on the modified terms; with
- the remaining lifetime PD estimated based on data at initial recognition and the original contractual terms.

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## 45 FINANCIAL RISK MANAGEMENT (CONTINUED)

### 45.2 Country risk

The foreign reserve invested in overseas is exposed to the country credit risk due to political, economic and financial events in the country of investment. Country risk includes the possibility of nationalization or expropriation of assets, Government repudiation of external indebtedness, changes in exchange control policies and currency depreciation or devaluation. Majority of the Authority's foreign reserve investments are in economically advanced and politically stable countries to limit the exposure to country risk.

The Authority's year-end significant concentrations of credit exposure by geographical area (based on the entity's country of ownership) are as follows:

	2024	2023
Maldives	16,739,536,933	14,673,747,408
United States of America	3,018,663,508	2,660,105,173
Qatar	2,912,848,160	932,177,084
China	1,851,317,114	113,031,052
Saudi Arabia	990,961,950	2,252,535,463
Supranational financial institutions	730,551,030	884,608,385
South Korea	210,630,277	353,489,319
Singapore	179,689,580	100,036,062
France	131,299,373	431,854,079
Japan	109,531,594	160,015,862
United Arab Emirates	81,053,347	134,460,401
Canada	69,130,833	44,922,284
Spain	68,315,115	1,125,515,681
New Zealand	66,602,405	70,759,299
Australia	50,967,986	19,354,021
United Kingdom	27,745,640	8,735,904
Netherlands	23,044,693	3,849,887
Hong Kong	20,550,922	-
Germany	20,194,565	27,977,364
Kuwait	18,894,226	-
Finland	18,082,652	3,104,821
Luxembourg	2,782,360	7,498,781
Denmark	-	7,829,727
Expected credit losses	(2,232,234)	(1,743,654)
<b>Total financial assets (except foreign cash in hand)</b>	<b>27,340,162,029</b>	<b>24,013,864,403</b>

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## 45 FINANCIAL RISK MANAGEMENT (CONTINUED)

### 45.3 Operational risk

Operational risk is the result of inadequate controls or failed processes such as human fraud and system errors as a result of external events. The Authority has in place a number of operational controls to minimise the financial and reputational damage against such risks. These include:

1. Segregation of duties and proper authorisation and approval procedures, which assist in better control by avoiding potential outright fraud or collusion among staff.
2. Preparation of monthly reconciliations of accounts.
3. Maintaining processes relating to data integrity and backup systems.
4. Protecting the physical assets against theft and fire by the surveillance of security and fire alarm systems.

### 45.4 Liquidity risk

Liquidity risk is the risk arising from the inability to sell a financial asset at close to its fair value at short notice due to inadequate market depth or market disruptions. To manage liquidity risk the majority of foreign reserves are invested in short term money market instruments in highly accredited financial institutions. Refer to interest rate risk (Note 45.6) for the undiscounted maturity period for financial assets and financial liabilities since the assets and liabilities do not have earlier repricing than their respective maturity.

### 45.5 Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices and includes currency and interest rate risks.

1. Currency risk is the risk of loss on foreign assets and liabilities arising from changes in foreign exchange rates.
2. Interest rate risk is the risk of loss arising from changes in market interest rates.

Market risks are mitigated through investing the majority of foreign reserves in US Dollar denominated assets, in highly accredited financial institutions.

### 45.6 Interest rate risk

Interest rate risk is the risk of loss arising from the changes in market interest rates.

#### a) Interest rate sensitivity

The interest rate sensitivity analysis measures the potential loss due to a drop in interest rate by 10 basis points for interest bearing assets and increase in interest by 10 basis points for interest bearing liabilities. Impact to the income statement is given below.

	2024	2023
<b>Potential loss of interest income</b>	<b>5,471,406</b>	<b>5,396,603</b>

# Notes to the Financial Statements

Year ended 31 December 2024

(all amounts in Maldivian Rufiyaa unless otherwise stated)

## 45 FINANCIAL RISK MANAGEMENT (CONTINUED)

### 45.6 Interest rate risk (Continued)

b) Assets and liabilities will mature or re-price within the following periods.

Foreign currency interest rate sensitivity gap	Weighted Ave. Int. Rate %	2024 Total	Less than 6 Months	6 to 12 Months	1 to 2 Years	2 to 5 Years	More than 5 Years	No fixed maturity
<b>Interest sensitive foreign currency financial assets</b>								
Cash and balances with banks	4.09%	580,203,480	580,203,480	-	-	-	-	-
IMF related assets	3.16%	6,802,287	6,802,287	-	-	-	-	-
Investments in securities	4.48%	3,838,426,304	226,355,531	640,145,551	1,535,010,739	1,414,077,077	22,837,406	-
<b>Total interest sensitive foreign currency financial assets</b>		<b>4,425,432,071</b>	<b>813,361,298</b>	<b>640,145,551</b>	<b>1,535,010,739</b>	<b>1,414,077,077</b>	<b>22,837,406</b>	<b>-</b>
<b>Non-interest sensitive foreign currency financial assets</b>								
Cash and balances with banks		8,052,017,481	8,052,017,481	-	-	-	-	-
IMF related assets		426,880,989	555,349	-	-	-	-	426,325,640
Investments in securities		35,386,894	13,271,419	22,115,475	-	-	-	-
Subscriptions to international agencies		834,222	-	-	-	-	-	834,222
Interest and other receivables		70,547,143	70,547,143	-	-	-	-	-
<b>Total non-interest sensitive foreign currency financial assets</b>		<b>8,585,666,729</b>	<b>8,136,391,392</b>	<b>22,115,475</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>427,159,862</b>
<b>Total foreign currency financial assets</b>		<b>13,011,098,800</b>	<b>8,949,752,690</b>	<b>662,261,026</b>	<b>1,535,010,739</b>	<b>1,414,077,077</b>	<b>22,837,406</b>	<b>427,159,862</b>
<b>Interest sensitive foreign currency financial liabilities</b>								
IMF related liabilities	3.16%	154,665,875	-	-	-	-	-	154,665,875
Payables to Asian Clearing Union	4.59%	891,276,000	891,276,000	-	-	-	-	-
<b>Total interest sensitive foreign currency financial liabilities</b>		<b>1,045,941,875</b>	<b>891,276,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>154,665,875</b>
<b>Non-interest sensitive foreign currency financial liabilities</b>								
Balances of commercial banks	0.01%	3,745,427,111	3,745,427,111	-	-	-	-	-
Balances of the Government and Government institutions		796,982,910	796,982,910	-	-	-	-	-
Payable to Asian Clearing Union		3,671,799	3,671,799	-	-	-	-	-
IMF related liabilities		330,581,499	5,613,634	-	-	-	-	324,967,865
Interest bearing loans	0.81%	71,886,814	950,781	950,783	1,901,566	7,976,797	60,106,887	-
Deposits by international financial institutions		834,222	-	-	-	-	-	834,222
Other liabilities		6,301,522,970	6,286,459,275	-	-	-	-	15,063,695
Term Deposit		308,400,000	-	-	308,400,000	-	-	-
<b>Total non-interest sensitive foreign currency financial liabilities</b>		<b>11,559,307,325</b>	<b>10,839,105,510</b>	<b>950,783</b>	<b>310,301,566</b>	<b>7,976,797</b>	<b>60,106,887</b>	<b>340,865,782</b>
<b>Total foreign currency financial liabilities</b>		<b>12,605,249,200</b>	<b>11,730,381,510</b>	<b>950,783</b>	<b>310,301,566</b>	<b>7,976,797</b>	<b>60,106,887</b>	<b>495,531,657</b>
<b>Foreign currency interest rate sensitivity gap</b>		<b>3,379,490,196</b>	<b>(77,914,702)</b>	<b>640,145,551</b>	<b>1,535,010,739</b>	<b>1,414,077,077</b>	<b>22,837,406</b>	<b>(154,665,875)</b>

# Notes to the Financial Statements

Year ended 31 December 2024

(all amounts in Maldivian Rufiyaa unless otherwise stated)

## 45 FINANCIAL RISK MANAGEMENT (CONTINUED)

### 45.6 Interest rate risk (Continued)

Local currency interest rate sensitivity gap	Weighted Ave. Int. Rate %	2024 Total	Less than 6 Months	6 to 12 Months	1 to 2 Years	2 to 5 Years	More than 5 Years	No fixed maturity
<b>Non-interest sensitive local currency financial assets</b>								
Cash and balances with banks		80,104,901	80,104,901	-	-	-	-	-
Subscriptions to international agencies		8,264,330	-	-	-	-	-	8,264,330
Investments in securities		79,198,188	28,455,238	36,140,686	2,697,813	11,904,451	-	-
Investment in Government treasury bonds	2.62%	14,283,960,429	94,025,092	137,276,180	237,452,904	749,924,896	13,065,281,357	-
Short term loans		1,885,551	1,086,044	799,507	-	-	-	-
Long term loans		31,721	7,988	2,706	5,340	12,803	2,884	-
Interest and other receivables		3,422,728	3,422,728	-	-	-	-	-
<b>Total non-interest sensitive local currency financial assets</b>		<b>14,456,867,848</b>	<b>207,101,991</b>	<b>174,219,079</b>	<b>240,156,057</b>	<b>761,842,150</b>	<b>13,065,284,241</b>	<b>8,264,330</b>
<b>Total local currency financial assets</b>		<b>14,456,867,848</b>	<b>207,101,991</b>	<b>174,219,079</b>	<b>240,156,057</b>	<b>761,842,150</b>	<b>13,065,284,241</b>	<b>8,264,330</b>
<b>Non-interest sensitive local currency financial liabilities</b>								
Balances of commercial banks	1.31%	9,441,050,632	9,441,050,632	-	-	-	-	-
Balances of the Government and Government institutions		389,071,355	389,071,355	-	-	-	-	-
Currency in circulation		4,228,647,332	-	-	-	-	-	4,228,647,332
Balances of insurance companies and payment service providers	1.00%	17,392,176	-	-	-	-	-	17,392,176
Deposits by international financial institutions		31,590,787	-	-	-	-	-	31,590,787
Deposit insurance fund		106,382	-	-	-	-	-	106,382
Other liabilities		113,165,497	5,432,428	229,819	478,996	1,605,283	39,056	105,379,915
<b>Total non-interest sensitive local currency financial liabilities</b>		<b>14,221,024,161</b>	<b>9,835,554,415</b>	<b>229,819</b>	<b>478,996</b>	<b>1,605,283</b>	<b>39,056</b>	<b>4,383,116,592</b>
<b>Total local currency financial liabilities</b>		<b>14,221,024,161</b>	<b>9,835,554,415</b>	<b>229,819</b>	<b>478,996</b>	<b>1,605,283</b>	<b>39,056</b>	<b>4,383,116,592</b>
<b>Local currency interest rate sensitivity gap</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net liquidity gap</b>		<b>641,693,287</b>	<b>(12,409,081,244)</b>	<b>835,299,503</b>	<b>1,464,386,234</b>	<b>2,166,337,147</b>	<b>13,027,975,704</b>	<b>(4,443,224,057)</b>

Net liquidity gap represents the excess / (deficit) of the total financial assets over the financial liabilities.

# Notes to the Financial Statements

Year ended 31 December 2024

(all amounts in Maldivian Rufiyaa unless otherwise stated)

## 45 FINANCIAL RISK MANAGEMENT (CONTINUED)

### 45.6 Interest rate risk (Continued)

Comparative figures as at 31 December 2023 were as follows:

Foreign currency interest rate sensitivity gap	Weighted Ave. int. rate %	2023 Total	Less than 6 Months	6 to 12 Months	1 to 2 Years	2 to 5 Years	More than 5 Years	No fixed maturity
<b>Interest sensitive foreign currency financial assets</b>								
Cash and balances with banks	5.10%	302,457,916	302,457,916	-	-	-	-	-
IMF related assets	4.10%	19,577,168	19,577,168	-	-	-	-	-
Investments in securities	4.49%	4,214,103,562	325,886,856	801,682,585	1,457,119,094	1,629,415,027	-	-
<b>Total interest sensitive foreign currency financial assets</b>		<b>4,536,138,646</b>	<b>647,921,940</b>	<b>801,682,585</b>	<b>1,457,119,094</b>	<b>1,629,415,027</b>	-	-
<b>Non-interest sensitive foreign currency financial assets</b>								
Cash and balances with banks		4,407,946,954	4,253,946,954	154,000,000	-	-	-	-
IMF related assets		438,828,598	800,558	-	-	-	-	438,028,040
Investments in securities		33,864,639	27,974,828	5,889,811	-	-	-	-
Subscriptions to international agencies		833,140	-	-	-	-	-	833,140
Interest and other receivables		49,025,121	49,025,121	-	-	-	-	-
<b>Total non-interest sensitive foreign currency financial assets</b>		<b>4,930,498,452</b>	<b>4,331,747,461</b>	<b>159,889,811</b>	-	-	-	<b>438,861,180</b>
<b>Total foreign currency financial assets</b>		<b>9,466,637,098</b>	<b>4,979,669,401</b>	<b>961,572,396</b>	<b>1,457,119,094</b>	<b>1,629,415,027</b>	-	<b>438,861,180</b>
<b>Interest sensitive foreign currency financial liabilities</b>								
IMF related liabilities	4.10%	158,911,366	-	-	-	-	-	158,911,366
Payables to Asian Clearing Union	5.35%	701,470,000	701,470,000	-	-	-	-	-
<b>Total interest sensitive foreign currency financial liabilities</b>		<b>860,381,366</b>	<b>701,470,000</b>	-	-	-	-	<b>158,911,366</b>
<b>Non-interest sensitive foreign currency financial liabilities</b>								
Balances of commercial banks	0.01%	4,701,247,614	4,701,247,614	-	-	-	-	-
Balances of the Government and Government institutions		866,358,479	866,358,479	-	-	-	-	-
Payable to Asian Clearing Union		3,682,864	3,682,864	-	-	-	-	-
IMF related liabilities		339,876,452	5,988,401	-	-	-	-	333,888,051
Interest bearing loans	0.81%	75,813,830	976,881	976,881	1,953,762	6,639,443	65,266,863	-
Deposits by international financial institutions		833,140	-	-	-	-	-	833,140
Other liabilities		68,996,321	53,918,499	-	-	-	-	15,077,822
<b>Total non-interest sensitive foreign currency financial liabilities</b>		<b>6,056,808,700</b>	<b>5,632,172,738</b>	<b>976,881</b>	<b>1,953,762</b>	<b>6,639,443</b>	<b>65,266,863</b>	<b>349,799,013</b>
<b>Total foreign currency financial liabilities</b>		<b>6,917,190,066</b>	<b>6,333,642,738</b>	<b>976,881</b>	<b>1,953,762</b>	<b>6,639,443</b>	<b>65,266,863</b>	<b>508,710,379</b>
<b>Foreign currency interest rate sensitivity gap</b>		<b>3,675,757,280</b>	<b>(53,548,060)</b>	<b>801,682,585</b>	<b>1,457,119,094</b>	<b>1,629,415,027</b>	-	<b>(158,911,366)</b>

# Notes to the Financial Statements

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## 45 FINANCIAL RISK MANAGEMENT (CONTINUED)

### 45.6 Interest rate risk (Continued)

Local currency interest rate sensitivity gap	Weighted Ave. int. rate %	2023 Total	Less than 6 Months	6 to 12 Months	1 to 2 Years	2 to 5 Years	More than 5 Years	No fixed maturity
<b>Non-interest sensitive local currency financial assets</b>								
Cash and balances with banks		46,233,396	46,233,396	-	-	-	-	-
Subscriptions to international agencies		8,264,330	-	-	-	-	-	8,264,330
Investments in securities		77,566,132	36,056,057	35,890,319	-	5,619,756	-	-
Investment in Government treasury bonds	2.62%	14,508,238,577	111,778,722	112,499,426	231,301,272	730,487,797	13,322,171,360	-
Advances to Government		-	-	-	-	-	-	-
Short term loans		1,658,184	933,195	724,989	-	-	-	-
Long term loans		45,709	6,682	7,306	10,694	14,851	6,176	-
Interest and other receivables		6,050,879	6,050,879	-	-	-	-	-
<b>Total non-interest sensitive local currency financial assets</b>		<b>14,648,057,207</b>	<b>201,058,931</b>	<b>149,122,040</b>	<b>231,311,966</b>	<b>736,122,404</b>	<b>13,322,177,536</b>	<b>8,264,330</b>
<b>Total local currency financial assets</b>		<b>14,648,057,207</b>	<b>201,058,931</b>	<b>149,122,040</b>	<b>231,311,966</b>	<b>736,122,404</b>	<b>13,322,177,536</b>	<b>8,264,330</b>
<b>Non-interest sensitive local currency financial liabilities</b>								
Balances of commercial banks	1.31%	11,476,130,301	11,476,130,301	-	-	-	-	-
Balances of the Government and Government institutions		908,717,465	908,717,465	-	-	-	-	-
Currency in circulation		4,046,139,454	-	-	-	-	-	4,046,139,454
Balances of insurance companies and payment service providers	1.00%	14,792,176	-	-	-	-	-	14,792,176
Deposits by international financial institutions		25,279,537	-	-	-	-	-	25,279,537
Deposit insurance fund		15,146	-	-	-	-	-	15,146
Other liabilities		114,013,404	6,393,546	217,548	453,419	1,519,567	603,767	104,825,557
Debt instruments		210,929,978	210,929,978	-	-	-	-	-
<b>Total non-interest sensitive local currency financial liabilities</b>		<b>16,796,017,461</b>	<b>12,602,171,290</b>	<b>217,548</b>	<b>453,419</b>	<b>1,519,567</b>	<b>603,767</b>	<b>4,191,051,870</b>
<b>Total local currency financial liabilities</b>		<b>16,796,017,461</b>	<b>12,602,171,290</b>	<b>217,548</b>	<b>453,419</b>	<b>1,519,567</b>	<b>603,767</b>	<b>4,191,051,870</b>
<b>Local currency interest rate sensitivity gap</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net liquidity gap</b>		<b>401,486,778</b>	<b>(13,755,085,696)</b>	<b>1,109,500,007</b>	<b>1,686,023,879</b>	<b>2,357,378,421</b>	<b>13,256,306,906</b>	<b>(4,252,636,739)</b>

Net liquidity gap represents the excess / (deficit) of the total financial assets over the financial liabilities.

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## 45 FINANCIAL RISK MANAGEMENT (CONTINUED)

### 45.7 Foreign currency risk

Effective management of foreign exchange risk is vital to maintain the Authority's credibility. If foreign reserve risk is managed properly and effectively it will strengthen public confidence in the monetary policy. Foreign exchange reserves risk management concerns balancing many objectives and issues, from broad macro-economic policy objectives, such as monetary policy and foreign exchange management. Foreign currency activities result mainly from the Authority's holding of foreign currency assets which are managed by the Reserve Management and Market Operations Division of the Authority. Volatility of the foreign exchange markets may expose the Authority to exchange rate risk.

#### a) Net exposure to foreign currencies

As at 31 December 2024, the Authority's net exposure to major currencies was as follows:

	Currency of denomination								Total
	US Dollar	Euro	Singapore Dollar	Pound Sterling	Special Drawing Rights	Australian Dollar	Chinese Yuan	Japanese Yen	
<b>As at 31 December 2024</b>									
<b>Foreign currency financial assets</b>									
Cash and balances with banks	8,576,575,411	20,127,414	864,243	22,346,427	-	335,687	-	11,971,779	8,632,220,961
IMF related assets	-	-	-	-	433,683,276	-	-	-	433,683,276
Investments in Securities	3,873,813,198	-	-	-	-	-	-	-	3,873,813,198
Subscriptions to international agencies	834,222	-	-	-	-	-	-	-	834,222
Interest and other receivables	70,395,913	64,939	-	84,820	-	1,471	-	-	70,547,143
<b>Total foreign currency financial assets</b>	<b>12,521,618,744</b>	<b>20,192,353</b>	<b>864,243</b>	<b>22,431,247</b>	<b>433,683,276</b>	<b>337,158</b>	<b>-</b>	<b>11,971,779</b>	<b>13,011,098,800</b>
<b>Proportion</b>	<b>96.24%</b>	<b>0.16%</b>	<b>0.01%</b>	<b>0.17%</b>	<b>3.33%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.09%</b>	<b>100%</b>
<b>Foreign currency financial liabilities</b>									
Balances of commercial banks	3,745,427,111	-	-	-	-	-	-	-	3,745,427,111
Balances of the Government and Government institutions	796,982,910	-	-	-	-	-	-	-	796,982,910
Payable to Asian Clearing Union	894,947,799	-	-	-	-	-	-	-	894,947,799
IMF related liabilities	-	-	-	-	485,247,374	-	-	-	485,247,374
Interest bearing loans	-	-	-	-	71,886,814	-	-	-	71,886,814
Deposits of international financial institutions	834,222	-	-	-	-	-	-	-	834,222
Other liabilities	6,276,709,008	12,235,829	-	12,574,807	-	3,326	-	-	6,301,522,970
Term Deposit	308,400,000	-	-	-	-	-	-	-	308,400,000
<b>Total foreign currency financial liabilities</b>	<b>12,023,301,050</b>	<b>12,235,829</b>	<b>-</b>	<b>12,574,807</b>	<b>557,134,188</b>	<b>3,326</b>	<b>-</b>	<b>-</b>	<b>12,605,249,200</b>
<b>Proportion</b>	<b>95.38%</b>	<b>0.10%</b>	<b>0.00%</b>	<b>0.10%</b>	<b>4.42%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>100%</b>
<b>Net foreign currency exposure</b>	<b>498,317,694</b>	<b>7,956,524</b>	<b>864,243</b>	<b>9,856,440</b>	<b>(123,450,912)</b>	<b>333,832</b>	<b>-</b>	<b>11,971,779</b>	<b>405,849,600</b>

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(all amounts in Maldivian Rufiyaa unless otherwise stated)

## 45 FINANCIAL RISK MANAGEMENT (CONTINUED)

### 45.7 Foreign currency risk (Continued)

#### a) Net exposure to foreign currencies (Continued)

As at 31 December 2023, the Authority's net exposure to major currencies was as follows:

	Currency of Denomination								
	US Dollar	Euro	Singapore Dollar	Pound Sterling	Special Drawing Rights	Australian Dollar	Chinese Yuan	Japanese Yen	Total
<b>As at 31 December 2023</b>									
<b>Foreign currency financial assets</b>									
Cash and balances with banks	4,680,847,498	10,634,174	1,143,791	3,540,676	-	904,369	-	13,334,362	4,710,404,870
IMF related assets	-	-	-	-	458,405,766	-	-	-	458,405,766
Investments in Securities	4,103,098,229	-	-	-	-	-	144,869,972	-	4,247,968,201
Subscriptions to international agencies	833,140	-	-	-	-	-	-	-	833,140
Interest and other receivables	48,971,690	38,846	-	10,935	-	3,650	-	-	49,025,121
<b>Total foreign currency financial assets</b>	<b>8,833,750,557</b>	<b>10,673,020</b>	<b>1,143,791</b>	<b>3,551,611</b>	<b>458,405,766</b>	<b>908,019</b>	<b>144,869,972</b>	<b>13,334,362</b>	<b>9,466,637,098</b>
<b>Proportion</b>	<b>93.31%</b>	<b>0.11%</b>	<b>0.01%</b>	<b>0.04%</b>	<b>4.84%</b>	<b>0.01%</b>	<b>1.53%</b>	<b>0.14%</b>	<b>100%</b>
<b>Foreign currency financial liabilities</b>									
Balances of commercial banks	4,701,247,614	-	-	-	-	-	-	-	4,701,247,614
Balances of the Government and Government institutions	866,358,479	-	-	-	-	-	-	-	866,358,479
Payable to Asian Clearing Union	705,152,864	-	-	-	-	-	-	-	705,152,864
IMF related liabilities	-	-	-	-	498,787,818	-	-	-	498,787,818
Interest bearing loans	-	-	-	-	75,813,830	-	-	-	75,813,830
Deposits of international financial institutions	833,140	-	-	-	-	-	-	-	833,140
Other liabilities	68,734,640	247,642	-	9,123	-	4,916	-	-	68,996,321
<b>Total foreign currency financial liabilities</b>	<b>6,342,326,737</b>	<b>247,642</b>	<b>-</b>	<b>9,123</b>	<b>574,601,648</b>	<b>4,916</b>	<b>-</b>	<b>-</b>	<b>6,917,190,066</b>
<b>Proportion</b>	<b>91.69%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>8.31%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>100%</b>
<b>Net foreign currency exposure</b>	<b>2,491,423,820</b>	<b>10,425,378</b>	<b>1,143,791</b>	<b>3,542,488</b>	<b>(116,195,882)</b>	<b>903,103</b>	<b>144,869,972</b>	<b>13,334,362</b>	<b>2,549,447,032</b>

# Notes to the Financial Statements

Year ended 31 December 2024

(all amounts in Maldivian Rufiyaa unless otherwise stated)

## 45 FINANCIAL RISK MANAGEMENT (CONTINUED)

### 45.7 Foreign currency risk (Continued)

b) The following represents sensitivities of profit or loss and equity to reasonably possible appreciation and depreciation of foreign currencies by 10% at the end of the reporting period relative to the Rufiyaa, with all other variables held constant. The majority of the Authority's foreign currency transactions are carried out in USD and the exchange rate of Maldivian Rufiyaa against USD is permitted to fluctuate within a  $\pm 20\%$  band of MVR 12.85 per USD. This band took effect from 11 April 2011 and was made in accordance with the Chapter 3, Section 13 of MMA Act prior to the fourth amendment. Therefore, the Authority is not exposed to major depreciation in the value of rufiyaa resulting under this methodology.

	2024	2023
Changes in profit/equity due to 10% appreciation in the value of the Rufiyaa	(40,585,611)	(254,944,703)
Changes in profit/equity due to 10% depreciation in the value of the Rufiyaa	40,585,611	254,944,703

## 46 Fair value of financial instruments

Fair value measurements are analysed by level in the fair value hierarchy as follows: (i) level one are measurements at quoted prices (unadjusted) in active markets for identical assets or liabilities, (ii) level two measurements are valuations techniques with all material inputs observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices), and (iii) level three measurements are valuations not based on solely observable market data (that is, unobservable inputs). Management applies judgment in categorising financial instruments using the fair value hierarchy. If a fair value measurement requires observable inputs that require significant adjustment, that measurement is level 3 measurement. The significance of valuation inputs is assessed against the fair value measurement in its entirety.

### Recurring fair value measurements

Recurring fair value measurements are those that the accounting standards require or permit in the statement of financial position at the end of each reporting period. The level in the fair value hierarchy into which the recurring fair value measurements are categorised are as follows:

	2024				2023			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
<b>Assets at fair value</b>								
<b>Foreign currency financial assets</b>								
<b>Investments at FVOCI</b>	<b>3,838,426,304</b>	-	-	<b>3,838,426,304</b>	<b>4,069,233,590</b>	-	-	<b>4,069,233,590</b>
<b>Investments at FVPL</b>	-	-	-	-	<b>144,869,972</b>	-	-	<b>144,869,972</b>

# Notes to the Financial Statements

Year ended 31 December 2024

(all amounts in Maldivian Rufiyaa unless otherwise stated)

## 47 RELATED PARTIES TRANSACTION DISCLOSURES

### 47.1 Transactions with the Government and Government related entities

- a) In the normal course of its operations, the Authority enters into transactions with related parties. Related parties include the Government of Maldives, various Government departments and Government related entities. Particulars of transactions, and arrangements entered into by the Authority with the Government and Government related entities are as follows:

	2024	2023
Profit re-appropriation to the Government (Note 40)	154,664,671	77,649,885
Gross foreign exchange transactions during the year		
- Sales	26,202,876,523	22,800,076,082
- Purchases	26,749,216,249	22,879,294,024
Gross value of goods and services obtained	224,026,316	222,089,454

- b) Through the operations the Authority earns interest, charges and commission from the services provided to the Government and other Government related entities, which are included as part of the Authority's income and thus paid out as dividend to the Government.

	2024	2023
Interest income earned from related parties	382,328,409	328,012,115
Finance charges paid	601,703	41,013,280
Interest expense on lease liability	579,208	174,047
Charges and commissions earned from related parties	24,531,917	22,218,686

- c) The aggregate balances due from and due to the Government and Government related entities, as at 31 December are given below.

	2024	2023
Investment in Government treasury bonds (Note 12)	14,283,960,429	14,508,238,577
Investment in Government treasury bills (Note 9.1)	96,983,650	93,829,339
	<b>14,380,944,079</b>	<b>14,602,067,916</b>
Government deposits with the Authority (Note 21)	1,186,054,265	1,775,075,944
Security deposits held by insurance companies (Note 30)	22,744,237	4,000,000
Security deposits held by payment service providers (Note 30)	2,753,716	250,000
Interest bearing loans (Note 24)	71,886,814	75,813,830
Lease liability (Note 26.4)	2,576,753	3,004,009
	<b>1,286,015,785</b>	<b>1,858,143,783</b>

# Notes to the Financial Statements

Year ended 31 December 2024

(all amounts in Maldivian Rufiyaa unless otherwise stated)

## 47 RELATED PARTIES TRANSACTION DISCLOSURES (CONTINUED)

### 47.1 Transactions with the Government and Government related entities (continued)

- d) The Authority performs the functions of implementing its monetary policy mainly through the monetary tools which are minimum reserve requirement, open market operations, foreign currency swap facility and standing facilities which are overnight deposit facility and overnight lombard facility. Further, the Authority acts as the banker to both commercial banks and Government institutions. The Government of Maldives as a related party has shareholding in Bank of Maldives Plc and Maldives Islamic Bank. Please refer to Notes 7 and 21 for the gross outstanding balances as at 31 December 2024.
- e) Empowered by the Article 4 (c) of the MMA Act, the Authority carries out the regulatory and supervisory functions of the banks licensed by the Authority. Bank of Maldives Plc and Maldives Islamic Bank Plc in which the Government has a significant influence, falls under the supervision of the Authority.
- f) The Authority carries out its regulatory and supervisory functions in respect of insurance companies in Maldives. Accordingly, Allied Insurance Company of the Maldives is a related entity under the supervision of the Authority (Refer Note 30).
- g) In accordance with Section 22 (m) of MMA Act, the Authority may buy, sell, invest, or deal in treasury bills and other securities issued or guaranteed by the Government. In this regard, the Authority has invested in Government treasury bills.
- h) The Authority, in carrying out the normal operations, enters into transactions to obtain various goods and services with Government entities or entities in which the Government has significant influence or control (Refer Note 47.1 (b)).
- i) The Authority did not provide any guarantee over any of the borrowings of a related party during the year ending 31 December 2024.

### 47.2 Transactions with key managerial personnel (present and former)

Key managerial personnel of the Authority are the members of the Executive Committee and Board of Directors that includes Governor, Deputy Governor and other members of the Board. In 2024, two board members representing the private sector were terminated, and the director representing the Ministry of Finance and Planning was changed. Additionally, the board member representing the Ministry of Economic Development and Trade resigned from his position at the Ministry, resulting in his termination as a board member. Particulars of transactions with key managerial personnel were as follows:

	2024	2023
Compensation and short-term employee benefits	5,833,180	5,345,470
Post-employment benefits	2,914,625	2,914,625
<b>Total Compensation to the key management personnel</b>	<b>8,747,805</b>	<b>8,260,095</b>

# Notes to the Financial Statements

## Year ended 31 December 2024

(all amounts in Maldivian Rufiyaa unless otherwise stated)

### 47 CONTINGENT LIABILITIES, CAPITAL COMMITMENTS AND OFF-BALANCE SHEET ITEMS

#### 47.3 Guarantees

In accordance with section 22 (r) of the amended MMA Act, the Authority could borrow money or issue guarantees, inside or outside Maldives, on such terms and conditions as the Board may prescribe.

As at 31 December 2024 the Authority has given guarantees to the following schemes:

Credit Guarantee Scheme introduced by the Authority on 7 August 2016 (refer to note 27.3), a total value of MVR 45,353,435 was guaranteed as at 31 December 2024. The total outstanding guarantee as at 31 December 2024 is MVR 5,461,965.92. The scheme has been terminated effective from 1 February 2021.

The Affordable Housing Scheme (AHS) regulation was published in the August 2017 and as per the AHS regulation, the scheme is to be operated for a period of three years. A fund of MVR 30 million was set up to guarantee the down payment or equity component of the loans under the scheme. As at December 2024, guarantee in lieu of equity/down payment was issued by the Authority to the amount of MVR 23,965,000 for loans approved under the phase one of AHS. The total outstanding guarantee as at 31 December 2024 is MVR 23,465,000. As the tenor of the regulation lapsed in August 2020, the Scheme was discontinued as per the regulation.

#### 47.4 Fiduciary activities

The Authority carries out fiduciary activities under the provisions of the MMA Act. Acting in such capacity results in holding or placing of funds on behalf of various parties. However, the Authority does not expect any liability to arise on account of such activities.

As at the reporting date, the Authority does not hold any investments on behalf of SDF.

#### 47.5 Legal claims

There are no on-going legal proceedings against the Authority as of 31 December 2024.

#### 47.6 Commitments

On the request made by the MOFP, with reference to the loan agreements signed between the Government and the Islamic Development Bank, the Authority undertakes to provide the foreign exchange required to repay the loans inclusive of service fees when repayment instalments and service fees fall due. As at 31st December 2024, the total outstanding loans amounted XDR 4,060,486.

In addition to this, with regard to the loan agreement signed between HDC and Industrial and Commercial Bank of China (ICBC), the Authority undertakes to provide the foreign currency required to repay the loan, maturing on 20th June 2027. As at 31st December 2024, the outstanding loan amounted USD 11,176,980.

Moreover, as per the trade financing agreement signed between International Islamic Trade Finance Corporation (ITFC) and State Trading Organization PLC (STO), MMA engages in providing the foreign currency needed to make the loan repayments.

In consideration, the MOFP on behalf of the Government has counter guaranteed to pay the Authority, the equivalent Rufiyaa for the aforesaid payments.

# Notes to the Financial Statements

Year ended 31 December 2024

(all amounts in Maldivian Rufiyaa unless otherwise stated)

## 47 CONTINGENT LIABILITIES, CAPITAL COMMITMENTS AND OFF-BALANCE SHEET ITEMS (CONTINUED)

### 47.7 Off balance sheet items

#### Other IMF related obligations - Rapid Credit Facility

The IMF provides Rapid Credit Facility (RCF) as a concessional financial assistance with limited conditionality to low-income countries facing an urgent balance of payment need, including in times of crisis.

Under the RCF, the Government of Maldives received a disbursement of SDR 21.2 million (USD 28.9 million) on 24 April 2020, to help cover balance of payments and fiscal needs, stemming from the COVID-19 pandemic. The loan which carries a zero percent interest rate will mature on 24 April 2030 and the first repayment is due on 23 October 2025. The Authority undertakes its responsibility as the fiscal agent in ensuring timely servicing of financial obligations to the IMF. As per the Memorandum of Understanding signed between the Authority and MOFP, repayments and all costs related to the RCF disbursement, are the responsibility of MOFP.

## 48 EVENTS OCCURRING SUBSEQUENT TO REPORTING DATE

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

# Statistical Appendix

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## Table 1: Gross Domestic Product, 2020-2024 <sup>1/</sup>

(millions of rufiyaa at constant prices)

	2020	2021	2022	2023	2024
<b>Gross domestic product (at market prices)</b>	<b>59,093.3</b>	<b>81,257.9</b>	<b>92,492.7</b>	<b>96,864.2</b>	<b>101,837.2</b>
<b>Gross domestic product (at basic prices)</b>	<b>54,023.5</b>	<b>72,108.7</b>	<b>82,424.5</b>	<b>86,184.1</b>	<b>91,058.9</b>
o/w Agriculture	856.7	904.5	930.4	946.3	964.8
Fisheries	3,360.9	3,279.7	3,512.4	3,637.7	1,875.6
Manufacturing	1,516.5	1,707.8	1,808.2	1,843.6	1,534.3
Electricity, water and waste management	1,987.3	1,674.5	1,769.6	1,897.0	2,080.3
Construction	3,430.0	3,231.4	4,335.4	4,429.8	4,337.0
Wholesale and retail trade	4,844.6	6,786.5	8,160.7	8,744.0	9,259.8
Tourism	6,688.0	17,277.8	20,543.6	20,847.2	22,368.5
Transportation	2,768.0	4,069.0	4,593.9	4,881.1	na
Postal and telecommunication	2,674.5	3,117.8	3,719.7	4,407.2	na
Real estate activities	6,467.6	6,972.4	7,921.7	8,252.4	8,879.4
Public administration and defence; compulsory social security	6,922.7	6,730.4	7,377.7	7,330.5	8,803.2
	Annual percentage change				
<b>Gross domestic product (at market prices)</b>	<b>(32.9)</b>	<b>37.5</b>	<b>13.8</b>	<b>4.7</b>	<b>5.1</b>
o/w Agriculture	(2.9)	5.6	2.9	1.7	2.0
Fisheries	9.3	(2.4)	7.1	3.6	(48.4)
Manufacturing	(19.2)	12.6	5.9	2.0	(16.8)
Electricity, water and waste management	19.5	(15.7)	5.7	7.2	9.7
Construction	(50.8)	(5.8)	34.2	2.2	(2.1)
Wholesale and retail trade	(38.0)	40.1	20.2	7.1	5.9
Tourism	(64.8)	158.3	18.9	1.5	7.3
Transportation	(39.0)	47.0	12.9	6.3	na
Postal and telecommunication	(8.7)	16.6	19.3	18.5	na
Real estate activities	3.2	7.8	13.6	4.2	7.6
Public administration and defence; compulsory social security	(3.4)	(2.8)	9.6	(0.6)	20.1
<b>Memorandum items</b>					
Real GDP (market price, in millions of US dollars)	3,832.2	5,269.6	5,998.2	6,281.7	6,604.2
Nominal GDP (market prices, in millions of rufiyaa)	57,104.6	80,744.4	95,045.0	101,412.7	108,586.1
Nominal GDP (market prices, in millions of US dollars)	3,703.3	5,236.3	6,163.7	6,576.7	7,041.9
Real GDP per capita (in rufiyaa)	106,010.9	142,968.6	159,654.6	164,094.0	169,370.4
Real GDP per capita (in US dollars)	6,874.9	9,271.6	10,353.7	10,641.6	10,983.8
Nominal GDP per capita (in US dollars)	6,643.5	9,213.0	10,639.4	11,141.3	11,711.7
Total mid-year population <sup>2/</sup>	557,426	568,362	579,330	590,297	601,269

Source: Maldives Bureau of Statistics; Ministry of Finance and Planning; Maldives Monetary Authority

<sup>1/</sup> GDP base year is 2019 and the data broadly complies with the guidelines of the System of National Accounts 2008. Real GDP figures for 2024 are revised preliminary estimates derived using QNA 2024 Q4, published by the Maldives Bureau of Statistics on 6 April 2025. Nominal GDP figures for 2024 are revised estimates by Maldives Monetary Authority, based on information available as of 6 April 2025.

<sup>2/</sup> This represents projected mid-year population of Maldives published by the Maldives Bureau of Statistics. Figures include local and expatriate population.

**Table 2: Tourism Indicators, 2020-2024<sup>1/</sup>**

	2020	2021	2022	2023	2024
<b>Tourist arrivals</b>	<b>555,494</b>	<b>1,321,937</b>	<b>1,675,303</b>	<b>1,878,543</b>	<b>2,046,615</b>
o/w Europe	348,349	772,460	1,022,725	1,054,709	1,205,962
o/w Germany	36,435	95,358	133,432	135,091	157,246
United Kingdom	52,720	62,777	179,309	155,994	181,644
Russia	61,387	222,422	201,954	209,146	225,204
Asia	134,279	336,546	396,261	570,376	590,682
o/w China	34,245	2,238	15,023	187,125	263,340
India	62,960	291,787	241,382	209,193	130,805
Japan	8,479	937	8,543	23,041	31,074
South Korea	5,895	6,849	35,948	36,324	36,395
Americas	32,060	88,910	121,151	111,483	107,550
o/w USA	19,759	55,760	80,697	74,838	69,620
Tourist bednights ('000)	3,985	10,073	12,260	12,903	13,347
Average stay (days) <sup>2/</sup>	7.2	8.8	8.0	7.6	7.4
Operational capacity (beds in operation)	27,745	48,960	57,254	61,562	61,739
Bednight capacity ('000)	10,146	17,877	20,905	22,472	22,597
Occupancy rate (percentage)	26	56	59	58	59
Total number of arrival flights <sup>3/</sup>	5,896	12,887	15,289	15,883	16,830
Scheduled flights <sup>4/</sup>	4,795	10,382	13,151	14,608	15,432
General flights <sup>5/</sup>	1,101	2,505	2,138	1,275	1,398
Travel receipts <sup>6/</sup> (millions of US dollars)	1,397.9	3,508.4	4,498.0	4,230.3	4,785.1

Source: Ministry of Tourism; Maldives Monetary Authority; Maldives Airports Company Limited

<sup>1/</sup> This table represents data available as of 20 April 2025.

<sup>2/</sup> From April 2020 to June 2020, average stay and tourist bednights is based on the estimated number of tourists in the Maldives during the months April, May and June 2020 as due to the COVID-19 pandemic, some tourists in the Maldives were unable to travel back to their home country. Furthermore, from August 2020 average stay is based on a new data source available from Maldives Immigration portal.

<sup>3/</sup> This data refers to flight movements at Velana International Airport.

<sup>4/</sup> From April 2020 onward, data for scheduled flights include cargo flights.

<sup>5/</sup> This data refers to chartered flights and private flights.

<sup>6/</sup> Estimates made by Maldives Monetary Authority for the travel component of the balance of payments statistics. This refers to data available as at 21 April 2025.

### Table 3: Fish Production and Volume of Fish Exports, 2020-2024

(quantity in metric ton)

	2020	2021	2022	2023	2024
<b>Fish catch</b>	<b>148,583.0</b>	<b>144,992.7</b>	<b>155,205.4</b>	<b>160,683.2</b>	<b>na</b>
<b>Fish purchases</b>	<b>79,341.0</b>	<b>88,313.2</b>	<b>81,033.4</b>	<b>96,120.4</b>	<b>53,232.0</b>
<b>Volume of fish exports</b>	<b>67,779.1</b>	<b>76,890.8</b>	<b>76,099.8</b>	<b>78,766.4</b>	<b>40,050.2</b>
Fresh, chilled or frozen tuna	57,410.9	66,476.4	65,576.3	64,347.5	31,963.3
o/w Skipjack tuna	42,001.2	49,848.4	55,551.2	54,732.4	22,391.7
Yellowfin tuna	15,395.9	16,440.0	9,529.5	9,272.3	9,331.3
Fresh, chilled or frozen fish (excluding tuna)	829.5	777.7	705.0	633.7	778.7
Canned or pouched	7,148.7	7,861.2	8,439.6	12,417.7	5,811.8
Other processed fish	2,389.9	1,775.6	1,378.8	1,367.4	1,496.4

Source: Ministry of Fisheries and Ocean Resources; Maldives Customs Service

## Table 4: Consumer Price Index - National, 2020-2024

(November 2022 = 100)

	Weight	2020	2021	2022	2023	2024
<b>Total index</b>	<b>100.0</b>	<b>96.4</b>	<b>97.0</b>	<b>99.2</b>	<b>102.1</b>	<b>103.6</b>
Food and non-alcoholic beverages	23.5	92.0	93.6	98.1	103.7	109.8
o/w Food	20.1	91.8	93.4	98.1	103.8	110.6
o/w Fish	4.5	95.6	94.8	100.6	104.6	115.2
Alcoholic beverages, tobacco and narcotics	2.0	78.9	95.2	100.3	104.1	118.4
Clothing and footwear	3.9	97.4	98.2	99.4	101.1	101.4
Housing, water, electricity, gas and other fuel	25.8	97.7	98.6	100.1	101.5	101.0
Furnishing, household equipment, carpets and other floor coverings	5.4	96.3	96.1	99.0	103.2	102.7
Health	5.8	95.5	95.5	99.9	104.4	108.0
Transport	7.0	89.3	91.8	97.3	102.6	102.6
Information and communication	10.0	120.7	110.2	101.5	93.9	86.1
Recreation, sport and culture	1.8	95.0	96.8	99.9	100.9	101.3
Education services	3.9	98.5	98.8	99.4	103.9	106.0
Restaurants and accommodation services	5.8	96.1	96.4	99.6	106.7	110.8
Insurance and financial services	0.1	100.0	100.0	100.0	104.6	107.8
Personal care, social protection and miscellaneous goods and services	5.1	97.2	97.3	99.0	103.5	105.6
Total excluding fish	95.5	96.5	97.1	99.2	102.0	103.0
Total excluding food and non-alcoholic beverages	76.5	97.9	98.0	99.6	101.6	101.7

Inflation (annual percentage change of the CPI)

<b>Total rate</b>	<b>(1.4)</b>	<b>0.5</b>	<b>2.3</b>	<b>2.9</b>	<b>1.4</b>
Food and non-alcoholic beverages	2.7	1.8	4.8	5.8	5.8
o/w Food	3.0	1.8	5.0	5.9	6.5
o/w Fish	2.5	(0.8)	6.2	3.9	10.2
Alcoholic beverages, tobacco and narcotics	12.4	20.6	5.3	3.8	13.7
Clothing and footwear	(1.9)	0.8	1.3	1.7	0.2
Housing, water, electricity, gas and other fuel	(4.7)	0.9	1.5	1.3	(0.5)
Furnishing, household equipment, carpets and other floor coverings	(0.6)	(0.3)	3.0	4.3	(0.6)
Health	0.5	(0.0)	4.6	4.5	3.5
Transport	(1.1)	2.8	6.0	5.5	(0.0)
Information and communication	(9.8)	(8.7)	(7.9)	(7.5)	(8.3)
Recreation, sport and culture	(0.2)	2.0	3.2	1.0	0.4
Education services	(0.1)	0.4	0.6	4.6	2.0
Restaurants and accommodation services	1.0	0.4	3.2	7.2	3.9
Insurance and financial services	-	-	-	4.6	3.0
Personal care, social protection and miscellaneous goods and services	(0.1)	0.1	1.7	4.6	2.0
Total excluding fish	(1.6)	0.6	2.2	2.9	1.0
Total excluding food and non-alcoholic beverages	(2.6)	0.2	1.6	2.1	0.0

Source: Maldives Bureau of Statistics

Note: Data refers to the twelve-month average.

## Table 5: Summary of Central Government Finance, 2020-2024<sup>1/</sup>

(millions of rufiyaa)

	2020	2021	2022	2023	2024
<b>Total revenue and grants</b>	<b>15,221.9</b>	<b>21,353.4</b>	<b>28,515.8</b>	<b>34,151.3</b>	<b>34,741.9</b>
Total revenue	14,449.0	20,333.0	28,274.2	33,185.6	34,153.7
Tax revenue	10,959.2	14,681.6	19,455.6	24,073.2	26,222.4
Non-tax revenue	3,478.2	5,636.6	8,800.8	8,806.1	7,918.8
Capital receipts	11.6	14.8	17.8	306.3	12.5
Grants	958.0	1,031.8	408.0	1,010.1	660.6
Less: Subsidiary loan repayment	(185.1)	(11.5)	(166.4)	(44.4)	(72.4)
<b>Total expenditure</b>	<b>28,753.5</b>	<b>32,806.2</b>	<b>39,876.9</b>	<b>48,673.3</b>	<b>50,047.4</b>
Recurrent expenditure	20,307.4	23,983.3	28,004.8	32,290.3	34,775.0
Capital expenditure	8,446.1	8,822.9	11,872.1	16,383.0	15,272.4
<b>Primary balance</b>	<b>(11,927.8)</b>	<b>(9,348.3)</b>	<b>(7,908.4)</b>	<b>(10,326.8)</b>	<b>(10,637.0)</b>
<b>Overall balance</b>	<b>(13,531.6)</b>	<b>(11,452.7)</b>	<b>(11,361.1)</b>	<b>(14,522.0)</b>	<b>(15,305.6)</b>
	As a percentage of GDP				
Total revenue	25	25	30	33	31
Tax revenue	19	18	20	24	24
Non-tax revenue	6	7	9	9	7
Capital receipts	0	0	0	0	0
Grants	2	1	0	1	1
Total expenditure	50	41	42	48	46
Recurrent expenditure	36	30	29	32	32
Capital expenditure	15	11	12	16	14
Overall balance	(24)	(14)	(12)	(14)	(14)
<b>Memorandum items:</b>					
Nominal GDP <sup>2/</sup>	57,104.6	80,744.4	95,045.0	101,412.7	108,586.1

Source: Ministry of Finance and Planning; Maldives Bureau of Statistics; Maldives Monetary Authority

<sup>1/</sup> Format is based on Monthly Fiscal Developments published by Ministry of Finance and Planning, and figures represents data available as of 20 April 2025. Figures for 2024 represents data published by the Ministry of Finance and Planning in the Weekly Fiscal Developments as at 31 December 2024.

<sup>2/</sup> Nominal GDP for 2024 are revised estimates by Maldives Monetary Authority, based on information available as of 6 April 2025.

**Table 6: Central Government Revenue and Grants, 2020-2024 <sup>1/</sup>**

(millions of rufiyaa)

	2020	2021	2022	2023	2024
<b>Total revenue and grants</b>	<b>15,221.9</b>	<b>21,353.4</b>	<b>28,515.8</b>	<b>34,151.3</b>	<b>34,741.9</b>
Total revenue	14,449.0	20,333.0	28,274.2	33,185.6	34,153.7
Tax revenue	10,959.2	14,681.6	19,455.6	24,073.2	26,222.4
o/w Import duty	2,263.6	2,843.0	3,497.2	3,480.3	3,441.7
Business and property tax	3,655.4	2,748.8	4,268.9	5,204.0	5,898.0
General goods and services tax	2,086.6	2,485.6	3,154.0	4,497.2	4,940.1
Tourism goods and services tax	2,220.2	5,247.7	6,596.7	8,742.1	9,530.4
Green tax	351.8	802.1	973.0	999.1	1,080.7
Airport service charge	283.3	473.4	830.6	988.0	1,138.3
Non-tax revenue	3,478.2	5,636.6	8,800.8	8,806.1	7,918.8
o/w Fees and charges	990.9	1,379.3	3,589.1	2,579.3	2,786.7
o/w Airport development fee	285.9	483.0	849.3	1,015.4	1,160.4
Property income	806.7	2,254.9	2,212.3	1,979.6	2,508.0
o/w Rent from resorts	700.7	2,072.3	1,893.6	1,764.6	1,896.0
Interest, profit and dividends	807.6	521.4	1,478.0	1,233.0	953.0
Capital receipts	11.6	14.8	17.8	306.3	12.5
Grants	958.0	1,031.8	408.0	1,010.1	660.6
Less: Subsidiary loan repayment	(185.1)	(11.5)	(166.4)	(44.4)	(72.4)
	As a percentage of GDP				
Tax revenue	19	18	20	24	24
o/w Import duty	4	4	4	3	3
Business and property tax	6	3	4	5	5
General goods and services tax	4	3	3	4	5
Tourism goods and services tax	4	6	7	9	9
Non-tax revenue	6	7	9	9	7
o/w Fees and charges	2	2	4	3	3
Property income	1	3	2	2	2
o/w Rent from resorts	1	3	2	2	2

Source: Ministry of Finance and Planning

<sup>1/</sup> Format is based on Monthly Fiscal Developments published by Ministry of Finance and Planning, and figures represents data available as of 20 April 2025. Figures for 2024 represents data published by the Ministry of Finance and Planning in the Weekly Fiscal Developments as at 31 December 2024.

## Table 7: Central Government Expenditure, 2020-2024 <sup>1/</sup>

(millions of rufiyaa)

	2020	2021	2022	2023	2024
<b>Total expenditure</b>	<b>28,753.5</b>	<b>32,806.2</b>	<b>39,876.9</b>	<b>48,673.3</b>	<b>50,047.4</b>
Recurrent expenditure	20,307.4	23,983.3	28,004.8	32,290.3	34,775.0
Salaries, wages and pensions	9,768.9	10,331.3	11,100.4	12,092.9	13,618.0
Salaries and wages	4,378.0	4,625.5	4,926.5	5,343.0	6,129.0
Allowances to employees	3,827.8	4,055.9	4,414.2	4,864.7	5,453.6
Pensions, retirement benefits and gratuities	1,563.1	1,649.9	1,759.7	1,885.2	2,035.3
Administrative and operational expenses	10,352.3	13,422.1	16,859.4	19,730.7	21,009.6
o/w Travelling expenses	140.7	183.2	238.9	268.3	278.9
Administrative supplies and services	2,261.2	2,939.3	2,901.6	3,424.1	3,466.3
Training expenses	459.1	567.4	352.4	502.1	462.9
Financing and interest costs	1,603.9	2,104.5	3,452.7	4,195.2	4,668.6
Grants, contributions and subsidies	4,547.9	5,779.0	8,449.4	9,685.7	10,476.2
Aasandha	1,206.4	1,562.4	1,844.4	2,286.0	2,422.8
Subsidies	1,245.1	1,115.0	3,695.4	3,693.2	3,838.5
Council grants	947.2	1,405.0	1,652.9	1,941.2	2,245.1
Other grants and contributions	1,149.2	1,696.5	1,256.8	1,765.3	1,969.8
Losses and write-offs	186.2	229.8	45.0	466.7	147.5
Capital expenditure	8,446.1	8,822.9	11,872.1	16,383.0	15,272.4
Capital equipments	417.4	665.1	542.9	606.5	1,097.0
Infrastructure assets	4,791.2	5,363.2	8,659.6	11,980.5	11,635.0
Development projects and investments outlays	2,227.6	2,586.8	1,921.2	1,306.2	1,832.6
Lendings	1,010.0	207.8	748.4	2,489.8	707.9
	As a percentage of GDP				
Recurrent expenditure	36	30	29	32	32
o/w Salaries and wages	8	6	5	5	6
Pensions, retirement benefits and gratuities	3	2	2	2	2
Grants, contributions and subsidies	8	7	9	10	10
Capital expenditure	15	11	12	16	14
o/w Infrastructure assets	8	7	9	12	11

Source: Ministry of Finance and Planning

<sup>1/</sup> Format is based on Monthly Fiscal Developments published by Ministry of Finance and Planning, and figures represents data available as of 20 April 2025. Figures for 2024 represents data published by the Ministry of Finance and Planning in the Weekly Fiscal Developments as at 31 December 2024.

**Table 8: Public and Publicly Guaranteed Debt of Central Government, 2020-2024**

(millions of rufiyaa)

	2020	2021	2022	2023	2024
<b>Total outstanding <sup>1/</sup></b>	<b>86,759.9</b>	<b>94,452.0</b>	<b>106,988.2</b>	<b>125,953.9</b>	<b>144,975.3</b>
Domestic	42,712.5	49,082.7	59,013.0	73,701.9	82,609.9
Central government	41,842.7	48,453.9	58,414.4	72,774.8	81,619.4
Guaranteed	869.8	628.8	598.6	927.1	990.5
External	44,047.4	45,369.3	47,975.2	52,252.0	62,365.4
Central government	24,968.9	31,823.5	33,099.0	38,105.3	42,285.4
Guaranteed	19,078.5	13,545.8	14,876.2	14,146.7	20,080.0
	As a percentage of GDP				
Total outstanding	152	117	113	124	134
Domestic	75	61	62	73	76
Central government	73	60	61	72	75
Guaranteed	2	1	1	1	1
External	77	56	50	52	57
Central government	44	39	35	38	39
Guaranteed	33	17	16	14	18

Source: Ministry of Finance and Planning; Maldives Bureau of Statistics; Maldives Monetary Authority

<sup>1/</sup> This represents data available as of 5 March 2025.

## Table 9: Claims on Central Government, 2020-2024

(millions of rufiyaa)

	2020	2021	2022	2023	2024
	Outstanding stock				
<b>Total domestic claims on central government</b>	<b>44,691.2</b>	<b>51,283.6</b>	<b>61,664.0</b>	<b>72,277.1</b>	<b>81,290.9</b>
Government securities <sup>1/</sup>	41,197.3	47,573.2	57,697.7	72,250.0	81,152.4
Treasury bonds <sup>2/</sup>	17,109.8	17,162.2	22,094.4	31,425.4	34,441.6
MMA <sup>3/</sup>	6,011.0	5,933.1	8,321.7	14,508.2	14,303.0
Commercial banks	4,099.8	4,197.5	5,740.0	7,040.0	8,002.0
Other financial corporations <sup>4/</sup>	6,998.9	7,031.6	7,185.7	8,260.2	9,021.7
Public nonfinancial corporations	-	-	847.0	1,617.0	2,957.6
Private sector	-	-	-	-	157.3
Treasury bills and Islamic instruments <sup>5/</sup>	24,087.5	30,411.0	35,603.3	40,824.6	46,710.8
MMA	91.3	97.4	87.9	95.7	99.6
Commercial banks	14,350.1	18,381.7	20,668.7	21,650.2	23,530.1
Other financial corporations	9,253.6	10,939.2	13,442.5	18,162.7	20,492.8
Public nonfinancial corporations	288.3	875.6	1,145.0	775.9	2,146.6
Private sector	104.3	117.1	259.1	140.2	441.7
Loans and advances <sup>6/</sup>	3,493.9	3,710.4	3,966.3	27.0	138.5
MMA <sup>3/</sup>	3,296.8	3,689.9	3,946.3	2.0	-
Commercial banks	186.4	12.9	10.4	7.6	116.4
Other financial corporations	10.7	7.6	9.6	17.5	22.1
	Change				
<b>Total domestic claims on central government</b>	<b>12,409.7</b>	<b>6,592.4</b>	<b>10,380.4</b>	<b>10,613.0</b>	<b>9,013.9</b>
Government securities	9,075.7	6,375.9	10,124.5	14,552.4	8,902.4
Treasury bonds	3,952.9	52.5	4,932.2	9,331.0	3,016.2
MMA	(75.7)	(77.9)	2,388.6	6,186.5	(205.2)
Commercial banks	3,898.7	97.7	1,542.5	1,300.0	962.0
Other financial corporations	129.8	32.7	154.1	1,074.5	761.6
Public nonfinancial corporations	-	-	847.0	770.0	1,340.6
Private sector	-	-	-	-	157.3
Treasury bills and Islamic instruments	5,122.8	6,323.4	5,192.3	5,221.4	5,886.2
MMA	(12.3)	6.1	(9.5)	7.8	3.9
Commercial banks	2,395.7	4,031.6	2,287.1	981.5	1,879.9
Other financial corporations	2,880.8	1,685.7	2,503.3	4,720.2	2,330.1
Public nonfinancial corporations	(146.0)	587.3	269.4	(369.1)	1,370.7
Private sector	4.6	12.8	142.0	(119.0)	301.5
Loans and advances	3,334.0	216.5	255.9	(3,939.3)	111.5
MMA	3,296.8	393.0	256.4	(3,944.3)	(2.0)
Commercial banks	39.2	(173.4)	(2.5)	(2.8)	108.9
Other financial corporations	(2.0)	(3.2)	2.1	7.8	4.6
<b>Memorandum items:</b>					
Exchange rate	15.41	15.39	15.40	15.40	15.42

Source: Maldives Monetary Authority; Ministry of Finance and Planning

<sup>1/</sup> From 2021, domestic government securities data on treasury bonds, bills and instruments have been provided from Ministry of Finance and Planning.

<sup>2/</sup> Treasury bond data represents the purchase price and accrued interest receivable.

<sup>3/</sup> Government's public bank account overdraft from MMA was converted to a bond in 2023.

<sup>4/</sup> Recognition bond, previously included in loans and advances has been recorded as treasury bonds of other financial corporations as per source data provided by Ministry of Finance and Planning.

<sup>5/</sup> Figures represent the face value of treasury bills and Islamic instruments.

<sup>6/</sup> Loans and advances include accrued interest and accounts receivable. Loans and advances show the total for the financial sector.

## Table 10: Central Bank Survey, 2020-2024

(millions of rufiyaa)

	2020	2021	2022	2023	2024
<b>Net foreign assets</b>	<b>8,497.0</b>	<b>11,265.4</b>	<b>10,376.9</b>	<b>8,211.2</b>	<b>3,059.5</b>
Claims on non-residents	15,186.9	12,410.5	12,823.4	9,103.1	10,400.4
Liabilities to non-residents	(6,689.9)	(1,145.1)	(2,446.5)	(892.0)	(7,340.9)
<b>Net domestic assets</b>	<b>3,751.7</b>	<b>1,163.7</b>	<b>2,329.2</b>	<b>4,437.5</b>	<b>8,514.0</b>
Domestic claims	8,974.1	7,880.5	9,669.7	12,693.4	15,075.0
Net claims on central government	8,277.8	7,650.5	9,588.5	12,612.0	12,697.9
o/w Claims on central government	9,397.8	9,696.6	12,355.6	14,606.8	14,383.7
Claims on other sectors	696.2	229.9	81.2	81.4	2,377.1
Other items (net)	(5,222.3)	(6,716.7)	(7,340.4)	(8,255.9)	(6,561.0)
<b>Monetary base</b>	<b>12,248.7</b>	<b>12,429.1</b>	<b>12,706.1</b>	<b>12,648.7</b>	<b>11,573.5</b>
Currency in circulation	3,942.1	3,790.7	3,726.3	4,046.1	4,228.6
Liabilities to other depository corporations	8,306.6	8,638.5	8,979.8	8,391.6	7,344.8
Liabilities to other sectors	-	-	-	210.9	-
	Annual percentage change				
Net foreign assets	(23)	33	(8)	(21)	(63)
Claims on non-residents	31	(18)	3	(29)	14
Liabilities to non-residents	1,038	(83)	114	(64)	723
Net claims on central government	176	(8)	25	32	1
Monetary base	10	1	2	(0)	(9)
o/w Currency in circulation	10	(4)	(2)	9	5
Liabilities to other depository corporations	11	4	4	(7)	(12)

Source: Maldives Monetary Authority

## Table 11: Other Depository Corporations Survey, 2020-2024

(millions of rufiyaa)

	2020	2021	2022	2023	2024
<b>Net foreign assets</b>	<b>(1,879.1)</b>	<b>2,897.9</b>	<b>1,840.8</b>	<b>1,274.3</b>	<b>3,476.0</b>
Claims on non-residents	4,499.5	10,524.1	9,474.3	8,836.5	9,364.5
Liabilities to non-residents	(6,378.6)	(7,626.2)	(7,633.5)	(7,562.1)	(5,888.6)
<b>Net domestic assets</b>	<b>39,869.1</b>	<b>46,055.1</b>	<b>50,345.8</b>	<b>54,244.0</b>	<b>52,055.6</b>
Domestic claims	59,675.2	67,001.5	73,242.8	79,954.4	81,403.6
Claims on central bank	13,322.1	15,217.7	16,017.8	16,553.4	13,608.9
Net claims on central government	16,455.6	20,052.8	23,587.4	25,543.0	28,475.5
o/w Claims on central government	18,208.3	21,989.5	26,103.3	28,350.7	31,466.7
Claims on other sectors	29,897.5	31,731.0	33,637.6	37,857.9	39,319.2
Claims on other financial corporations	676.1	630.0	791.3	631.4	473.0
Claims on public non-financial corporations	2,063.6	2,953.0	3,422.1	5,064.6	4,569.2
Claims on private sector	27,157.8	28,148.1	29,424.2	32,162.0	34,276.9
Other items (net)	(19,806.1)	(20,946.3)	(22,897.0)	(25,710.4)	(29,347.9)
<b>Transferable, other deposits and securities other than shares included in broad money</b>	<b>37,990.0</b>	<b>48,953.0</b>	<b>52,186.5</b>	<b>55,518.3</b>	<b>55,531.6</b>
	Annual percentage change				
Net foreign assets	(192)	(254)	(36)	(31)	173
Claims on non-residents	(1)	134	(10)	(7)	6
Liabilities to non-residents	154	20	0	(1)	(22)
Net claims on central government	60	22	18	8	11
Claims on other sectors	10	6	6	13	4
Claims on other financial corporations	(16)	(7)	26	(20)	(25)
Claims on public non-financial corporations	22	43	16	48	(10)
Claims on private sector	10	4	5	9	7

Source: Maldives Monetary Authority

## Table 12: Depository Corporations Survey, 2020-2024

(millions of rufiyaa)

	2020	2021	2022	2023	2024
<b>Net foreign assets</b>	<b>6,617.9</b>	<b>14,163.3</b>	<b>12,217.7</b>	<b>9,485.5</b>	<b>6,535.5</b>
Central bank	8,497.0	11,265.4	10,376.9	8,211.2	3,059.5
Other depository corporations	(1,879.1)	2,897.9	1,840.8	1,274.3	3,476.0
<b>Net domestic assets</b>	<b>34,767.0</b>	<b>38,058.4</b>	<b>43,157.0</b>	<b>49,756.2</b>	<b>52,663.3</b>
Domestic claims	54,641.2	59,447.2	66,830.5	76,029.2	80,515.8
Net claims on central government	24,733.4	27,703.3	33,175.9	38,155.0	41,173.4
Claims on other sectors	29,907.7	31,743.9	33,654.7	37,874.2	39,342.3
o/w Claims on private sector	27,168.0	28,161.0	29,441.3	32,178.2	34,300.1
Other items (net)	(19,874.1)	(21,388.8)	(23,673.5)	(26,273.0)	(27,852.5)
<b>Broad money</b>	<b>41,385.0</b>	<b>52,221.7</b>	<b>55,374.7</b>	<b>59,241.7</b>	<b>59,198.8</b>
Narrow money	19,002.6	22,343.0	22,400.7	23,392.2	23,008.6
Quasi money	22,382.4	29,878.6	32,974.0	35,849.4	36,190.1
	Annual percentage change				
Net foreign assets	(49)	114	(14)	(22)	(31)
Central bank	(23)	33	(8)	(21)	(63)
Other depository corporations	(192)	(254)	(36)	(31)	173
Domestic claims	35	9	12	14	6
Net claims on central government	86	12	20	15	8
Claims on other sectors	10	6	6	13	4
Broad money	14	26	6	7	(0)
Narrow money	31	18	0	4	(2)
Quasi money	3	33	10	9	1
<b>Memorandum items:</b>					
Dollarization ratio	45.7	46.5	47.9	46.8	44.7

Source: Maldives Monetary Authority

## Table 13: Other Financial Corporations Survey, 2020-2024

(millions of rufiyaa)

	2020	2021	2022	2023	2024
<b>Net foreign assets</b>	<b>242.1</b>	<b>581.2</b>	<b>761.9</b>	<b>457.0</b>	<b>524.5</b>
Claims on nonresidents	525.3	886.1	1,131.2	975.0	1,133.2
Liabilities to nonresidents	(283.2)	(304.9)	(369.3)	(518.0)	(608.7)
<b>Net domestic assets</b>	<b>15,983.5</b>	<b>17,853.0</b>	<b>20,060.2</b>	<b>22,681.2</b>	<b>25,840.0</b>
Domestic claims	19,081.9	21,669.9	24,516.9	27,020.3	30,128.1
Claims on depository corporations	1,135.3	1,507.1	2,043.5	2,613.3	3,559.2
Net claims on central government	14,475.5	16,423.1	18,242.2	19,644.1	20,976.8
Claims on central government	14,507.9	16,447.3	18,269.4	19,685.9	21,060.6
Liabilities to central government	(32.4)	(24.2)	(27.1)	(41.8)	(83.8)
Claims on other sectors	3,471.0	3,739.6	4,231.1	4,762.9	5,592.1
Claims on public non-financial corporations	170.8	160.8	200.4	432.5	1,103.8
Claims on private sector	3,300.2	3,578.9	4,030.7	4,330.3	4,488.2
Other items (net)	(3,098.4)	(3,816.9)	(4,456.7)	(4,339.1)	(4,288.1)
<b>Insurance technical reserves</b>	<b>16,225.6</b>	<b>18,434.2</b>	<b>20,822.1</b>	<b>23,138.2</b>	<b>26,364.5</b>
	Annual percentage change				
Net foreign assets	87	140	31	(40)	15
Net claims on central government	11	13	11	8	7

Source: Maldives Monetary Authority

## Table 14: Financial Corporations Survey, 2020-2024

(millions of rufiyaa)

	2020	2021	2022	2023	2024
<b>Net foreign assets</b>	<b>6,860.0</b>	<b>14,744.5</b>	<b>12,979.6</b>	<b>9,942.5</b>	<b>7,060.0</b>
Central bank	8,497.0	11,265.4	10,376.9	8,211.2	3,059.5
Other depository corporations	(1,879.1)	2,897.9	1,840.8	1,274.3	3,476.0
Other financial corporations	242.1	581.2	761.9	457.0	524.5
<b>Net domestic assets</b>	<b>49,976.9</b>	<b>54,894.0</b>	<b>61,788.7</b>	<b>70,519.1</b>	<b>75,953.3</b>
Domestic claims	71,911.6	78,980.0	88,512.6	99,804.8	106,611.6
Net claims on central government	39,209.0	44,126.4	51,418.1	57,799.1	62,150.3
Claims on other sectors	32,702.6	34,853.5	37,094.5	42,005.6	44,461.4
o/w Claims on private sector	30,468.2	31,739.8	33,472.0	36,508.5	38,788.3
Other items (net)	(21,934.7)	(24,085.9)	(26,723.9)	(29,285.7)	(30,658.3)
Currency outside financial corporations	3,394.8	3,268.5	3,188.0	3,512.3	3,667.1
Deposits	37,227.9	47,946.9	50,766.3	53,821.4	52,993.5
Insurance technical reserves	16,214.3	18,423.1	20,813.9	23,127.9	26,352.7

Source: Maldives Monetary Authority

## Table 15: Assets and Liabilities of the Maldives Monetary Authority, 2020-2024

(millions of rufiyaa)

	2020	2021	2022	2023	2024
<b>Assets</b>	<b>26,178.0</b>	<b>23,225.5</b>	<b>26,138.1</b>	<b>25,108.3</b>	<b>28,617.0</b>
Foreign assets	15,186.9	12,410.5	12,823.4	9,103.1	10,400.4
Claims on central government	9,397.8	9,696.6	12,355.6	14,606.8	14,383.7
Claims on other sectors	696.2	229.9	81.2	81.4	2,377.1
Other assets	363.9	353.2	336.8	339.6	330.3
Non-financial assets	533.2	535.3	541.2	977.4	1,125.5
<b>Liabilities</b>	<b>26,178.0</b>	<b>23,225.5</b>	<b>26,138.1</b>	<b>25,108.3</b>	<b>28,617.0</b>
Currency in circulation	3,942.1	3,790.7	3,726.3	4,046.1	4,228.6
Claims to central government	1,119.9	2,046.1	2,767.1	1,994.8	1,685.8
Claims to other depository corporations	8,306.6	8,638.5	8,979.8	8,391.6	7,344.8
Claims to other sectors	13.6	13.5	14.8	14.8	17.4
Other liabilities to other depository corporations	4,619.4	6,193.4	6,786.5	7,788.9	5,843.9
Foreign liabilities	6,689.9	1,145.1	2,446.5	892.0	7,340.9
Other liabilities	799.7	657.9	657.9	875.9	682.7
Shares and other equity	686.8	740.4	759.3	1,104.1	1,472.9
	Annual percentage change				
Foreign assets	31	(18)	3	(29)	14
Claims on central government	52	3	27	18	(2)
Currency in circulation	10	(4)	(2)	9	5
Claims to central government	(65)	83	35	(28)	(15)
<b>Memorandum items:</b>					
Monetary operations (average investment)					
Overnight Deposit Facility	3,138.2	4,508.2	6,025.5	7,143.2	6,388.8

Source: Maldives Monetary Authority

## Table 16: Assets and Liabilities of Other Depository Corporations, 2020-2024

(millions of rufiyaa)

	2020	2021	2022	2023	2024
<b>Assets</b>	<b>68,911.9</b>	<b>83,234.6</b>	<b>88,546.4</b>	<b>94,955.1</b>	<b>98,179.6</b>
Foreign assets	4,499.5	10,524.1	9,474.3	8,836.5	9,364.5
Cash	547.2	522.0	538.1	533.7	561.5
Deposits with central bank	12,774.9	14,695.6	15,479.7	16,019.7	13,047.4
Securities other than shares	18,289.8	22,151.6	26,169.1	28,343.1	31,350.3
Loans and advances	29,701.7	31,465.9	33,419.7	37,753.0	39,323.1
Shares and other equity	64.2	53.1	102.1	112.5	112.5
Other assets	1,315.4	1,945.8	1,264.4	1,125.2	2,149.5
Non-financial assets	1,719.2	1,876.6	2,099.1	2,231.4	2,270.7
<b>Liabilities</b>	<b>68,911.9</b>	<b>83,234.6</b>	<b>88,546.4</b>	<b>94,955.1</b>	<b>98,179.6</b>
Foreign liabilities	6,378.6	7,626.2	7,633.5	7,562.1	5,888.6
Deposits	37,990.0	48,953.0	52,186.5	55,518.3	55,531.6
Central government liabilities	1,752.6	1,936.8	2,515.9	2,807.7	2,991.2
Other liabilities	7,502.0	6,861.2	5,848.7	6,121.4	8,711.2
Shares and other equity	15,288.6	17,857.5	20,361.7	22,945.6	25,057.0
<b>Memorandum items</b>					
Transferable deposits	29,944.8	38,530.0	40,260.5	40,774.2	39,163.7
Local currency	15,607.7	19,074.4	19,212.6	19,879.8	19,341.4
Foreign currency	14,337.2	19,455.6	21,048.0	20,894.4	19,822.3
Other deposits	8,045.2	10,423.0	11,926.0	14,744.1	16,367.8
Local currency	3,449.2	5,610.5	6,463.8	7,911.7	9,738.0
Foreign currency	4,595.9	4,812.5	5,462.2	6,832.3	6,629.8

Source: Maldives Monetary Authority

## Table 17: Assets and Liabilities of Other Financial Corporations, 2020-2024

(millions of rufiyaa)

	2020	2021	2022	2023	2024
<b>Assets</b>	<b>20,688.1</b>	<b>23,674.3</b>	<b>26,808.5</b>	<b>29,421.5</b>	<b>32,894.5</b>
Foreign assets	525.3	886.1	1,131.2	975.0	1,133.2
Cash	0.1	0.1	0.1	0.1	0.1
Deposits with central bank	12.0	12.0	12.0	12.0	14.0
Deposits with other depository corporations	994.0	1,363.6	1,869.1	2,079.1	2,965.8
Securities other than shares	11,278.0	13,265.5	14,947.2	16,606.0	18,317.5
Loans and advances	6,581.9	6,963.4	7,525.4	7,886.1	8,341.7
Shares and other equity	660.3	648.0	721.4	1,096.6	1,157.9
Other assets	440.3	329.9	377.9	518.0	702.5
Non-financial assets	196.2	205.6	224.2	248.7	261.8
<b>Liabilities</b>	<b>20,688.1</b>	<b>23,674.3</b>	<b>26,808.5</b>	<b>29,421.5</b>	<b>32,894.5</b>
Foreign liabilities	283.2	304.9	369.3	518.0	608.7
Deposits	81.2	79.4	82.4	83.1	89.0
Central government liabilities	32.4	24.2	27.1	41.8	83.8
Credit from other depository corporations	696.2	657.4	790.1	681.9	544.3
Securities other than shares	432.5	574.7	564.3	650.6	610.6
Loans	85.0	72.3	45.9	1.7	1.2
Insurance technical reserves	16,225.6	18,434.2	20,822.1	23,138.2	26,364.5
Other liabilities	820.1	1,042.4	1,281.5	1,372.6	1,355.7
Shares and other equity	2,031.8	2,484.8	2,825.8	2,933.6	3,236.8

Source: Maldives Monetary Authority

**Table 18: Private Sector Loans and Advances by Other Depository Corporations  
(By Economic Group), 2020-2024**

(millions of rufiyaa)

	2020	2021	2022	2023	2024
<b>Total loans and advances <sup>1/</sup></b>	<b>26,669.2</b>	<b>27,789.2</b>	<b>29,043.4</b>	<b>31,719.5</b>	<b>33,855.1</b>
Agriculture	1.8	0.3	0.2	10.9	11.3
Fishing	343.7	294.8	288.1	258.2	240.3
Manufacturing	103.8	100.2	85.6	52.4	78.2
Construction <sup>2/</sup>	5,719.2	5,837.9	5,829.7	6,001.1	6,096.6
Real estate <sup>2/</sup>	2,041.3	1,973.0	2,104.1	2,252.0	3,549.4
Tourism	10,695.6	10,866.5	11,236.2	11,972.7	11,964.7
Commerce	2,940.7	3,072.2	3,357.3	3,837.5	2,661.9
Transport and communication	711.4	1,016.6	675.3	771.3	839.7
Electricity, gas, water and sanitary services	-	-	7.7	10.0	45.4
Personal loans	3,020.7	3,565.7	4,533.6	5,559.2	7,252.2
Other	1,091.2	1,061.8	925.5	994.3	1,115.5
	As a percentage of total				
Fishing	1	1	1	1	1
Construction	21	21	20	19	18
Real estate	8	7	7	7	10
Tourism	40	39	39	38	35
Commerce	11	11	12	12	8
Transport and communication	3	4	2	2	2
	Annual percentage change				
Total loans and advances	9	4	5	9	7
o/w Fishing	(21)	(14)	(2)	(10)	(7)
Construction	8	2	(0)	3	2
Real estate	11	(3)	7	7	58
Tourism	19	2	3	7	(0)
Commerce	(5)	4	9	14	(31)
Transport and communication	(21)	43	(34)	14	9

Source: Maldives Monetary Authority

<sup>1/</sup> Data represents total loans and advances excluding accrued interest receivable and accounts receivable.

<sup>2/</sup> From June 2017 onwards, construction loans are reported as real estate loans when all proceeds under the loan have been advanced as per instructions in MMA financial returns.

## Table 19: Total Loans by Financial Institutions, 2020-2024 <sup>1/</sup>

(millions of rufiyaa)

	2020	2021	2022	2023	2024
<b>Total loans and advances <sup>2/</sup></b>	<b>30,905.6</b>	<b>33,298.5</b>	<b>35,468.3</b>	<b>40,157.8</b>	<b>41,870.7</b>
Agriculture	6.5	6.4	6.2	16.2	18.1
Fishing	432.8	525.6	590.5	675.3	662.9
Manufacturing	155.0	203.2	209.4	178.2	185.1
Construction <sup>3/</sup>	7,074.8	7,120.1	7,303.4	7,746.8	7,811.8
Real estate <sup>3/</sup>	2,743.5	2,627.5	2,727.5	3,087.8	4,430.9
Tourism	10,867.6	11,154.6	11,611.2	12,457.2	12,484.3
Commerce	3,575.0	4,082.6	4,112.5	4,819.8	3,960.2
Transport and communication	1,627.7	2,711.2	2,873.9	3,719.7	3,178.1
Electricity, gas, water and sanitary services	39.3	39.2	194.2	593.5	437.4
Personal loans	3,070.5	3,684.8	4,727.8	5,752.4	7,452.4
Other	1,313.1	1,143.1	1,111.8	1,111.0	1,249.6
As a percentage of total					
Fishing	1	2	2	2	2
Construction	23	21	21	19	19
Real estate	9	8	8	8	11
Tourism	35	33	33	31	30
Commerce	12	12	12	12	9
Transport and communication	5	8	8	9	8
Annual percentage change					
Total loans and advances	10	8	7	13	4
o/w Fishing	(17)	21	12	14	(2)
Construction	7	1	3	6	1
Real estate	8	(4)	4	13	43
Tourism	19	3	4	7	0
Commerce	3	14	1	17	(18)
Transport and communication	1	67	6	29	(15)

Source: Maldives Monetary Authority

<sup>1/</sup> This refers to loans and advances to private sector and public non-financial corporations by Other Depository Corporations and Other Financial Corporations.

<sup>2/</sup> Data represents total loans and advances excluding accrued interest receivable and accounts receivable.

<sup>3/</sup> From June 2017 onwards, construction loans are reported as real estate loans when all proceeds under the loan have been advanced as per instructions in MMA financial returns.

## Table 20: Interest Rates, 2020-2024

(weighted average interest rates per annum; end of period)

	2020	2021	2022	2023	2024
<b>Maldives Monetary Authority</b>					
<b>Monetary operations</b>					
<b>Standing facilities</b>					
Overnight Deposit Facility	1.50	1.50	1.50	1.50	1.50
Overnight Lombard Facility	10.00	10.00	10.00	10.00	10.00
<b>Government</b>					
<b>Treasury bills</b>					
28 days	3.50	3.50	3.50	3.50	3.50
91 days	3.87	3.87	3.87	3.87	3.87
182 days	4.23	4.23	4.23	4.23	4.23
364 days	4.60	4.60	4.60	4.60	4.60
<b>Commercial banks</b>					
<b>Deposits</b>					
<b>Transferable deposits</b>					
Local currency	1.51	1.49	1.44	1.41	1.48
Foreign currency	0.80	0.79	0.70	0.78	0.83
<b>Savings deposits</b>					
Local currency	1.49	1.49	1.49	1.49	1.44
Foreign currency	1.92	1.41	1.43	1.42	1.52
<b>Time deposits (up to 3 months)</b>					
Local currency	2.50	2.20	2.21	2.33	3.02
Foreign currency	2.27	3.28	3.39	2.45	3.84
<b>Time deposits (3 to 6 months)</b>					
Local currency	3.04	2.74	2.76	3.15	3.80
Foreign currency	3.18	2.81	2.98	3.14	4.48
<b>Time deposits (2 to 3 years)</b>					
Local currency	4.75	4.39	4.00	4.71	5.18
Foreign currency	1.75	1.75	1.75	5.07	5.46
<b>Loans and advances</b>					
<b>Public non-financial corporations</b>					
Local currency	8.74	8.58	8.78	9.00	8.83
Foreign currency	7.91	8.03	8.79	8.76	8.19
<b>Private sector</b>					
Local currency	11.55	11.39	11.73	11.65	11.68
Foreign currency	8.48	8.03	8.26	8.44	8.36
<b>Other financial institutions</b>					
<b>Share prices</b>					
MASIX index (period average)	197.32	194.94	305.31	408.90	402.45
MASIX index (end of period)	199.25	191.07	311.21	383.08	404.53

Source: Maldives Monetary Authority; Maldives Stock Exchange

**Table 21: Financial Soundness Indicators, 2020-2024<sup>1/</sup>****(In percent)**

	2020	2021	2022	2023	2024
<b>Capital adequacy</b>					
Regulatory capital to risk-weighted assets	46.3	46.9	50.7	50.6	54.0
Tier 1 capital to risk-weighted assets	41.0	36.4	41.2	41.5	44.6
Non-performing loans net of provisions to capital	21.0	14.2	8.1	7.1	4.7
Tier 1 capital to assets	19.3	15.9	17.9	19.1	20.1
<b>Asset quality</b>					
Non-performing loans to total gross loans	18.8	12.6	9.4	8.3	5.9
Loan concentration by economic sectors <sup>2/</sup>	87.0	88.1	86.1	84.2	79.2
Provisions to non-performing loans	51.7	54.8	60.6	58.5	60.2
<b>Earnings and profitability</b>					
Return on assets (ROA)	2.5	5.8	4.7	5.1	5.0
Return on equity (ROE)	7.5	19.8	15.9	15.4	14.7
Interest margin to gross income	71.6	58.1	63.1	64.6	65.6
Non-interest expenses to gross income	31.8	28.8	32.6	32.1	35.0
<b>Liquidity</b>					
Liquid assets to total assets (Liquid asset ratio)	32.3	35.8	32.2	30.5	27.5
Liquid assets to short-term liabilities	52.2	55.0	51.1	49.4	47.5
<b>Net open position in foreign exchange to capital</b>	<b>(9.2)</b>	<b>6.1</b>	<b>(7.0)</b>	<b>(10.2)</b>	<b>(7.8)</b>

Source: Maldives Monetary Authority

<sup>1/</sup> This table has been compiled in line with the IMF 2019 Financial Soundness Indicators Compilation Guide.<sup>2/</sup> Refers to lending to the three largest economic sectors as a proportion to the total gross loans to the nonfinancial corporations.

**Table 22: Financial Access Survey, 2019-2023 <sup>1/</sup>**

	2019	2020	2021	2022	2023
<b>Commercial banks</b>					
No. of institutions	8	8	8	8	8
No. of branches	52	53	53	53	53
No. of ATMs	149	165	174	182	188
No. of depositors	419,345	472,926	574,575	634,270	721,871
No. of deposit accounts	503,261	532,030	594,296	673,711	767,354
No. of borrowers	72,567	76,286	112,587	133,755	141,507
No. of loan accounts	70,632	80,955	141,487	158,498	200,510
Outstanding loans (millions of MVR)	25,956.2	28,764.4	30,710.9	32,461.7	36,814.1
Outstanding deposits (millions of MVR)	32,647.1	37,143.5	47,864.2	50,677.7	53,668.3
<b>Other financial intermediaries</b>					
No. of institutions	3	3	3	3	3
No. of customers	9,411	7,622	7,400	8,692	8,330
No. of customer accounts	10,440	8,014	7,424	8,747	8,112
No. of borrowers	9,411	7,622	7,400	8,692	8,330
No. of loan accounts	9,535	7,132	6,471	7,795	6,787
<b>Insurance corporations</b>					
No. of companies	5	5	5	5	5
No. of insurance policy holders	68,497	66,564	94,833	104,313	110,820
No. of insurance policies	182,068	139,309	164,943	218,569	258,485

Source: Maldives Monetary Authority

<sup>1/</sup> This table is compiled based on information available as of 30 July 2024 in accordance with IMF's Financial Access Survey.

Note: Number of deposit accounts or number of loan accounts counted refers to total number of every single corporate, individual and / or joint account, whilst number of depositors or number of borrowers counted refers to total number of corporate, individual, joint account holders who are counted as one depositor or borrower irrespective of the number of accounts held by the holders.

## Table 23: Key Indicators of General Insurance Business, 2020-2024<sup>1/</sup>

(millions of rufiyaa)

	2020	2021	2022	2023	2024
<b>Premium</b>					
Gross written premium	914.0	1,152.3	1,336.4	1,648.8	2,023.0
Net written premium	284.4	405.5	537.0	760.7	893.0
Net earned premium	298.8	344.3	477.1	670.9	843.4
<b>Claims</b>					
Gross claims	267.6	452.2	685.8	615.7	683.9
Net claims incurred	113.2	154.6	275.7	444.6	465.9
<b>Reinsurance</b>					
Reinsurance business ceded	629.6	746.8	799.4	888.1	1,129.9
Reinsurance recoveries	178.2	375.3	381.3	231.3	303.7
Reinsurance commission	117.2	121.6	125.5	116.1	126.7
<b>Ratio (%)</b>					
Retention ratio	31.1	35.2	40.2	46.1	44.1
Insurance penetration <sup>2/</sup>	1.6	1.4	1.4	1.6	1.9
Net claim ratio	37.9	44.9	57.8	66.3	55.2
Net expense ratio	28.9	30.7	35.0	34.4	29.3
Net combined ratio	66.8	75.6	92.8	100.7	84.6
Insurance density (USD) <sup>2/</sup>	106.3	131.5	145.0	181.1	218.2
Profit	139.4	117.6	121.8	129.6	246.5

Source: Maldives Monetary Authority

<sup>1/</sup> Figures are from unaudited quarterly returns submitted to the MMA.

<sup>2/</sup> Figures are calculated from audited financial statements submitted to MMA.

**Table 24: Insurance Premium and Claims by Class, 2020-2024 <sup>1/</sup>**

(millions of rufiyaa)

	2020	2021	2022	2023	2024
<b>Total gross written premium</b>	<b>914.0</b>	<b>1,152.3</b>	<b>1,336.4</b>	<b>1,648.8</b>	<b>2,023.0</b>
Marine cargo	17.8	27.2	40.5	36.3	34.7
Marine hull	101.4	110.2	120.7	120.6	148.9
Fire	341.1	387.1	411.0	464.3	609.5
Health	185.7	238.8	342.0	485.5	617.6
Motor	26.3	25.8	26.8	28.1	30.8
Personal accident	8.0	9.1	10.9	14.1	12.6
Public liability	24.9	24.7	44.3	57.5	62.5
Engineering	12.2	23.5	36.0	45.6	42.9
Travel	1.4	1.9	5.5	4.2	3.8
Miscellaneous	195.3	304.0	298.7	392.5	459.8
<b>Total gross claims</b>	<b>267.6</b>	<b>452.2</b>	<b>685.8</b>	<b>615.7</b>	<b>683.9</b>
Marine cargo	5.2	4.5	13.9	6.4	5.0
Marine hull	58.6	64.2	130.8	62.7	97.4
Fire	62.1	248.8	270.5	171.3	121.6
Health	79.9	97.7	215.7	323.1	333.3
Motor	2.9	2.2	2.9	4.8	6.6
Personal accident	0.4	0.6	0.9	1.8	1.7
Public liability	3.0	0.3	0.1	0.5	4.4
Engineering	2.3	(0.0)	1.0	0.7	0.6
Travel	0.5	0.3	0.5	0.1	2.5
Miscellaneous	52.7	33.5	49.6	44.2	110.7

Source: Maldives Monetary Authority

<sup>1/</sup> Figures are from unaudited quarterly returns submitted to the MMA.

## Table 25: Assets and Liabilities of Insurance Corporations, 2020-2024

(millions of rufiyaa)

	2020	2021	2022	2023	2024
<b>Assets</b>	<b>1,880.6</b>	<b>2,319.5</b>	<b>2,784.0</b>	<b>2,980.1</b>	<b>3,695.7</b>
Foreign assets	524.8	885.7	1,130.8	974.0	1,132.7
o/w Prepaid premiums and outstanding claims: nonresidents <sup>1/</sup>	332.9	439.6	307.0	194.5	295.9
Deposits with central bank	12.0	12.0	12.0	12.0	14.0
Deposits with ODC	223.5	258.3	296.2	326.2	432.5
Securities other than shares	311.2	339.9	387.7	552.1	547.4
Loans & advances	336.1	329.8	366.7	390.9	625.0
Shares & other equity	102.3	90.0	163.4	236.9	298.2
Other assets	221.7	247.9	257.1	296.7	449.5
Non-financial assets	148.9	155.9	170.1	191.3	196.6
<b>Liabilities</b>	<b>1,880.6</b>	<b>2,319.5</b>	<b>2,784.0</b>	<b>2,980.1</b>	<b>3,695.7</b>
Foreign liabilities	224.2	249.0	325.1	504.0	575.3
Central govt. liabilities	29.3	22.0	22.9	38.5	79.7
Insurance technical reserves	654.9	1,000.4	1,228.4	1,126.8	1,621.2
Other liabilities	374.1	416.0	457.2	481.4	518.7
Shares & other equity	598.1	632.0	750.3	829.5	900.8

Source: Maldives Monetary Authority

<sup>1/</sup> This includes reinsurance.

**Table 26: Reserve Data Template, 2020-2024 <sup>1/</sup>**

(millions of US dollars)

	2020	2021	2022	2023	2024
<b>Official reserve assets</b>	<b>984.9</b>	<b>805.8</b>	<b>832.1</b>	<b>590.5</b>	<b>673.9</b>
Foreign currency reserves	975.3	796.4	823.4	582.8	667.2
Securities	104.8	156.9	231.3	273.6	248.9
Currency and deposits	870.5	639.5	592.1	309.2	418.3
Other national central banks, BIS and IMF	48.5	47.1	96.7	30.0	49.4
Banks headquartered outside reporting country	822.0	592.4	495.4	279.2	368.9
IMF reserve position	6.9	6.7	6.4	6.4	6.3
SDRs	2.7	2.7	2.3	1.3	0.4
Other reserve assets	-	-	-	-	-
<b>Other foreign currency assets</b>	<b>42.5</b>	<b>11.7</b>	<b>1.9</b>	<b>2.2</b>	<b>148.6</b>
Securities not included in official reserve assets	2.1	1.7	1.9	2.2	2.3
Deposits not included in official reserve assets	40.4	10.0	0.0	0.0	146.3
Other	-	-	-	-	-
<b>Predetermined short-term net drains</b>	<b>(812.0)</b>	<b>(393.4)</b>	<b>(564.6)</b>	<b>(411.9)</b>	<b>(759.1)</b>
Loans, securities, and deposits <sup>2/</sup>	(788.9)	(332.9)	(504.3)	(361.7)	(697.5)
Forwards, futures, and swaps	-	-	-	-	-
Other <sup>3/</sup>	(23.1)	(60.5)	(60.3)	(50.2)	(61.6)

Source: Maldives Monetary Authority

<sup>1/</sup> This table includes reserve data compiled as per the International Reserves and Foreign Currency Liquidity data template guideline by IMF (2013). It includes only on-balance sheet items of Maldives Monetary Authority.

<sup>2/</sup> This includes foreign currency deposits of resident entities with MMA which includes commercial banks' deposits held at MMA for prudential purposes (i.e. Minimum Reserve Requirement), foreign currency deposits of the government and deposits of foreign central banks with the MMA.

<sup>3/</sup> This includes net of repos, reverse repos, trade credit, accounts payable and accounts receivable.

## Table 27: Balance of Payments, 2020-2024<sup>1/</sup>

(millions of US dollars)

	2020	2021	2022	2023	2024
<b>Current account balance</b>	<b>(1,327.2)</b>	<b>(453.4)</b>	<b>(1,042.0)</b>	<b>(1,399.6)</b>	<b>(1,256.7)</b>
Balance on goods and services	(661.9)	502.4	156.7	(104.1)	68.0
Balance on goods	(1,450.5)	(2,105.2)	(2,916.3)	(2,874.4)	(3,076.4)
Export	257.6	285.4	399.7	421.4	382.7
Import	1,708.1	2,390.6	3,316.1	3,295.8	3,459.1
Balance on services	788.6	2,607.6	3,073.0	2,770.4	3,144.4
Export	1,528.9	3,699.4	4,695.9	4,458.3	5,029.8
Import	740.3	1,091.8	1,622.9	1,688.0	1,885.4
Balance on primary income	(305.8)	(535.3)	(710.5)	(756.8)	(750.1)
Balance on secondary income	(359.5)	(420.6)	(488.2)	(538.7)	(574.6)
<b>Capital account balance<sup>2/</sup></b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Financial account (excludes reserves and related items)</b>	<b>(1,285.1)</b>	<b>(600.9)</b>	<b>(846.8)</b>	<b>(1,006.5)</b>	<b>(1,203.1)</b>
Direct investment	(440.7)	(642.8)	(731.7)	(766.8)	(806.2)
Portfolio investment	49.5	(283.9)	83.0	19.5	3.3
Other investment	(894.0)	325.8	(198.1)	(259.1)	(400.3)
<b>Net errors and omissions</b>	<b>244.3</b>	<b>(326.3)</b>	<b>222.0</b>	<b>156.9</b>	<b>137.9</b>
<b>Overall balance</b>	<b>202.3</b>	<b>(178.8)</b>	<b>26.8</b>	<b>(236.2)</b>	<b>84.4</b>
<b>Reserve and related items</b>	<b>202.3</b>	<b>(178.8)</b>	<b>26.8</b>	<b>(236.2)</b>	<b>84.4</b>
<b>Memorandum items:</b>					
Exports of goods and services	1,786.5	3,984.8	5,095.6	4,879.7	5,412.5
Current account as a percent of GDP	(36)	(9)	(17)	(21)	(18)
Gross International Reserves <sup>3/</sup>	984.9	805.8	832.1	590.5	673.9
Nominal GDP <sup>4/</sup>	3,703.3	5,236.3	6,163.7	6,576.7	7,041.9

Source: Maldives Monetary Authority; Maldives Bureau of Statistics; Ministry of Finance and Planning

<sup>1/</sup> This table is compiled based on information available as at 21 April 2025.

<sup>2/</sup> Capital grants are included in secondary income account from 2016 onwards since it could not be segregated from total grants.

<sup>3/</sup> This refers to the official reserve assets of MMA.

<sup>4/</sup> Nominal GDP for 2024 are revised estimates by Maldives Monetary Authority, based on information available as of 6 April 2025.

**Table 28: Current and Capital Account of Balance of Payments, 2020-2024 <sup>1/</sup>**

(millions of US dollars)

	2020	2021	2022	2023	2024
<b>Current account balance</b>	<b>(1,327.2)</b>	<b>(453.4)</b>	<b>(1,042.0)</b>	<b>(1,399.6)</b>	<b>(1,256.7)</b>
Balance on goods and services	(661.9)	502.4	156.7	(104.1)	68.0
Balance on goods	(1,450.5)	(2,105.2)	(2,916.3)	(2,874.4)	(3,076.4)
Export	257.6	285.4	399.7	421.4	382.7
Domestic exports	162.8	151.3	159.0	162.2	92.4
Re-exports	94.8	134.1	240.7	259.2	290.3
Import	1,708.1	2,390.6	3,316.1	3,295.8	3,459.1
Balance on services	788.6	2,607.6	3,073.0	2,770.4	3,144.4
Export	1,528.9	3,699.4	4,695.9	4,458.3	5,029.8
o/w Travel	1,397.9	3,508.4	4,498.0	4,230.3	4,785.1
Transportation	84.2	138.2	136.0	154.5	168.0
Import	740.3	1,091.8	1,622.9	1,688.0	1,885.4
o/w Travel	111.6	153.4	308.0	419.3	508.4
Transportation	211.2	344.2	504.5	499.0	497.6
Balance on primary income	(305.8)	(535.3)	(710.5)	(756.8)	(750.1)
o/w Debit: Investment income	320.1	547.0	746.1	811.0	797.0
Balance on secondary income	(359.5)	(420.6)	(488.2)	(538.7)	(574.6)
o/w Debit: Workers remittance	395.9	495.7	564.2	591.3	621.6
<b>Capital account balance <sup>2/</sup></b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

Source: Maldives Monetary Authority

<sup>1/</sup> This table is compiled based on information available as at 21 April 2025.<sup>2/</sup> Capital grants are included in secondary income account from 2016 onwards since it could not be segregated from total grants.

## Table 29: Financial Account of Balance of Payments, 2020-2024<sup>1/</sup>

(millions of US dollars)

	2020	2021	2022	2023	2024
<b>Financial account (excludes reserves and related items)</b>	<b>(1,285.1)</b>	<b>(600.9)</b>	<b>(846.8)</b>	<b>(1,006.5)</b>	<b>(1,203.1)</b>
Direct investment	(440.7)	(642.8)	(731.7)	(766.8)	(806.2)
Net acquisition of financial assets	-	-	-	-	-
Net incurrence of liabilities	440.7	642.8	731.7	766.8	806.2
o/w Equity and investment fund shares	440.7	642.8	731.7	766.8	806.2
Equity other than reinvestment of earnings	343.8	452.6	515.2	539.9	567.6
Reinvestment of earnings	96.9	190.2	216.5	226.9	238.6
Portfolio investment	49.5	(283.9)	83.0	19.5	3.3
Net acquisition of financial assets	20.2	0.0	8.7	21.6	3.3
Equity and investment fund shares	2.3	0.0	(0.6)	3.8	0.0
Debt instruments	17.9	0.0	9.3	17.9	3.3
Net incurrence of liabilities	(29.3)	283.9	(74.3)	2.2	-
Equity and investment fund shares	(0.7)	9.9	(5.7)	6.1	-
Debt instruments	(28.6)	274.0	(68.6)	(3.9)	-
o/w General government	-	307.0	(58.0)	-	-
Other sectors	(28.6)	(33.1)	(10.6)	(3.9)	-
Other investment	(894.0)	325.8	(198.1)	(259.1)	(400.3)
Net acquisition of financial assets	(28.4)	248.6	(51.2)	(109.5)	74.1
o/w Debt instruments	(28.4)	248.6	(51.2)	(109.5)	74.1
o/w Central bank	(0.0)	-	0.0	0.0	0.0
Deposit-taking corporations	(45.1)	391.2	(87.3)	(78.0)	55.2
Other sectors	16.7	(142.6)	36.0	(31.5)	18.8
Net incurrence of liabilities	865.6	(77.2)	146.9	149.6	474.3
o/w Debt instruments	865.6	(105.6)	146.9	149.6	474.3
o/w Central bank	396.3	(388.4)	113.4	(101.0)	418.0
Deposit-taking corporations	250.8	80.8	0.2	(4.6)	(109.2)
General government	148.2	133.4	38.3	325.0	290.1
Other sectors	70.3	68.6	(5.0)	(69.7)	(124.6)
<b>Reserve and related items</b>	<b>202.3</b>	<b>(178.8)</b>	<b>26.8</b>	<b>(236.2)</b>	<b>84.4</b>

Source: Maldives Monetary Authority

<sup>1/</sup> This table is compiled based on information available as at 21 April 2025.

## Table 30: Import and Export by Sector, 2020-2024

(millions of US dollars)

	2020	2021	2022	2023	2024
<b>Total imports (cif)</b>	<b>1,837.9</b>	<b>2,573.1</b>	<b>3,515.7</b>	<b>3,497.2</b>	<b>3,637.0</b>
Private imports	1,398.2	1,895.1	2,403.9	2,547.0	2,695.5
Tourism	352.6	447.3	522.1	515.2	595.7
Private (excluding tourism)	1,045.5	1,447.8	1,881.7	2,031.8	2,099.8
Public imports	439.7	678.0	1,111.8	950.2	941.5
Public enterprises	390.0	601.9	1,062.8	889.6	889.4
Government	49.7	76.1	49.0	60.5	52.0
<b>Total exports (fob)</b>	<b>285.7</b>	<b>285.3</b>	<b>399.8</b>	<b>421.4</b>	<b>382.7</b>
Domestic exports	162.8	151.3	159.0	162.2	92.4
Private exports	92.1	67.4	80.2	64.3	52.4
Public exports	70.7	83.9	78.8	97.9	40.0
Re-exports	122.9	134.1	240.7	259.2	290.3
Jet fuel	50.3	99.5	193.2	196.2	222.1
<b>Memorandum items:</b>					
Crude oil average prices (US dollars per barrel) <sup>1/</sup>	41.3	69.1	97.1	80.8	78.7

Source: Maldives Customs Service; Maldives Airports Company Limited; Gan International Airport; Maamigili International Airport; The World Bank

<sup>1/</sup> This is an average of Brent, Dubai and WTI crude oil prices.

**Table 31: Composition of Exports (fob), 2020-2024**

(millions of US dollars)

	2020	2021	2022	2023	2024
<b>Merchandise exports</b>	<b>285.7</b>	<b>285.3</b>	<b>399.8</b>	<b>421.4</b>	<b>382.7</b>
Domestic exports	162.8	151.3	159.0	162.2	92.4
Fish exports	155.2	139.9	146.5	151.3	82.4
Fresh, chilled or frozen tuna	111.7	101.8	109.2	108.6	47.4
o/w Skipjack	63.2	66.4	79.9	84.0	27.7
Yellowfin tuna	48.4	35.2	28.9	24.2	19.4
Fresh, chilled or frozen fish (excluding tuna)	2.1	1.7	1.4	1.2	1.6
Canned or pouched	34.8	32.1	33.0	38.7	30.6
Other processed fish	6.6	4.3	3.0	2.9	2.8
Fish products, sea food, other marine products and live fish	1.0	1.2	1.6	1.8	1.0
Garments and other exports	6.7	10.2	10.9	9.1	9.1
Re-exports	122.9	134.1	240.7	259.2	290.3

Source: Maldives Customs Service; Maldives Airports Company Limited; Gan International Airport; Maamigili International Airport

**Table 32: Composition of Imports (cif), 2020-2024**

(millions of US dollars)

	2020	2021	2022	2023	2024
<b>Total imports</b>	<b>1,837.9</b>	<b>2,573.1</b>	<b>3,515.7</b>	<b>3,497.2</b>	<b>3,637.0</b>
Food items	380.8	572.8	681.7	674.5	755.0
Furniture, fixtures and fittings	77.5	87.1	108.1	98.1	122.6
Electronic and electrical appliances	61.2	66.9	70.7	60.7	59.5
Petroleum products	264.1	453.6	831.0	753.4	754.1
o/w Petrol	27.9	52.0	87.8	93.2	97.5
Diesel (marine gas oil)	206.9	359.7	664.9	579.1	576.1
Transport equipments and parts	87.7	176.3	281.2	293.9	347.8
Wood, metal, cement and aggregates	229.9	236.1	375.5	381.7	352.4
Machinery and mechanical appliances and parts	127.9	184.9	240.3	263.1	280.0
Electrical, electronic machinery and equipments and parts	114.9	147.8	208.5	208.6	243.1
Other items	494.1	647.5	718.8	763.1	722.5

Source: Maldives Customs Service

**Table 33: Direction of Trade - Export of Goods, 2020-2024**

(millions of US dollars)

	2020	2021	2022	2023	2024
<b>Domestic exports</b>	<b>162.8</b>	<b>151.3</b>	<b>159.0</b>	<b>162.2</b>	<b>92.4</b>
Asia	91.5	93.1	98.0	107.5	50.6
o/w Sri Lanka	4.6	2.3	1.3	1.4	1.6
India	3.3	6.0	6.4	5.2	4.2
Thailand	70.9	70.2	78.3	87.4	32.3
Europe	57.6	46.5	48.5	50.3	38.6
o/w France	13.1	6.2	5.8	5.6	3.6
Germany	15.8	17.3	15.0	12.7	9.5
Italy	6.9	3.2	3.4	3.0	0.8
UK	11.7	10.3	13.5	22.3	20.1
North America	12.1	6.0	3.5	2.5	1.8
o/w USA	8.6	4.4	2.9	2.1	0.8
Oceania	0.8	0.0	-	-	0.0
South America	0.1	0.8	-	0.0	-
Africa	0.8	4.9	9.1	1.9	1.3

Source: Maldives Customs Service

**Table 34: Direction of Trade - Import of Goods, 2020-2024**

(millions of US dollars)

	2020	2021	2022	2023	2024
<b>Total imports</b>	<b>1,837.9</b>	<b>2,573.1</b>	<b>3,515.7</b>	<b>3,497.2</b>	<b>3,637.0</b>
Asia	1,527.4	2,104.5	2,914.7	2,930.8	3,014.2
o/w China	267.6	323.6	382.6	405.6	485.8
India	241.9	318.0	496.4	545.0	514.6
Malaysia	138.9	134.6	218.6	205.2	179.8
Oman	154.0	337.5	625.3	527.6	285.3
Singapore	200.7	261.8	321.7	321.9	375.0
Sri Lanka	117.0	142.1	158.4	162.2	160.9
United Arab Emirates	228.3	333.2	416.0	457.4	723.1
Europe	188.6	276.3	352.7	328.4	366.8
North America	50.6	91.5	105.9	110.4	122.5
Oceania	45.1	59.0	70.6	63.9	70.4
South America	10.6	19.6	34.6	26.6	33.1
Africa	15.7	22.1	37.2	37.1	30.0

Source: Maldives Customs Service

## Table 35: External Debt, 2020-2024

(millions of US dollars)

	2020	2021	2022	2023	2024
	Outstanding stock				
<b>Total external debt outstanding <sup>1/</sup></b>	<b>3,217.2</b>	<b>3,358.9</b>	<b>3,524.3</b>	<b>3,810.7</b>	<b>4,397.2</b>
Central government and publicly guaranteed external debt	2,858.4	2,948.0	3,115.3	3,393.0	4,044.4
Central government external debt	1,620.3	2,067.8	2,149.3	2,474.4	2,742.2
Debt securities	350.0	658.0	600.0	600.0	600.0
Loans	1,270.3	1,409.8	1,549.3	1,874.4	2,142.2
o/w Multilateral	412.3	422.5	418.2	461.2	482.2
Bilateral	243.1	230.8	227.5	276.7	372.5
Buyers credit	614.9	756.4	803.6	1,036.5	1,187.6
Private	-	-	100.0	100.0	100.0
Publicly guaranteed external debt	1,238.1	880.2	966.0	918.6	1,302.2
Other depository corporations	358.8	411.0	409.0	417.7	352.7
o/w Head offices or branches	312.4	305.3	346.3	338.8	337.4
Non-resident ODC	46.4	95.6	56.6	76.8	15.3
	Flow				
<b>Central government debt disbursed and debt service <sup>1/</sup></b>					
Disbursements <sup>2/</sup>	200.5	688.6	285.2	435.9	405.9
Debt service	88.3	287.6	266.5	206.0	224.8
Principal repayment	52.8	246.2	158.0	105.8	116.4
Interest payments	35.5	41.4	108.5	100.1	108.5
<b>Debt service ratio (central government)</b>	<b>4.9</b>	<b>7.2</b>	<b>5.2</b>	<b>4.2</b>	<b>4.2</b>
	As a percentage of GDP				
Total external debt outstanding	87	64	57	58	62
Central government and publicly guaranteed external debt	77	56	51	52	57
Central government external debt	44	39	35	38	39
Publicly guaranteed external debt	33	17	16	14	18
Other depository corporations	10	8	7	6	5
	Annual percentage change				
Total external debt outstanding	36	4	5	8	15
Central government and publicly guaranteed external debt	27	3	6	9	19
Central government external debt	13	28	4	15	11
Publicly guaranteed external debt	50	(29)	10	(5)	42
Other depository corporations	246	15	(0)	2	(16)
<b>Memorandum items:</b>					
Nominal GDP (millions of US dollars) <sup>3/</sup>	3,703.3	5,236.3	6,163.7	6,576.7	7,041.9
Exchange rate	15.41	15.39	15.40	15.40	15.42
Exports of goods and services (millions of US dollars)	1,786.5	3,984.8	5,095.6	4,879.7	5,412.5

Source: Ministry of Finance and Planning; Maldives Monetary Authority; Maldives Bureau of Statistics

<sup>1/</sup> Figures represent data available as of 5 March 2025. Total external debt outstanding represent external debt of central government, publicly guaranteed external debt and external debt of other depository corporations (commercial banks).

<sup>2/</sup> This refers to debt securities and loans disbursements.

<sup>3/</sup> Nominal GDP for 2024 are revised estimates by Maldives Monetary Authority, based on information available as of 6 April 2025.

## Table 36: Exchange Rates, 2020-2024 <sup>1/</sup>

(rufiyaa per foreign currency; end of period mid-rate)

	2020	2021	2022	2023	2024
US dollar	15.4100	15.3900	15.4000	15.4000	15.4200
Japanese yen	0.1485	0.1334	0.1147	0.1088	0.0981
Singapore dollar	11.5446	11.3140	11.3396	11.5892	11.2487
Indian rupee	0.2090	0.2056	0.1851	0.1843	0.1792
Sri Lankan rupee	0.0845	0.0784	0.0435	0.0491	0.0543
Pound sterling	20.6816	20.6091	18.3778	19.4389	19.1683
Euro	18.7141	17.2788	16.1786	16.8098	15.8568

Source: Maldives Monetary Authority; Bank of Maldives plc

<sup>1/</sup> The US dollar rate refers to the reference rate of the Maldives Monetary Authority whereas all other currency rates refer to the mid-rate of the buying and selling rates of the Bank of Maldives.

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