



FIRST QUARTER REPORT

January to March 2015



BANK OF MALDIVES



Bank of Maldives is proud to be the national bank of the Maldives. We touch the lives of almost every citizen of the country through our extensive network of branches, ATMs and online banking facilities. This privilege brings with it great responsibility which we take extremely seriously.

We understand that we play a pivotal role as an engine of growth and a partner for success for thousands of individuals, families and businesses. Our aim is to play an active role in community development and to create long-term value for our shareholders.

Our strategic pillars are Financial Inclusion, Customer Service and Support for Business. Our strategic foundations are People Excellence and Robust Risk Management.

We are firmly focused on being a professionally managed, customer-oriented, financially robust organization which follows international best practices.

Our Business Strengths

Solid Financial Platform

- Deposit base MVR 13.5 billion
- Assets MVR 17 billion
- Strong capital position well above regulatory requirement

Strong Customer Base

- Leading market share in Retail, Corporate and SME segments
- Over 250,000 customers
- Market leader in self-service banking with largest number of online banking and ATM users

Leadership in Innovation

- First to launch POS services in Maldives
- First to launch cash and cheque deposit machines
- First to launch Internet Banking

Leadership in Service Delivery

- Largest network of branches, ATMs and POS terminals in Maldives
- Exclusive acquirer and issuer of American Express cards in Maldives
- Only principal member in the Maldives for Visa and MasterCard
- Worldwide network of foreign correspondent banking relationships

Experienced and Dedicated Team

- Largest employer in the banking sector with over 800 dedicated employees
- 99% of our workforce are locals with almost one third employed in the Atolls
- Strong executive leadership team with experience across many countries and banking markets

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1. SUMMARY

Bank of Maldives' audited accounts for 2014 have been released in conjunction with this report and it is positive to note that the strong financial performance delivered last year has continued into the first quarter of 2015. Most key performance lines have improved against the same period last year with Net Profit After Tax up 56%.

The income statement for this quarter cannot be directly compared with the last quarter of 2014 due to year-end adjustments made across key income, expense and provision lines. However, total assets grew by 10% in the quarter while deposits increased by 11%. Capital levels remained well in excess of regulatory requirements.

2. BUSINESS DEVELOPMENTS

- In January, the Bank officially launched BML Islamic with the introduction of our first Islamic product, the Wadi'ah Deposit Account. BML Islamic's services are provided through the Bank's existing network of branches, ATMs and card machines and are fully Shari'ah compliant, with Islamic accounts and funds fully segregated from the rest of the Bank's services.
- Also in January, we opened our 27th branch in Nilandhoo, Faafu Atoll. There is now just one atoll (Vaavu Atoll) where we do not have a branch presence.
- Our financial inclusion programme to deliver basic cash services (through bank-appointed agents) to all inhabited islands was extended to a further 31 islands during the quarter bringing the overall total to 87 islands. It is expected that all inhabited island communities will be benefitting from these services by the end of the year.
- Our Self Service Banking network consisting of around 30 state-of-the-art ATMs has been extended to our Bazaar branch location where an out-dated ATM booth has been replaced with a modern self-service lobby offering 4 new ATMs. As well as obtaining cash, customers can now deposit and make payments at these ATMs at any time of day or night.
- Ms. Aishath Zamra Zahir, previously Head of Marketing Communications with Ooredoo Maldives, was announced as the Bank's new Marketing Director. Ms. Zamra will report directly to CEO & Managing Director, Andrew Healy.

3. KEY FINANCIAL INFORMATION

Income Statement (Unaudited) - Quarter ended 31 March 2015

(All amounts in MVR'000 unless otherwise stated)

	Q1 2015	Q1 2014	Q4 2014
Gross Income	379,926	357,105	471,697
Interest income and similar income	228,183	202,720	285,383
Interest expense and similar charges	(38,364)	(38,635)	(31,238)
Net Interest Income	189,819	164,085	254,145
Fee and commission income	118,289	102,830	89,717
Fee and commission expense	(55,654)	(50,580)	(50,619)
Net Fee and commission income	62,635	52,250	39,098
Other Operating Income	33,453	51,555	96,596
Total Operating income	285,907	267,890	389,839
Operating Expenses	(89,838)	(68,385)	(134,865)
Operating Profit (Profit before Provisions)	196,069	(199,505)	(254,974)
Provision for bad and doubtful debts	(48,124)	(104,433)	(71,072)
Profit before tax	147,945	95,072	183,902
Income tax expense	(36,986)	(23,768)	(45,980)
Net Profit / (Loss) for the quarter	110,959	71,304	137,923
Basic Earning per share (annualised)	82	53	103

Statement of Financial Position (Unaudited) - Quarter ended 31 March 2015

(All amounts in MVR'000 unless otherwise stated)

	31 Mar 2015	31 Mar 2014	31 Dec 2014
Cash, Short Term Funds & Balances with MMA	8,087,430	5,514,555	6,741,531
Loans and Advances	5,937,849	6,302,048	5,875,034
Financial Investments - Available for Sale	104,888	66,861	104,888
Financial Investments - Held to Maturity	2,322,957	1,714,078	2,284,266
Investments in Subsidiaries	20	20	20
Property, Plant and Equipment	334,017	316,992	319,923
Other Assets	293,957	762,134	249,273
Total Assets	17,081,118	14,676,688	15,574,936
Deposits	13,458,647	11,367,882	12,163,084
Borrowings	407,321	525,178	434,179
Other liabilities	777,001	902,798	650,483
Total Liabilities	14,642,969	12,795,858	13,247,746
Share Capital	269,096	269,096	269,096
Share Premium	93,000	93,000	93,000
Reserves	2,076,053	1,518,734	1,965,094
	2,438,149	1,880,830	2,327,190
Total Shareholders' Equity	2,438,149	1,880,830	2,327,190
Total Equity And Liabilities	17,081,118	14,676,688	15,574,936



Nandana Senevirathne
Chief Financial Officer



Andrew Healy
CEO & Managing Director



Ibrahim Mohamed
Chairperson, Audit & Risk
Management Committee

Statement of Cash Flows (Unaudited) - Quarter ended 31 March 2015
(All amounts in MVR'000 unless otherwise stated)

	Q1 2015	Q1 2014	Q4 2014
Cash flows from Operating Activities	320,610	293,966	373,572
Changes in Operating Assets and Liabilities	(294,724)	947,969	(256,158)
Cash Flows from Investing Activities	(7,261)	(8,059)	(26,685)
Cash Flows from Financing Activities	(26,858)	(6,376)	(31,050)
Net increase in Cash and Cash Equivalents	(8,232)	1,227,500	59,679
Cash and Cash Equivalents at beginning of quarter	2,331,189	3,659,012	2,271,510
Cash and Cash Equivalents at end of the quarter	2,322,957	4,886,512	2,331,189

4. INVESTOR INFORMATION

Highest Traded Price	MVR 135
Lowest Traded Price	MVR 110
Weighted Average Traded Price	MVR 126.90
Market Capitalization	MVR 726,559,200
Price Earnings - Ratio	1.33
Dividend Yield	N/A

5. GOVERNANCE

5.1 Frequency of Board Meetings

The number of meetings held by the Board of Directors and its sub-committees during the 01st quarter of 2015 were as follows:

	No. of Meetings
Board of Directors	03 (Three)
Board Credit Committee	Nil
Audit & Risk Management Committee	11 (Eleven)
Appointment, Nomination & Remuneration Committee	05 (Five)

5.2 Activities carried out by the Board & Board Committees

- Reviewed and approved Financial Statements for the year ended 31 December 2014
- Reviewed Board and Sub-Committee Reports for the year 2014
- Reviewed Quarterly Report on activities of Internal Audit Department
- Approved the Bank's Liquidity Management Policy, Credit Policy and Collateral Policy
- Approved new correspondent banking relationship with Deutsche Bank AG
- Approved revised eligibility criteria for BML Home Loans
- Approved revised Staff Health Insurance Scheme
- Appointed Ms. Aishath Zamra Zahir as Marketing Director

5.3 Changes in the Board of Directors

As per the Articles of Association of the Bank, the Board shall consist of 11 members, which includes 08 Nominee Directors and 03 Public Elected Directors. At present 02 Nominee Director positions are vacant. The following are the 09 Directors on the Board.

	Name of Director	Category	Designation	Respective Committee
01	Mr. Andrew Healy Nominee Director (CEO & MD)	Non-Independent & Executive	Director	BCC
02	Mr. Mohamed Shareef Nominee Director	Non-Independent & Executive	Director	BCC
03	Mr. Ibrahim Mohamed Elected Director	Independent & Non-Executive	Director Chairperson of ARM Committee	BCC, ANR & ARM Committee
04	Mr. Mohamed Abdul Sattar Elected Director	Independent & Non-Executive	Director Chairperson of ANR Committee	BCC, ANR & ARM Committee
05	Mr. Murthala Mohamed Didi Nominee Director	Independent & Non-Executive	Director	BCC & ANR Committee
06	Mr. Abdul Haris Nominee Director	Non-Independent & Non-Executive	Director	BCC & ANR Committee
07	Mr. Mohamed Luveiz Nominee Director	Independent & Non-Executive	Director	BCC, ANR & ARM Committee
08	Mr. Ismail Mukhthaba Elected Director	Independent & Non-Executive	Director	ARM Committee
09	Mr. Mohamed Umar Nominee Director	Non-Independent & Non-Executive	Director	ARM Committee

The post of the Chairman of the Board is currently vacant. The Articles of Association provide that any Director who is to chair the Board meetings needs to be a Nominee Director. Further the Chairman has to be an Independent Director as per the Corporate Governance Code issued by CMDA. Board meetings have been carried out by the Bank in accordance with these requirements.

6. CORPORATE GOVERNANCE COMPLIANCE

The Bank is committed to achieving high standards of corporate conduct, and in this regard, recognizes the importance of having in place a set of well-defined corporate governance practices and processes to enhance corporate performance and accountability in the Bank. During the quarter, the Bank worked as always to achieve compliance with the provisions of its Corporate Governance Code which articulates best corporate governance practices. The Bank has also complied with the provisions of its internal policies and procedures that govern its day to day operations.

7. REPORTING COMPLIANCE

This report has been prepared taking into account the CMDA Circular on Minimum Quarterly Reporting Requirements for Listed Companies.

