



FIRST QUARTER REPORT

January to March 2018



BANK OF MALDIVES



Bank of Maldives (BML) is the leading financial institution in Maldives. We are a full-service bank engaging across the complete spectrum of personal, business and corporate financial services.

We are privileged to touch the lives of almost every citizen and business in Maldives through our extensive network of branches, agents, relationship managers 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 actively participate in community development and to create long-term value for our shareholders.

Our business is built on a clear and compelling strategy focused on 3 strategic pillars of Customer Service, Support for Business and Financial Inclusion. Our strategic foundations are People Excellence and Robust Risk Management.

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

ONE BANK IS INVESTING IN MALDIVES

260,000 CUSTOMERS

34 BRANCHES IN ALL 20 ATOLLS

95 ATMs IN ALL 20 ATOLLS

277 CASH AGENTS ON 165 ISLANDS

5,000 POS MERCHANTS

35 SELF SERVICE BANKING CENTRES

2,000 DHONI BANKING TRIPS

MVR 12 BILLION LOANS TO INDIVIDUALS & BUSINESSES

MVR 15 BILLION CUSTOMER DEPOSITS

MVR 1 BILLION GOVERNMENT LOAN SCHEMES

950 JOBS WITH 1/3 IN ATOLLS

99% OF STAFF ARE MALDIVIANS



THAT BANK IS BANK OF MALDIVES

Our Business Strengths

Solid Financial Platform

- Deposit base MVR 15 billion
- Assets MVR 23 billion
- Strong capital position well above regulatory requirement

Strong Customer Base

- 260,000 customers
- Leading market share in Retail, Corporate and SME segments
- Market leader in Self Service Banking with largest number of online and ATM users

Leadership in Innovation

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



Leadership in Service Delivery

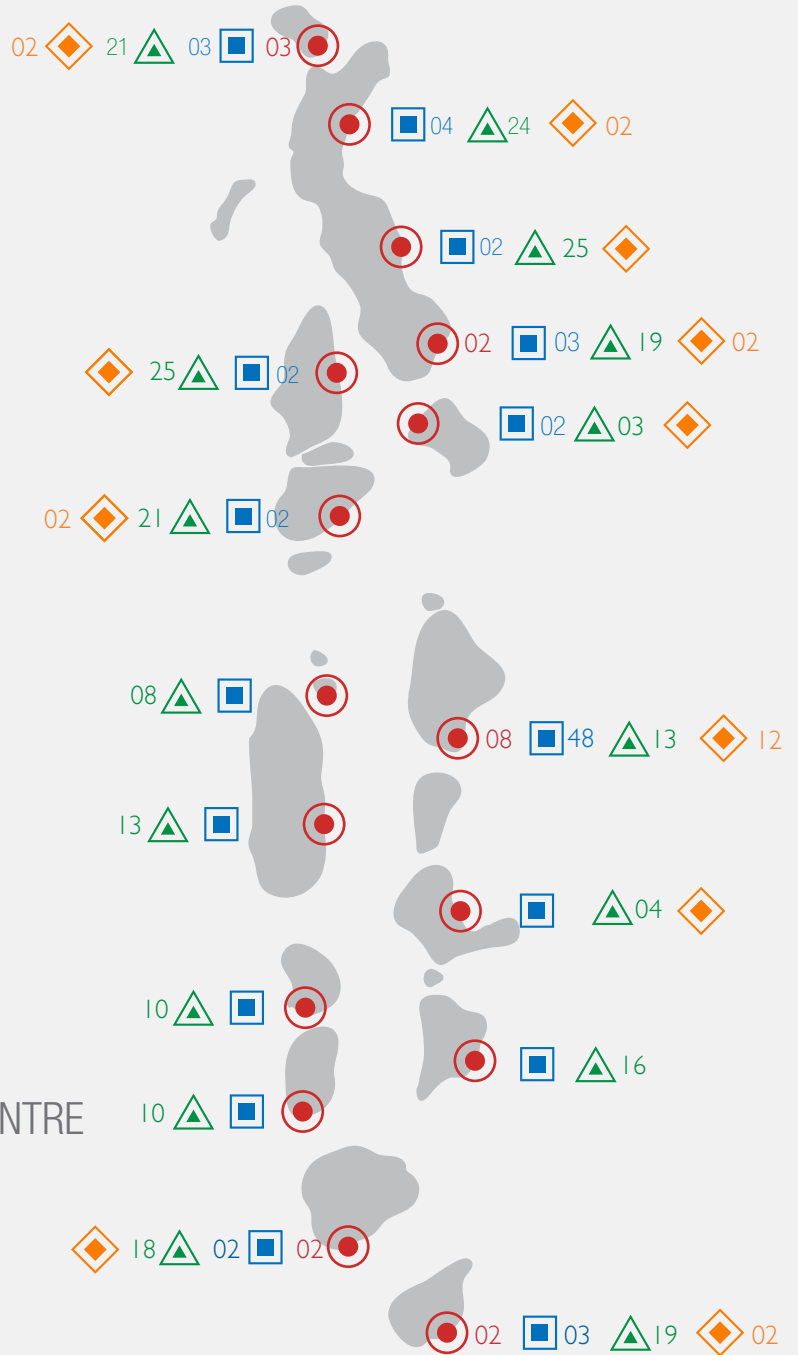
- Largest network of Branches, Agents, ATMs and POS terminals in Maldives
- Exclusive acquirer and issuer of American Express cards in Maldives
- Principal member in the Maldives for Visa and MasterCard

Experienced and Dedicated Team

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

OUR NETWORK

-  BRANCH
-  ATM
-  CASH AGENT
-  SELF SERVICE BANKING CENTRE



ONE BANK IS INVESTING IN MALDIVES

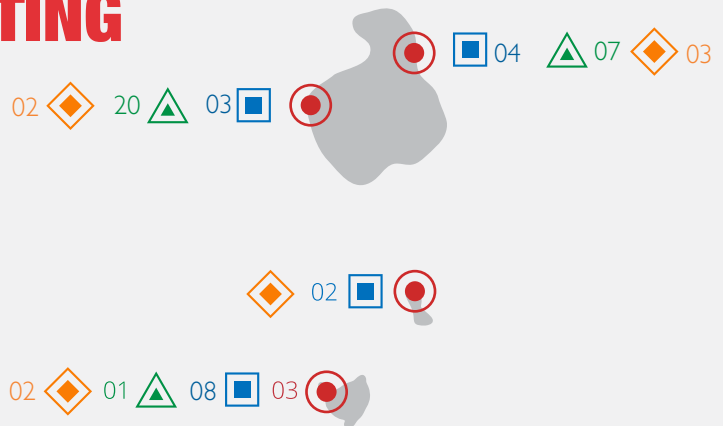


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1. SUMMARY

Financial Results for the first quarter of 2018 were positive with Operating Profit up 11% on the same period last year due to solid business volumes across all key sectors. Profit Before Tax was up 3% on Quarter 1 2017 despite the higher level of loan provisioning required under the new accounting standard, IFRS 9. Profit Before Tax on an underlying/like-for-like basis increased by 13%. The Bank's loan book remained robust with the ratio of non-performing to total loans falling from 4.1% at the end of 2017 to 3.2%. Capital and liquidity ratios finished the quarter well in excess of regulatory requirements.

The Bank's community investment program continued during the quarter and February alone saw 28 'Ahareng Bank' ('My Bank') events held across the country which supported charitable, educational, sports and environmental causes.

2. BUSINESS DEVELOPMENTS

- Over the past year, our Bank has been supporting the communities and people of Maldives in a structured and positive way through our Ahareng Bank program. As in 2017, February was a particularly special month with a community event held each day. These, and other events during the first quarter, helped charitable, educational, sports and environmental causes throughout the country. Additionally, the Bank's staff raised significant funds for the Maldives Autism Association, Beautiful Eyes Down Syndrome Association and Maldives Association for Physical Disabilities.
- In recognition of the positive impact the Ahareng Bank program has had on communities across the country, the Bank received the 'Award for Investment in Communities' at the prestigious Corporate Maldives Gold 100 Gala, which was held in February.
- The Bank's refurbished branch in Vilimale' was opened during the quarter and now includes a modern Self-Service Banking Centre which operates on a 24/7 basis. The quarter also saw new ATMs installed in Gan International Airport and Hithadhoo Regional Hospital. An additional 72 Cash Agents were added, bringing our total agent network to 277.
- As part of our commitment to deliver products which meet the evolving needs of our customers, an innovative new loan offering was launched. The 'Lifestyle Loan' has been designed to provide easy access to finance up to MVR 500,000 to those property owners who receive a rental income from their property.
- We introduced Online Applications for a number of key services whereby customers can now apply online to open accounts as well as to obtain credit cards, debit cards and personal loans.
- In March, our Board of Directors resolved to propose for shareholder approval at the next Annual General Meeting (AGM) a final dividend of MVR 118,402,240 amounting to MVR 22 per share for the financial year 2017. This is an increase of 10% over the amount paid in the prior year and would represent the Bank's highest ever dividend payout. The AGM has been scheduled for Sunday, 13th May in Male'.

3. KEY FINANCIAL INFORMATION

Income Statement (Unaudited) - Quarter ended 31 March 2018

(All amounts in MVR'000 unless otherwise stated)

	Q1 2018	Q1 2017	Q4 2017
Gross Income	615,734	540,992	645,276
Interest Income and Similar Income	370,628	325,157	375,264
Interest Expense and Similar Charges	(29,925)	(18,480)	(24,361)
Net Interest Income	340,703	306,677	350,903
Fee and Commission Income	219,266	189,940	247,651
Fee and Commission Expense	(84,262)	(71,663)	(76,094)
Net Fee and Commission Income	135,004	118,277	171,557
Other Operating Income	25,840	25,895	22,361
Total Operating Income	501,548	450,849	544,821
Operating Expenses	(112,849)	(101,738)	(161,045)
Operating Profit (Profit before Provisions)	388,699	349,111	383,776
Provision for Bad and Doubtful Debts	(32,533)	(2,559)	112,369
Profit Before Tax	356,166	346,552	496,145
Income Tax Expense	(96,207)	(86,640)	(148,122)
Net Profit for Quarter	259,960	259,912	348,023
Basic Earnings Per Share (annualised)	193	193	259

Statement of Financial Position (Unaudited) - As at 31 March 2018

(All amounts in MVR'000 unless otherwise stated)

	31 Mar 2018	31 Mar 2017	31 Dec 2017
Cash, Short Term Funds & Balances with MMA	5,617,587	4,750,228	4,986,564
Loans and Advances	12,245,896	10,007,138	12,221,060
Financial Investments - Available for Sale	123,483	84,556	123,483
Financial Investments - Held to Maturity	4,362,658	4,199,294	4,381,825
Investments in Subsidiaries	10	10	10
Property, Plant and Equipment	414,867	346,650	408,983
Other Assets	261,933	334,336	243,042
Total Assets	23,026,435	19,722,212	22,364,967
Deposits	15,418,891	13,695,687	15,202,906
Borrowings	840,812	292,007	793,602
Other Liabilities	958,654	928,889	820,341
Total Liabilities	17,218,357	14,916,583	16,816,849
Share Capital	269,096	269,096	269,096
Share Premium	93,000	93,000	93,000
Reserves	5,445,982	4,443,533	5,186,022
Total Shareholders' Equity	5,808,078	4,805,629	5,548,118
Total Equity and Liabilities	23,026,435	19,722,212	22,364,967



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 2018
(All amounts in MVR'000 unless otherwise stated)

	Q1 2018	Q1 2017	Q4 2017
Cash Flows from Operating Activities	(3,774)	335,857	402,155
Changes in Operating Assets and Liabilities	(337,266)	(502,592)	312,884
Cash Flows from Investing Activities	(1,373)	30,868	(374,811)
Cash Flows from Financing Activities	51,933	(26,475)	70,583
Net increase in Cash and Cash Equivalents	(290,479)	(162,342)	410,810
Cash and Cash Equivalents at beginning of quarter	1,322,853	1,041,247	912,043
Cash and Cash Equivalents at end of quarter	1,032,374	878,905	1,322,853

4. INVESTOR INFORMATION

Highest Traded Price	MVR 320
Lowest Traded Price	MVR 280
Weighted Average Traded Price	MVR 304.09
Market Capitalization	MVR 1,506,937,600
Price Earnings Ratio	1.45
Dividend Yield	7.1%

5. GOVERNANCE

5.1 Frequency of Board Meetings

The number of meetings held by the Board of Directors and its sub-committees during the first quarter of 2018 were as follows:

	No. of Meetings
Board of Directors	03 (Three)
Board Credit Committee	02 (Two)
Audit & Risk Management Committee	10 (Ten)
Appointment, Nomination & Remuneration Committee	06 (Six)

5.2 Key Activities carried out by the Board & Board Committees

- Reviewed and approved the Bank's audited financial statements for the year ended 31st December 2017.
- Reviewed and approved the proposed final dividend for 2017.
- Reviewed and approved the Staff Performance Bonus for 2017.
- Reviewed the Risk Management Report for Quarter 4 2017.
- Reviewed the Non-Performing Assets and Loan Portfolio Report for Quarter 4 2017.
- Reviewed the report on the activities of the Internal Audit function during Quarter 4 2017.
- Reviewed and approved the Internal Audit Plan for 2018.
- Reviewed the Procurement Committee Report for the second half of 2017.
- Reviewed and approved the names received for Nominee Director positions and the applications received for Public Director positions on the Board of Directors.
- Reviewed and approved the Corporate (Staff) Health Insurance Scheme for 2018.

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 Elected Directors. The quarter began and ended with a total of 10 Directors in the Board's composition with 01 Nominee Director position being vacant.

	Name of Director	Category	Designation	Respective Committee
01	Ms. Saeeda Umar Nominee Director	Non-Executive & Independent	Chairperson	BCC
02	Mr. Andrew Healy Nominee Director	Executive & Non-Independent	CEO & MD	BCC
03	Mr. Mohamed Shareef Nominee Director	Executive & Non-Independent	Director	BCC
04	Mr. Ibrahim Mohamed Elected Director	Non-Executive & Independent	Director Chairperson of ARM Committee	BCC, ANR & ARM
05	Mr. Mohamed Abdul Sattar Elected Director	Non-Executive & Independent	Director Chairperson of ANR Committee	BCC, ANR & ARM
06	Mr. Rabih Mohamed Nominee Director	Non-Executive & Non-Independent	Director	ARM
07	Mr. Abdul Haris Nominee Director	Non-Executive & Non-Independent	Director	ANR
08	Mr. Mohamed Luveiz Nominee Director	Non-Executive & Independent	Director	ANR & ARM
09	Ms. Ibthishama Ahmed Saeed Elected Director	Non-Executive & Independent	Director	BCC & ANR
10	Ms. Aishath Arsha Nominee Director	Non-Executive & Independent	Director	BCC & ARM

BCC = Board Credit Committee; ANR = Appointment, Nomination & Remuneration Committee; ARM = Audit & Risk Management Committee

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. 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 which govern its day to day operations.

7. REPORTING COMPLIANCE

This report has been prepared taking into account the Capital Market Development Authority's Circular on Minimum Quarterly Reporting Requirements for Listed Companies.

