

SECOND QUARTER REPORT

APRIL - JUNE 2023





Bank of Maldives (BML) is the leading financial institution in Maldives. We are a full service bank offering 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.

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

Highlights

Financial Highlights

Net Profit
MVR 552mn

Total Assets
MVR 42.5bn

New Loans to Individuals & Businesses
MVR 2.2bn

Operating Profit
MVR 679mn

Deposits
MVR 29.1bn

Net Loans
MVR 17.7bn

Capital Adequacy
51%

Provision Cover
100%

Non-Financial Highlights

40,000
ATM transactions per day

2mn+
Mobile Banking logins per day

14mn+
ATM Transactions

335,000+
Customers

40mn
POS Transactions

232,000+
Internet and Mobile Banking transactions per day

85mn+
Internet Banking Transactions



Our Business Strengths



Leadership

Bank of Maldives has a skilled, gender balanced Management team with experience in various countries and banking markets, supported by an experienced Board of Directors.



Innovation

The Bank is the pioneer of the banking industry with many firsts. The first to launch POS and mPOS services in Maldives, first to launch debit and credit cards, first to launch internet and mobile banking, first to launch cash and cheque deposit machines.



Governance

The Bank's governance framework is built on the highest standards of international best practice. We are committed to upholding the values and standards that our local and international stakeholders expect.



People

The Bank is the largest employer in the Maldives banking sector with over 1,000 employees. 99% of employees are locals with almost one third employed in the atolls.



Customer Base

We are dominant in the Maldives with over 335,000 customers, and market leaders in Retail, Corporate and SME segments. We are also the market leader in Self Service banking with the largest number of online and ATM users.



Financial Strength

Bank of Maldives is a systemically important bank with Net Profit After Tax of MVR 1.6 billion, Total Assets of MVR 42 billion, a strong deposit base of MVR 29 billion and a strong capital position of 45% well above regulatory requirements.



Service Delivery

We have the largest network of branches, Agents, ATMs and POS terminals in Maldives. We are the exclusive acquirer and issuer of American Express cards in Maldives. We are the principle member in the Maldives for Visa and Mastercard.

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1. Summary

The financial results for the second quarter of the year is encouraging with an Operating Profit of MVR 678m up 1.2% compared to last quarter and up 15% compared to same period last year. Profit After Tax amounted to MVR 552 million, up 9% on the last quarter and 55% on the same period last year. Operating costs has been maintained despite inflationary pressures. The quarter saw solid business volumes across key sectors and loan book quality improved. Capital adequacy and liquidity ratios remains solid and well above regulatory requirements. The quarter saw the Bank hold its Annual General Meeting during which Shareholders approved a total dividend payout of MVR 215 million with MVR 40 per share.

2.

Business Development

- In May, Bank of Maldives (BML) in partnership with American Express launched the 'Experience Maldives' destination campaign offering unique, authentic experiences for American Express Card members. 'Experience Maldives' offers a variety of experiences for American Express Cardmembers with special privileges and discount offers at several resorts, guesthouses, and merchants across the country.
- Also in May, as a further step to protect its customers, we introduced Two Factor Authentication (2FA) for Mobile Banking logins. With the new update, an extra layer of security will be added to verify that the login is by the registered customer. In June, as an added measure, we introduced a self-service 'Kill Switch' to disable access to Internet Banking and cards in emergencies. The 'Kill Switch' is a single action which allows customers to immediately log out of all active Internet and Mobile Banking sessions as well as freeze their cards in case of scams, preventing any further transactions from taking place.
- As part of our strategy to expand banking services to support local communities, we opened new Self Service Banking ATM Centres in two islands in Noonu Atoll in May. The ATM centres located in Maafaru and Miladhoo will support individuals and businesses to withdraw, deposit and transfer money on a 24/7 basis. Noonu Atoll currently has Self Service Banking Centre in Kendhikulhudhoo and branch services in Manadhoo, Velidhoo, and Holhudhoo.
- We renewed our partnership with Tennis Association of Maldives (TAM) as part of our support to sports development in the country also in the same month. Through this partnership, we will support the National Tennis Championship for the next three years, aimed at developing young players and recognizing top talent in the sport.
- In May, we opened applications for the BML Startup Grant for 2023. The BML Startup Grant is a program for emerging entrepreneurs to win a grant funding to start or grow a business in the Maldives. This year, two winning businesses will be selected to win MVR 500,000 each. The Bank will provide mentoring support for the winners to successfully implement their plans. The BML Startup Grant was first launched as part of the series of 12 high impact monthly community initiatives to celebrate the Bank's 40th anniversary.
- Also in May, as part of our commitment to enhance customer experience, we introduced our Artificial Intelligence (AI) powered digital banking assistant, "Aaya". "Aaya" is an intelligent chatbot available 24-hours through the Bank's website, Facebook Messenger, Viber and Whatsapp. With its ability to respond in both Dhivehi and English, "Aaya" will be able to provide answers to customer queries in real time, and transfer to a customer service agent whenever required.
- We held our Annual General Meeting in May in which shareholders approved a total dividend payout of MVR 215 million which equates to MVR 40 per share. Mr. Yooshau Saeed was re-appointed as the Chairperson of the Board at the first meeting of the Board of Directors held after the AGM following his re-election to the Board.
- In June we opened applications for this year's Graduate Internship Program, a yearlong internship program for graduates and students from local higher education institutions. The program allows students to gain on-the-job experience and provides a pathway to permanent employment within the bank and other financial institutions in Maldives. Interns will be rotated across a number of business units, departments and branches to gain experience and develop skills.

3.

Key Financial Information

Income Statement (Unaudited)

(All amounts in MVR '000 unless otherwise stated)

	Q2 2023	Q1 2023	Q4 2022	Q2 2022
Gross Income	1,063,322	1,114,117	1,115,012	915,263
Interest Income and Similar Income	654,286	632,902	716,754	556,500
Interest Expense and Similar Charges	(44,997)	(47,188)	(59,875)	(43,860)
Net Interest Income	609,289	585,714	656,879	512,640
Fee and Commission Income	340,813	415,013	333,979	310,533
Fees and Commission Expense	(181,578)	(231,963)	(201,247)	(142,646)
Net Fee and Commission Income	159,235	183,050	132,732	167,887
Other Operating Income	68,223	66,202	64,279	48,230
Total Operating Income	836,747	834,966	853,890	728,757
Personnel Expenses	(72,469)	(86,457)	(125,604)	(74,126)
Marketing and CSR Expenses	(5,302)	(8,181)	(20,907)	(3,868)
Other Operational and Administration Expenses	(80,416)	(69,908)	(110,119)	(58,604)
Operating Expenses	(158,187)	(164,546)	(256,630)	(136,598)
Operating Profit (Profit before Provisions)	678,560	670,420	597,260	592,159
Provision for Bad and Doubtful Debts	77,136	20,309	(217,260)	(106,329)
Profit before Tax	755,696	690,729	380,000	485,830
Income Tax Expense	(204,038)	(186,497)	(27,934)	(131,174)
Net Profit for Quarter	551,658	504,232	352,066	354,656
Basic Earning Per Share (annualized)	410	375	262	264
Net Assets Per Share	2,065	2,002	1,909	1,756
Cash Flow Per Share	(33)	(273)	196	3

Statement of Financial Position (Unaudited)

(All amounts in MVR '000 unless otherwise stated)

	30 Jun 2023	31 Mar 2023	31 Dec 2022 Audited
Cash and Short Term Funds	10,585,271	12,148,900	10,947,088
Statutory Deposit with Maldives Monetary Authority	3,171,338	3,724,702	3,687,890
Loans and Advances	17,774,626	17,226,473	16,891,036
Financial Investments - FVOCI	234,109	234,109	234,109
Financial Investments - Amortized Cost	8,786,855	8,181,641	8,401,783
Property, Plant and Equipment	786,199	793,532	804,325
Right-of-use assets	151,123	154,421	157,514
Other Assets	1,031,000	808,077	747,966
Total Assets	42,520,521	43,271,855	41,871,711
Deposits	29,135,589	30,050,108	29,221,667
Borrowings	353,207	592,033	744,215
Lease Liabilities	143,900	145,933	147,531
Other Liabilities	1,775,297	1,707,635	1,486,383
Total Liabilities	31,407,993	32,495,709	31,599,796
Share Capital	269,096	269,096	269,096
Share Premium	93,000	93,000	93,000
Retained Earnings	2,472,196	2,135,815	1,631,582
Other Reserves	8,278,237	8,278,236	8,278,237
Total Shareholders' Equity	11,112,528	10,776,147	10,271,915
Total Equity and Liabilities	42,520,521	43,271,855	41,871,711



Nandana Senevirathne
Chief Financial Officer



Karl Stumke
CEO and Managing Director



Ahmed Mohamed
Audit Committee Chairperson

Statement of Changes in Equity (Unaudited)

	Share Capital	Retained Earning	Reserves	Total
Balances as at 1 October 2022	362,096	2,883,204	6,572,888	9,818,188
(+) Net profit for the quarter	-	352,066	-	352,066
(+/-) Transfer to general reserve	-	(1,607,207)	1,607,207	-
(+/-) Movements in other reserves	-	3,520	98,142	101,662
Balances as at 31 December 2022 (Audited)	362,096	1,631,583	8,278,237	10,271,915
(+) Net profit for the quarter	-	504,232	-	504,232
Balances as at 31 March 2023	362,096	2,135,815	8,278,237	10,776,147
(-) Dividend to equity holders	-	(215,277)	-	(215,277)
(+) Net profit for the quarter	-	551,658	-	551,658
Balances as at 31 March 2023	362,096	2,472,196	8,278,237	11,112,528

Statement of Cash Flows (Unaudited)

	Q2 2023	Q1 2023	Q4 2022	Q2 2022
Cash Flows from Operating Activities	732,246	981,315	209,216	457,432
Changes in Operating Assets and Liabilities	173,173	(2,244,490)	1,563,303	(60,488)
Cash Flows from Investing Activities	(627,362)	202,453	(706,743)	(71,382)
Cash flows from Financing Activities	(454,103)	(410,514)	(10,873)	(309,594)
Net increase /(decrease) in Cash & Cash Equivalents	(176,046)	(1,471,236)	1,054,903	15,968
Cash & Cash Equivalents at beginning of Quarter	3,034,790	4,506,026	3,451,123	6,073,888
Cash & Cash equivalents at end of Quarter	2,858,744	3,034,790	4,506,026	6,089,856

4.

Investor Information

Highest Traded Price	MVR 835
Lowest Traded Price	MVR 510
Last Traded Price	MVR 765
Last Traded Date	20 June 2023
Number of Trades	18
Number of Shares Traded	395,085
Value of Shares Traded	MVR 302,264,265
Weighted Average Traded Price	MVR 765.06
Market Capitalization	MVR 4,117,168,800
Dividend Yield	5.23%
Price Earning- Ratio	1.87

5.

Governance

5.1 Frequency of Board Meetings

The number of meetings held by the Board and Committees during the second quarter of 2023 were as follows:

	No. of Meetings
Board of Directors	05 (Five)
Board Credit Committee	02 (Two)
Audit Committee	08 (Eight)
Risk Committee	04 (Four)
Appointment, Nomination & Remuneration Committee	04 (Four)
Corporate Governance Committee	03 (Three)

5.2 Key Activities carried out by the Board and Board Committees

- Reviewed and approved the Bank's financial statements for Quarter 1 2023.
- Reviewed Risk Management Report, Compliance Report, Non-Performing Assets and Loan Portfolio Report and Report on the activities of the Internal Audit function for Quarter 1 2023.
- Reviewed Monthly ANR, Audit, CG, BCC and Risk Committee Reports.
- Reviewed and approved Management Letter 2022 and External Auditors Report on Reliability of Controls.
- Reviewed Custodian Compliance Report 2022.
- Reviewed Correspondences with regulatory agencies for Q1 2023.
- Reviewed and approved Bankers' Blanket Bond Insurance Policy.
- Reviewed and approved amendments to Home Construction and Real Estate Refinancing and Home Purchase Loan Products.
- Reviewed and approved changes to Customer Service Structure.
- Established investment relationship with Al Rajhi Bank.
- Discussed the results of Board Evaluation.
- Reviewed and approved changes to Delegation of Authority Policy, Credit Policy and AML-CFT Policy.
- Reviewed the Shari'ah Committee Minutes.
- Held the Bank's 40th Annual General Meeting.

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. The quarter began with a total of 11 Directors in the Board composition. The following are the 11 Directors on the Board until the Bank's 40th Annual General Meeting held on 29th May 2023.

Name of Director	Category	Designation	Date of Appointment	Respective Committee
Mr. Yooshau Saeed Nominee Director	Non-Executive & Independent	Chairperson	15th Jul 2021	BCC
Mr. Karl Stumke Nominee Director	Executive	CEO & MD	10th Jan 2023	BCC
Ms. Aishath Noordeen Nominee Director	Executive	Director	31st Aug 2020	BCC
Ms. Juwairiya Saeed Nominee Director	Non-Executive & Non-Independent	Director	30th Jul 2019	AC, RC & CG
Mr. Abdulla Hassan Nominee Director	Non-Executive & Independent	Director Chairperson of ANR Committee	31st Aug 2020	ANR & AC
Mr. Mohamed Sharah¹ Nominee Director	Non-Executive & Independent	Director Chairperson of Risk Committee	15th Jul 2021	AC, RC & CG
Mr. Abdulla Husam Shareef Nominee Director	Non-Executive & Non-Independent	Director	15th Jul 2021	ANR & BCC
Ms. Aishath Sajny Nominee Director	Non-Executive & Independent	Director	24th Oct 2021	ANR & BCC
Mr. Ibrahim Mohamed Elected Director	Non-Executive & Non-Independent ²	Director	7th Aug 2009	BCC, ANR, AC, RC & CG
Mr. Ahmed Mohamed Elected Director	Non-Executive & Independent	Director Chairperson of Audit Committee	30th Jul 2019	ANR, AC, RC & CG
Mr. Abdulla Naseem Elected Director	Non-Executive & Independent	Director Chairperson of CG Committee	24th Oct 2021	CG, RC & BCC

BCC = Board Credit Committee; ANR = Appointment, Nomination & Remuneration Committee; AC = Audit Committee; RC = Risk Committee; CG = Corporate Governance Committee

¹ Tenure ended subsequent to the 40th Annual General Meeting held on 29th May 2023.

² As per directive issued by CMDA on 26th May 2021 re. Term Limit of Independent Directors and Board Continuity, Directors serving for consecutive period of more than six (06) years are to be considered as "Non-Independent". Also considered Non-Independent as per International Best Corporate Governance Requirements.

All Nominee Directors are considered as "Non-Independent" as per section 5 (c) of Regulation on Corporate Governance for Banks, Insurance Companies and Finance Companies (Reg No. 2020/R-59).

Mr. Mohamed Sharah's tenure ended with the Bank subsequent to the Bank's 40th Annual General Meeting on 29th May 2023. As of the end of the quarter, the Board composition consists of a total of 10 Directors with one vacant Nominee Director position. The following is the current composition of the Board of Directors.

Name of Director	Category	Designation	Date of Appointment	Respective Committee
Mr. Yooshau Saeed Nominee Director	Non-Executive & Independent	Chairperson	15th Jul 2021	BCC
Mr. Karl Stumke Nominee Director	Executive	CEO & MD	10th Jan 2023	BCC
Ms. Aishath Noordeen Nominee Director	Executive	Director	31st Aug 2020	BCC
Ms. Juwairiya Saeed Nominee Director	Non-Executive & Non-Independent	Director	30th Jul 2019	AC, RC & CG
Mr. Abdulla Hassan Nominee Director	Non-Executive & Independent	Director Chairperson of ANR Committee	31st Aug 2020	ANR, RC, & AC
Mr. Abdulla Husam Shareef Nominee Director	Non-Executive & Non-Independent	Director	15th Jul 2021	RC, BCC & ANR
Ms. Aishath Sajny Nominee Director	Non-Executive & Independent	Director Chairperson of CG Committee	24th Oct 2021	CG, ANR & BCC
Mr. Ibrahim Mohamed Elected Director	Non-Executive & Non-Independent	Director	7th Aug 2009	AC, ANR, CG & BCC
Mr. Ahmed Mohamed Elected Director	Non-Executive & Independent	Director Chairperson of Audit Committee	30th Jul 2019	ANR, AC, RC & CG
Mr. Abdulla Naseem Elected Director	Non-Executive & Independent	Director Chairperson of Risk Committee	24th Oct 2021	RC, AC, CG & BCC

BCC = Board Credit Committee; ANR = Appointment, Nomination & Remuneration Committee; AC = Audit Committee; RC = Risk Committee; CG = Corporate Governance Committee

6.

Shareholding Structure

The Bank's shareholding as at the end of the quarter was as follows:

Shareholders	Number of Shares	%
Government (Ministry of Finance)	2,733,868	50.80%
Maldives Pension Administration Office (MPAO)	394,380	7.33%
Maldives Transport and Contracting Company PLC (MTCC)	219,096	4.07%
Atoll/Island Councils	219,096	4.07%
General Public	1,815,480	33.73%
Balances as at 30 June 2023	5,381,920	100%

7.

Material Transactions

During the reporting period no material transactions were conducted with a Director or Associate, or a Substantial Shareholder or Associate other than those conducted under ordinary course of business.

8.

Corporate Social Responsibility

We are committed to running Bank of Maldives as a sustainable and responsible business, working to make a difference for our customers, communities and colleagues, whilst achieving sustainability through our operations and maintaining robust risk management and governance.

We continued to invest in community initiatives supporting the areas of education, sports, environment and community development. We aim to create opportunities for people and empower communities.

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During the quarter, we announced the 10 winning projects at a total value of MVR500,000 for the first phase of our Community Fund for the year.

During the month of Ramadan, our staff extended their spirit of giving back by donating educational toys, games, craft materials and books for the children at Hulhumale' Fiyavathi shelter.

To mark International Girls in ICT Day, we supported an awareness program conducted by the amazing team of women leading our technology team. The team visited schools in Fuvahmulah and Addu City with over 100 students in attendance

To mark Children's Day, our branch teams set-up stalls with games and gift packs to show our support to communities in V. Felidhoo, A.A. Rasdhoo, H.A. Ihavandhoo, G.A. Villigilli, H.A. Hoarafushi, N. Holhudhoo, Sh. Funadhoo, Lh. Naifaru, Th. Guraidhoo and S. Hulhumeedhoo.

In this quarter, we completed the Coding and Engineering program in partnership with ForLoop Coding Academy. 26 girls successfully completed the program which included game development with visual blocks and making Bluetooth controlled robots.

We held our quarterly Blood Donation camp by our staff and family to meet the demands of blood transfusions required by patients at IGMH.

We opened applications for the BML Startup Grant for 2023. The Startup Grant is a program for emerging entrepreneurs to win a grant funding to start or grow a business in the Maldives. This year, two winning businesses will be selected to win MVR 500,000 each.

9.

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.

10.

Reporting Compliance

This report has been prepared taking into account the Capital Market Development Authority's Minimum Criteria for Periodic Reporting for Listed Companies.



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