

# THIRD QUARTER REPORT

JULY - SEPTEMBER 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 481mn

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Total Assets

MVR 43bn

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New Loans to Individuals & Businesses

MVR 3.4bn

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Operating Profit

MVR 660mn

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Deposits

MVR 28.8bn

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Net Loans

MVR 18.1bn

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Capital Adequacy

52%

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Provision Cover

100%

## Non-Financial Highlights

40,000

ATM transactions per day

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2mn+

Mobile Banking logins per day

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14mn+

ATM Transactions

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340,000+

Customers

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40mn

POS Transactions

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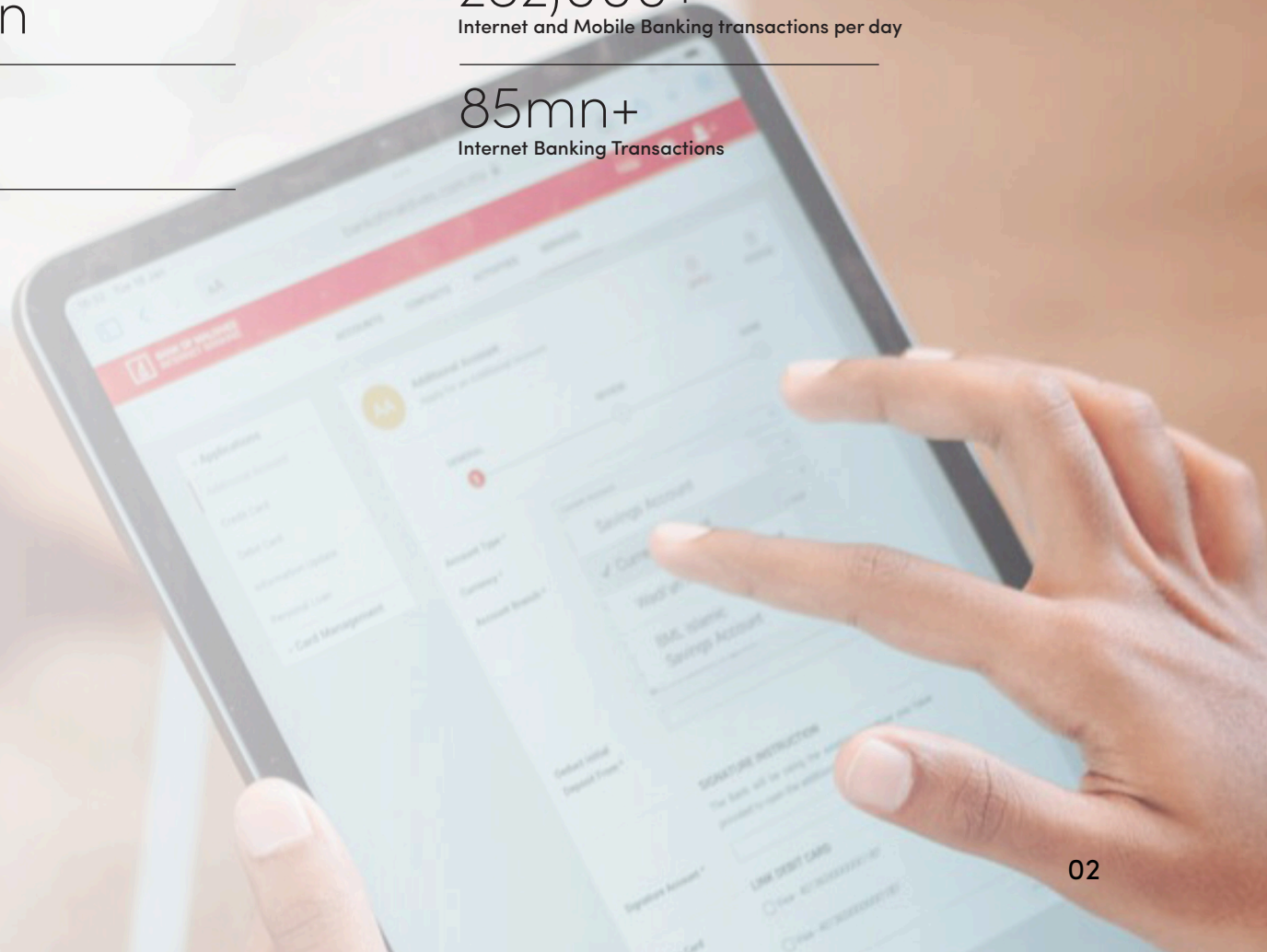
232,000+

Internet and Mobile Banking transactions per day

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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 340,000 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

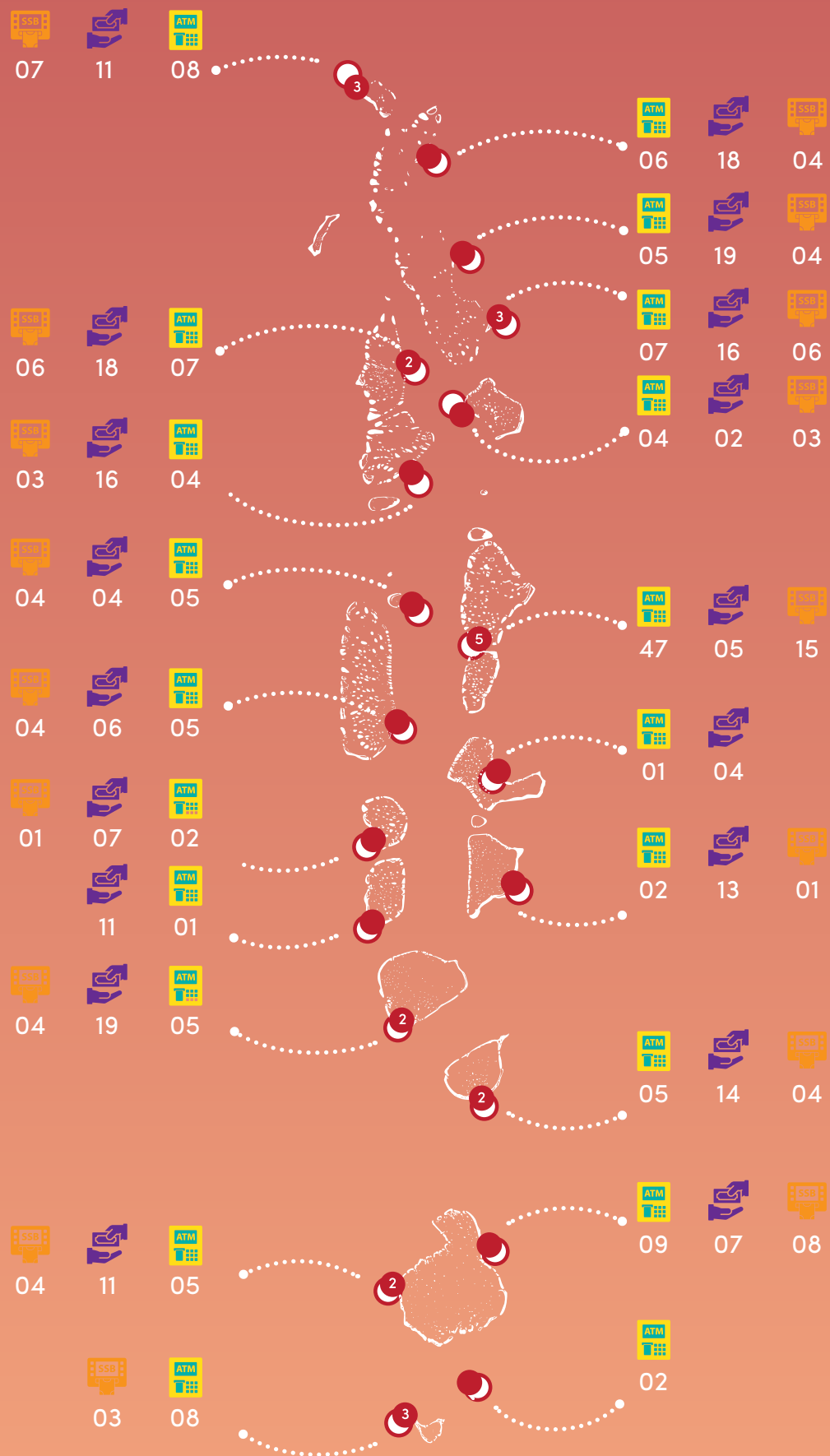
Bank of Maldives is a systemically important bank with Net Profit After Tax of MVR 1.6 billion, Total Assets of MVR 42 billion, a strong deposit base of MVR 29 billion and a strong capital position of 45% well above regulatory requirements.



## 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.

# Our Network



BRANCH    
 ATM    
 SELF-SERVICE BANKING CENTRE    
 CASH AGENT



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# 1. Summary

The Bank's financial performance for the third quarter of the year is solid with an Operating Profit of MVR 659 million. Profit after Tax amounted to MVR 481 million, up 31% on the same period last year. The quarter's Profit after Tax was 13% lower than last quarter owing to increase in our provision cover. Operating costs were maintained at similar levels as previous quarters despite inflationary pressures. The quarter saw good business volumes across key sectors and loan book quality continued to improve as we disbursed over MVR 1.1bn in new loans during the quarter. Capital and liquidity ratios remains solid and well above regulatory requirements.

## 2.

# Business Development

- In August, we extended our Home Purchase Loan and Home Purchase Financing tenor to 25 years for all new home buyers. Our Home Purchase Loan and BML Islamic Home Purchase Financing are offered with 20 percent equity at a rate of 9 percent. The facilities can also be used by existing homeowners to buy another property.
- Also in August, we appointed Mr. Morgan Beanland as the Bank's Director of Operations. Morgan brings over 22 years of experience in Banking, Business Operations and Change Management. During his career, Morgan has held several leadership positions at Lloyds Banking Group, UK including Head of Markets Operations, Head of Telephony & Retention, Head of Corporate Banking Guernsey and Senior Vice President, Financial Institutions North America. Morgan was most recently a Management Consultant for Capco where he led transformation delivery, client relationship management and business development in the UK Banking and Payments Practice.
- In late August, we held our annual awards ceremony to honor top performing employees with a series of accolades. Huzaath Ali (Head of Customer Payments & Settlement) won the coveted Employee of the Year Award. Marketing Team and Badhurudheen Hassan (Head of Retail Banking & Cards) were the recipients of the CEO's Award for Outstanding Achievement. Fathimath Haleem (Head of Operational Excellence) received the Best Leader Award and Mohamed Shaig Ahmed (Customer Service Manager) received the Best Manager Award. Awards for staff and teams who excelled over the past year were also presented in the ceremony in various categories including Best Atoll Branch, Best Team, Customer Service Star and Award for Innovation.
- As part of our ongoing efforts to enhance security and protect our customers from scams, we introduced Device Management for Internet and Mobile Banking, in September. Device Management enables customers to monitor active sessions and log out from devices accessing Internet and Mobile Banking. Customers can view active sessions and log out from individual and all devices.
- The newly established Oncology Ward at IGM Hospital and the upgraded national museum, funded by the Bank as part of its 40th anniversary projects, were inaugurated in August. The Bank also announced the winning projects for the second phase of its Community Fund and continued to celebrate the completion of previous projects. As part of its regular quarterly initiatives, staff at the Bank held a blood donation camp in September.



# 3.

## Key Financial Information

### Income Statement (Unaudited)

(All amounts in MVR '000 unless otherwise stated)

	Q3 2023	Q2 2023	Q1 2023	Q3 2022
<b>Gross Income</b>	1,063,777	1,063,322	1,114,117	1,002,617
Interest Income and Similar Income	663,449	654,286	632,902	577,848
Interest Expense and Similar Charges	(64,554)	(44,997)	(47,188)	(43,224)
<b>Net Interest Income</b>	<b>598,895</b>	<b>609,289</b>	<b>585,714</b>	<b>534,624</b>
Fee and Commission Income	354,429	340,813	415,013	305,339
Fees and Commission Expense	(187,197)	(181,578)	(231,963)	(118,025)
<b>Net Fee and Commission Income</b>	<b>167,232</b>	<b>159,235</b>	<b>183,050</b>	<b>187,314</b>
Other Operating Income	45,899	68,223	66,202	119,430
<b>Total Operating Income</b>	<b>812,026</b>	<b>836,747</b>	<b>834,966</b>	<b>841,368</b>
Personnel Expenses	(72,991)	(72,469)	(86,457)	(71,615)
Marketing and CSR Expenses	(7,864)	(5,302)	(8,181)	(3,856)
Other Operational and Administration Expenses	(70,887)	(80,416)	(69,908)	(71,054)
<b>Operating Expenses</b>	<b>(151,742)</b>	<b>(158,187)</b>	<b>(164,546)</b>	<b>(146,525)</b>
<b>Operating Profit (Profit before Provisions)</b>	<b>660,284</b>	<b>678,560</b>	<b>670,420</b>	<b>694,843</b>
Provision for Bad and Doubtful Debts	(1,282)	77,136	20,309	(191,486)
<b>Profit before Tax</b>	<b>659,002</b>	<b>755,696</b>	<b>690,729</b>	<b>503,357</b>
Income Tax Expense	(177,931)	(204,038)	(186,497)	(135,906)
<b>Net Profit for Quarter</b>	<b>481,071</b>	<b>551,658</b>	<b>504,232</b>	<b>367,451</b>
<b>Basic Earning Per Share (annualized)</b>	<b>358</b>	<b>410</b>	<b>375</b>	<b>273</b>
<b>Net Assets Per Share</b>	<b>2,154</b>	<b>2,065</b>	<b>2,002</b>	<b>1,824</b>
<b>Cash Flow Per Share</b>	<b>(65)</b>	<b>(33)</b>	<b>(273)</b>	<b>(490)</b>

**Statement of Financial Position (Unaudited)**

(All amounts in MVR '000 unless otherwise stated)

	30 Sep 2023	30 Jun 2023	31 Mar 2023
Cash and Short Term Funds	9,877,758	10,585,271	12,148,900
Statutory Deposit with Maldives Monetary Authority	3,966,168	3,171,338	3,724,702
Loans and Advances	18,145,763	17,774,626	17,226,473
Financial Investments - FVOCI	234,109	234,109	234,109
Financial Investments - Amortized Cost	8,833,399	8,786,855	8,181,641
Property, Plant and Equipment	789,190	786,199	793,532
Right-of-use assets	147,678	151,123	154,421
Other Assets	995,322	1,031,000	808,077
<b>Total Assets</b>	<b>42,989,387</b>	<b>42,520,521</b>	<b>43,271,855</b>
Deposits	28,771,520	29,135,589	30,050,108
Borrowings	582,680	353,207	592,033
Lease Liabilities	141,895	143,900	145,933
Other Liabilities	1,899,693	1,775,297	1,707,634
<b>Total Liabilities</b>	<b>31,395,788</b>	<b>31,407,993</b>	<b>32,495,708</b>
Share Capital	269,096	269,096	269,096
Share Premium	93,000	93,000	93,000
Retained Earnings	2,953,267	2,472,196	2,135,815
Other Reserves	8,278,236	8,278,236	8,278,236
<b>Total Shareholders' Equity</b>	<b>11,593,599</b>	<b>11,112,528</b>	<b>10,776,147</b>
<b>Total Equity and Liabilities</b>	<b>42,989,387</b>	<b>42,520,521</b>	<b>43,271,855</b>



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
<b>Balances as at 1 January 2023</b>	<b>362,096</b>	<b>1,631,583</b>	<b>8,278,236</b>	<b>10,271,915</b>
(+) Net profit for the quarter	-	504,232	-	504,232
<b>Balances as at 31 March 2023</b>	<b>362,096</b>	<b>2,135,815</b>	<b>8,278,236</b>	<b>10,776,147</b>
(-) Dividend to equity holders		(215,277)		(215,277)
(+) Net profit for the quarter	-	551,658	-	551,658
<b>Balances as at 30 June 2023</b>	<b>362,096</b>	<b>2,472,196</b>	<b>8,278,236</b>	<b>11,112,528</b>
(+) Net profit for the quarter	-	481,071	-	481,071
<b>Balances as at 30 September 2023</b>	<b>362,096</b>	<b>2,953,267</b>	<b>8,278,237</b>	<b>11,593,599</b>

**Statement of Cash Flows (Unaudited)**

	Q3 2023	Q2 2023	Q1 2023	Q3 2022
Cash Flows from Operating Activities	633,118	732,246	981,315	712,001
Changes in Operating Assets and Liabilities	(925,775)	173,173	(2,244,490)	(2,853,196)
Cash Flows from Investing Activities	(74,018)	(627,362)	202,453	(419,872)
Cash flows from Financing Activities	14,197	(454,103)	(410,514)	(77,666)
<b>Net increase /(decrease) in Cash &amp; Cash Equivalents</b>	<b>(352,478)</b>	<b>(176,046)</b>	<b>(1,471,236)</b>	<b>(2,638,733)</b>
Cash & Cash Equivalents at beginning of Quarter	2,858,744	3,034,790	4,506,026	6,089,856
<b>Cash &amp; Cash equivalents at end of Quarter</b>	<b>2,506,266</b>	<b>2,858,744</b>	<b>3,034,790</b>	<b>3,451,123</b>

# 4.

## Investor Information

Highest Traded Price	MVR 900
Lowest Traded Price	MVR 711
Last Traded Price	MVR 780
Last Traded Date	26 September 2023
Number of Trades	20
Number of Shares Traded	600
Value of Shares Traded	MVR 464,625
Weighted Average Traded Price	MVR 781.05
Market Capitalization	MVR 4,197,897,600
Dividend Yield	5.13%
Price Earning- Ratio	2.18

# 5.

## Governance

### 5.1 Frequency of Board Meetings

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

	No. of Meetings
Board of Directors	06 (Six)
Board Credit Committee	02 (Two)
Audit Committee	04 (Four)
Risk Committee	02 (Two)
Appointment, Nomination & Remuneration Committee	11 (Eleven)
Corporate Governance Committee	01 (One)

## 5.2 Key Activities carried out by the Board and Board Committees

- Reviewed and approved the Bank's financial statements for Quarter 2 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 2 2023.
- Reviewed the monthly ANR, Audit, CG, BCC and Risk Committee Reports.
- Reviewed Correspondences with regulatory agencies for quarter 2 2023.
- Reviewed and approved changes to Delegation of Authority Policy, Collateral Policy and Risk Appetite Statement and Framework.
- Reviewed and approved structural changes proposed to Retail Banking Division.
- Reviewed the Corporate Social Responsibility Report and the Procurement Committee Report for first half of 2023.
- Reviewed the Shari'ah Committee Minutes.
- Reviewed the restructuring of Sri Lanka Development Bonds (SLDB).
- Reviewed the Maldives Payment System Development Project.
- Reviewed and approved the acceptance of RuPay cards on POS terminals.
- Reviewed and approved the revision of Authority to sign submissions and represent Bank in Courts.
- Reviewed and approved HR matters.

### 5.3 Changes in the Board of Directors

According to the Articles of Association of the Bank, the Board is to consist of 11 members, comprising eight Nominee Directors and three Public Elected Directors. The quarter began and ended with a total of 10 Directors, with one Nominee Director position remaining vacant. The following is the current composition of the Board of Directors.

Name of Director	Category	Designation	Date of Appointment	Respective Committee
<b>Mr. Yooshau Saeed</b> Nominee Director	Non-Executive & Independent	Chairperson	15th Jul 2021	BCC
<b>Mr. Karl Stumke</b> Nominee Director	Executive	CEO & MD	10th Jan 2023	BCC
<b>Ms. Aishath Noordeen</b> Nominee Director	Executive	Director	31st Aug 2020	BCC
<b>Ms. Juwairiya Saeed</b> Nominee Director	Non-Executive & Non-Independent	Director	30th Jul 2019	AC, RC & CG
<b>Mr. Abdulla Hassan</b> Nominee Director	Non-Executive & Independent	Director Chairperson of ANR Committee	31st Aug 2020	ANR, RC & AC
<b>Mr. Abdulla Husam Shareef</b> Nominee Director	Non-Executive & Non-Independent	Director	15th Jul 2021	RC, BCC & ANR
<b>Ms. Aishath Sajny</b> Nominee Director	Non-Executive & Independent	Director Chairperson of CG Committee	24th Oct 2021	ANR, CG & BCC
<b>Mr. Ibrahim Mohamed</b> Elected Director	Non-Executive & Non-Independent	Director	7th Aug 2009	AC, ANR, CG & BCC
<b>Mr. Ahmed Mohamed</b> Elected Director	Non-Executive & Independent	Director Chairperson of Audit Committee	30th Jul 2019	ANR, AC, RC & CG
<b>Mr. Abdulla Naseem</b> 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%
<b>Balances as at 30 September 2023</b>	<b>5,381,920</b>	<b>100%</b>

## 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

The second phase of Community Fund 2023 was opened in July and 10 winners were announced during September. Since its inception, we have awarded the fund to 100 projects.

Sh. Milandhoo School opened a reading park through our Community Fund. The island-based NGO, Milandhoo Sports Club aims to provide the students with an opportunity to experience and instill a love for reading.

GDh. Hoadedhdhoo developed the Olhamatha Eco Park through our Community Fund. For this project, Hoadedhdhoo Sports had the vision to provide a designated area for family gatherings, raise environmental awareness and enhance eco-tourism opportunities on the island.

We supported football training sessions held for the children at Fiyavathi during the school holidays, providing an opportunity for the kids to play together and learn new skills.

The inauguration of the Oncology Ward established at IGMH with our support was held on 16th August 2023. The ward has 8 cubicles which can cater for 8 patients simultaneously. We provided MVR 3.5 million in financing for this project as part of the series of 12 high impact monthly community initiative to celebrate our 40th anniversary.

The newly refurbished Maldives National Museum was completed and opened to the public on 30th August 2023. As a part of our 40th anniversary initiatives, we supported the upgrade of the museum with a MVR 2 million project that focused on the care, preservation and display of the National Museum's collection.

A special event was held to celebrate the achievements of our Sports Scholarship recipients who represented Maldives at the IOIG 2023. In addition to breaking national records, 4 of the Scholarship athletes won medals at the Games.

The Bank of Maldives National Tennis Championship commenced on 7th September with 140 participants.

BML Scholarship Fund 2023 was announced on 20th September. This fund provides a fully funded merit-based international scholarship aimed at developing talented young Maldivians in the area of Banking and Finance in the country.

## 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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