



BANK OF MALDIVES



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.

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.

293,000 CUSTOMERS

35 BRANCHES IN ALL 20 ATOLLS

134 ATMs IN ALL 20 ATOLLS

200+ CASH AGENTS ON 165 ISLANDS

7,230 POS MERCHANTS

73 SELF SERVICE BANKING CENTRES

MVR 14.8 BILLION LOANS TO INDIVIDUALS & BUSINESSES

MVR 24.4 BILLION CUSTOMER DEPOSITS

MVR 2 BILLION GOVERNMENT LOAN SCHEMES

950 JOBS WITH 1/3 IN ATOLLS

99% OF STAFF ARE MALDIVIANS



Our Business Strengths

Solid Financial Platform

- Deposit base MVR 24 billion
- Assets MVR 34 billion
- Strong capital position well above regulatory requirement

Strong Customer Base

- 293,000 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

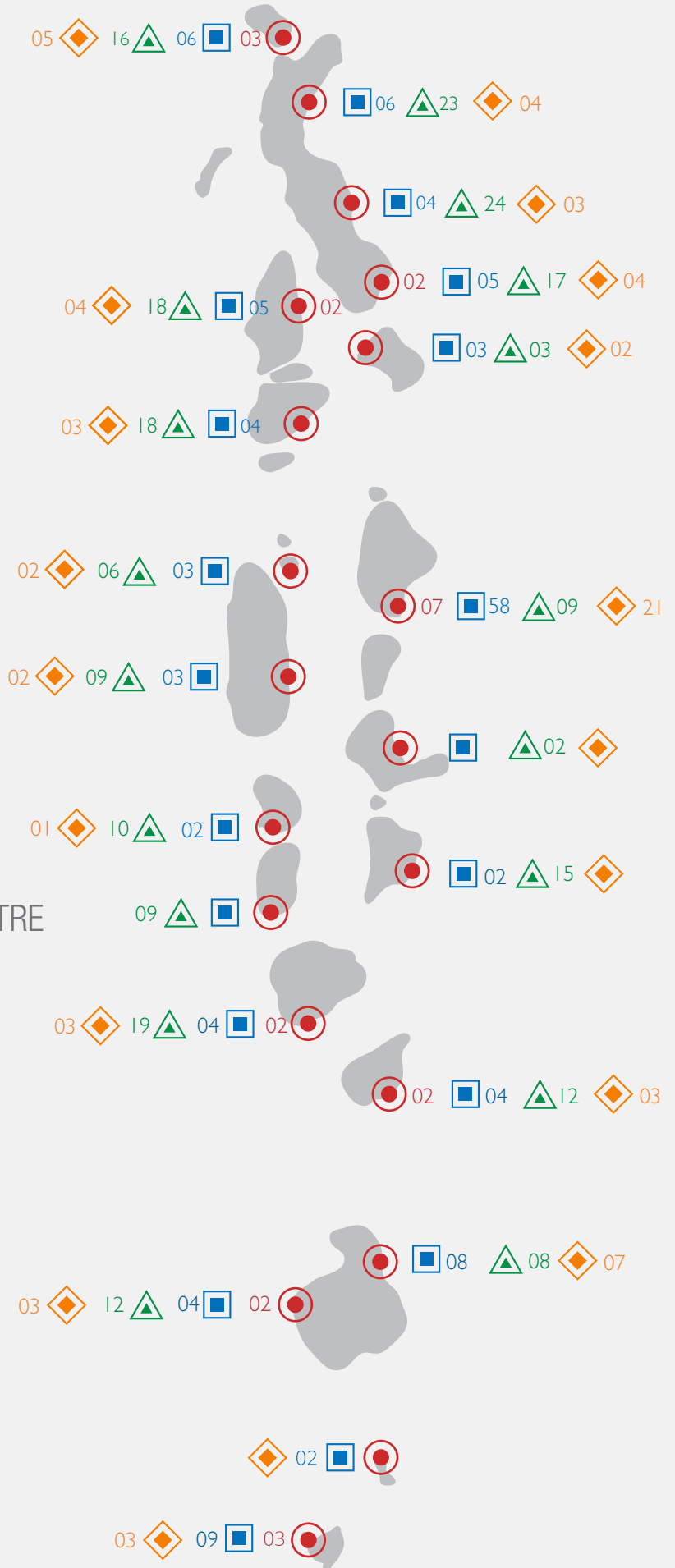


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1. SUMMARY

Financial results for the first half of 2021 is encouraging with all the core business lines recovering well compared to the previous year. Operating Profit for quarter 2 amounted to MVR 496m up 38% on the same period last year. Profit After Tax amounted to MVR 299m, up 181% on Q2 2020. This was driven by solid business volumes across all key sectors and being able to maintain the loan book quality. The Bank's card business has seen a strong rebound from last year. Capital and liquidity ratios remain solid and well above regulatory requirements.

2. BUSINESS DEVELOPMENTS

- In April, the Bank's Board of Directors recommended to propose a dividend of MVR80.7 million, at the rate of MVR15 per share for the financial year of 2020, despite the impact of Covid-19 pandemic on Bank's business and income lines.
- As part of our strategy to expand banking services to support local communities, we scaled up our presence in Haa Dhaal atoll with the introduction of a new Self-Service Banking ATM Centre in Makunudhoo island and upgrading the Centre in Kulhudhuffushi. We also opened new Self-Service Banking Centres in Shaviyani atoll Maaungoodhoo and Komandoo and in Kaafu atoll Himmafushi and Dhiffushi. In addition to cash withdrawal facilities, the centres will provide deposit and transfer services to individuals and businesses on a 24-hour basis.
- We also expanded our Agent Banking service during the quarter with an additional 12 Cash Agents introducing cash deposit and payment services in more remote communities. Today, there are over 200 agents providing cash withdrawal services and over 60 agents providing cash deposits as well as payment services for free.
- In June, we announced the opening of applications for the Economic Stimulus Loan, introduced as part of the Government's economic stimulus package to help sustain small and medium businesses.
- In June, we signed a Memorandum of Understanding (MOU) with Housing Developing Corporation (HDC) to implement and operate a city bike rental project in Hulhumale'. The project will see 300 rental bikes being introduced to Hulhumale' which will be available for the general public to rent and ride across the island at a low cost. Multiple docking stations will be available in strategic locations to provide adequate parking spaces for the bikes, and the rental system will be equipped with digital payment capabilities.
- We announced positive changes to our BML Islamic Personal Financing eligibility criteria to offer more flexibility for customers. Customers with an existing Lui Express Loan can now apply for a BML Islamic Personal Financing facility. With the change announced in June, customers can enjoy additional financing up to 5 times their salary and receive goods within 7 days from the date of application.
- We also launched our Mobile Banking App in June with a new look and extra features to provide customers a safe, secure and seamless banking experience. The updated App now includes services that have previously only been available on our Internet Banking platform. Over the coming weeks, we will also be introducing additional features to the App, including our digital wallet and payment functions.
- The popular Aharenge Bank Community Fund was opened in February and during the quarter we awarded the 5 projects selected for Phase 2 of 2021. This is the third year running for the project, which has now seen over 50 projects awarded. As a responsible business, we continue to deliver on our strategy to support vulnerable communities, and in the quarter, we donated MVR 100,000 to ARC AID, run by Advocating the Rights of Children. In June, to mark World Blood Donors Day, staff and family members in Male', Kulhudhuffushi and Manadhoo donated blood to help to meet the demand of blood for transfusions required by Thalassaemia patients and announced our commitment to continue donation camps every quarter.

3. KEY FINANCIAL INFORMATION

Income Statement (Unaudited) - Quarter ended 30 June 2021

(All amounts in MVR'000 unless otherwise stated)

	Q2 2021	Q1 2021	Q4 2020	Q2 2020
Gross Income	785,051	819,278	791,068	551,105
Interest Income and Similar Income	506,032	494,321	543,460	436,461
Interest Expense and Similar Charges	(46,429)	(45,457)	(57,032)	(38,481)
Net Interest Income	459,603	448,864	486,428	397,980
Fee and Commission Income	244,207	277,641	225,447	94,759
Fee and Commission Expense	(100,924)	(118,938)	(102,457)	(39,189)
Net Fee and Commission Income	143,283	158,703	122,990	55,570
Other Operating Income	34,812	47,316	22,161	19,885
Total Operating Income	637,698	654,884	631,580	473,435
Operating Expenses	(141,206)	(117,286)	(195,195)	(113,541)
Personnel Expenses	(78,742)	(59,191)	(91,766)	(58,459)
Marketing and CSR Expenses	(2,353)	(2,242)	(6,428)	(1,340)
Other Operational and Administration Expenses	(60,111)	(55,853)	(97,001)	(53,742)
Operating Profit (Profit before Provisions)	496,492	537,598	436,385	359,894
Provision for Bad and Doubtful Debts	(86,974)	(48,025)	(885,133)	(214,302)
Profit Before Tax	409,517	489,573	(448,748)	145,592
Income Tax Expense	(110,570)	(132,185)	117,696	(39,130)
Net Profit for Quarter	298,948	357,388	(331,052)	106,282
Basic Earnings Per Share (annualised)	222	266	60	79
Net Assets Per Share	1,426	1,371	1,304	1,339
Cash Flow Per Share	(172)	224	118	(1)

Statement of Financial Position (Unaudited) - As at 30 June 2021

(All amounts in MVR'000 unless otherwise stated)

	30 Jun 2021	31 Mar 2021	31 Dec 2020 (Audited)
Cash, Short Term Funds & Balances with MMA	10,889,445	10,310,391	8,943,721
Loans and Advances	14,768,993	14,671,815	14,459,899
Financial Investments - FVOCI	245,166	195,166	245,166
Financial Investments - Amortized Cost	7,031,024	6,769,941	6,433,845
Property, Plant and Equipment	609,816	613,945	606,805
Right-of-use Assets	156,166	156,166	156,166
Other Assets	505,585	589,887	579,811
Total Assets	34,206,195	33,307,310	31,425,413
Deposits	24,429,693	23,920,691	21,929,169
Borrowings	789,086	745,832	906,706
Lease Liabilities	144,058	144,058	144,059
Other Liabilities	1,167,506	1,119,826	1,425,964
Total Liabilities	26,530,344	25,930,407	24,405,898
Share Capital	269,096	269,096	269,096
Share Premium	93,000	93,000	93,000
Retained Earnings	984,923	685,975	328,587
Other Reserves	6,328,832	6,328,832	6,328,832
Total Shareholders' Equity	7,675,851	7,376,903	7,019,515
Total Equity and Liabilities	34,206,195	33,307,310	31,425,413



Nandana Senevirathne
Chief Financial Officer



Timothy Sawyer
CEO & Managing Director



Najeem Ibrahim Zakariyya
Chairperson, Audit & Risk
Management Committee

Statement of Changes in Equity (Unaudited) - Quarter ended 30 June 2021

(All amounts in MVR'000 unless otherwise stated)

	Share Capital	Retained Earnings	Other Reserves	Total
Balances as at 1 October 2020	362,096	1,698,766	5,401,950	7,462,812
(+) Net profit for the quarter	-	(331,052)	-	(331,052)
Transfer to general reserve / other movements	-	(902,717)	902,717	-
Movement in other reserves	-	3,520	24,165	27,685
(-) Dividend to equity holders (First and Final: 2019)	-	(139,930)	-	(139,930)
Balances as at 31 December 2020	362,096	328,587	6,328,832	7,019,515
(+) Net profit for the quarter	-	357,388	-	357,388
Balances as at 31 March 2021	362,096	685,975	6,328,832	7,376,903
(+) Net profit for the quarter	-	298,948	-	298,948
Balances as at 30 June 2021	362,096	984,923	6,328,832	7,675,851

Statement of Cash Flows (Unaudited) - Quarter ended 30 June 2021

(All amounts in MVR'000 unless otherwise stated)

	Q2 2021	Q1 2021	Q4 2020	Q2 2020
Cash Flows from Operating Activities	521,345	287,984	95,868	365,598
Changes in Operating Assets and Liabilities	(1,088,087)	1,613,869	541,793	284,483
Cash Flows from Investing Activities	(402,943)	(387,320)	22,481	(453,952)
Cash Flows from Financing Activities	45,754	(308,022)	(25,577)	(201,909)
Net increase/ (decrease) in Cash and Cash Equivalents	(923,931)	1,206,511	634,565	(5,780)
Cash and Cash Equivalents at beginning of Quarter	2,988,187	1,781,676	1,147,111	1,756,304
Cash and Cash Equivalents at end of Quarter	2,064,255	2,988,187	1,781,676	1,750,525

4. INVESTOR INFORMATION

Highest Traded Price	MVR 245
Lowest Traded Price	MVR 220
Last Traded Price	MVR 245
Last Traded Date	3 June 2021
Number of Trades	15
Number of Shares Traded	1210
Value of Shares Traded	MVR 283,800
Weighted Average Traded Price	MVR 234.55
Market Capitalization	MVR 1,262,329,336
Price Earnings Ratio	1.06
Dividend Yield	6.4%

5. GOVERNANCE

5.1 Frequency of Board Meetings

The number of meetings held by the Board of Directors and its sub-committees during the second quarter of 2021 were as follows:

	No. of Meetings
Board of Directors	06 (Six)
Board Credit Committee	03 (Three)
Audit & Risk Management Committee	04 (Four)
Appointment & Remuneration Committee	03 (Three)
Nomination Committee	01 (One)
Corporate Governance Committee	02 (Two)

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 2020.
- Reviewed and approved the Bank's financial statements for Quarter 1 2021.
- Reviewed the Risk Management Report for Quarter 1 2021.
- Reviewed the Non-Performing Assets and Loan Portfolio Report for Quarter 1 2021.
- Reviewed AR, NC, CG and ARM Committee Report for Quarter 1 2021.
- Reviewed and recommended the proposed final dividend for 2020.

- Reviewed proposals received for appointment of External Auditors for the year 2021.
- Reviewed the External Auditor's Management Letter 2020 and Report on Reliability of Internal Controls.
- Reviewed the Custodian Compliance Report 2020.
- Reviewed and approved the IFC Corporate Governance Action Plan.
- Reviewed and approved New Loan Product - BML Home Improvement Loan and changes to BMLI Personal Financing Product.
- Discussed Board Evaluation Results.
- Reviewed and approved to issue Expression of Interest (EOI) for recruitment of 3 international members and one local member for the Bank's Shari'ah Advisory Committee (SAC).
- Reviewed correspondences with Regulatory Agencies for Q1 2021.
- Reviewed and discussed Nominee Directors and Public Directorship Candidates.

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 the following 10 Directors with 01 Nominee Director position vacant.

	Name of Director	Category	Designation	Respective Committee
01	Ms. Sana Mansoor Nominee Director	Non-Executive & Independent	Chairperson	BCC
02	Mr. Timothy Sawyer Nominee Director	Executive	CEO & MD	BCC
03	Ms. Aishath Noordeen Nominee Director	Executive	Director	BCC
04	Ms. Juwairiya Saeed Nominee Director	Non-Executive & Non-Independent	Director	ARM, AR, NC & CG
05	Mr. Najeem Ibrahim Zakariyya Nominee Director	Non-Executive & Independent	Director Chairperson of ARM Committee	ARM, AR, NC & CG
06	Mr. Hussain Thoufeeq Ali Nominee Director	Non-Executive & Non-Independent	Director	AR, ARM, NC & CG
07	Mr. Abdulla Hassan Nominee Director	Non-Executive & Independent	Director Chairperson of NC Committee	AR, NC, & BCC
08	Mr. Ibrahim Mohamed Elected Director	Non-Executive & Non - Independent ¹	Director	ARM, BCC & CG
09	Mr. Mohamed Abdul Sattar Elected Director	Non-Executive & Non - Independent ¹	Director Chairperson of AR Committee	ARM, AR & BCC
10	Mr. Ahmed Mohamed Elected Director	Non-Executive & Independent	Director Chairperson of CG Committee	NC, BCC & CG

BCC = Board Credit Committee; AR = Appointment & Remuneration Committee; NC = Nomination Committee; ARM = Audit & Risk Management Committee
CG = Corporate Governance Committee

¹As per directive issued by CMDA on 26th May 2021 regarding 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".

6. SHAREHOLDING STRUCTURE

During the reporting period, no major changes were noted in the shareholding of the Bank.

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.

Under the 'Aharenge Bank' program, we continue 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.

The Aharenge Bank Community Fund enables individuals and local organizations to contribute to their communities through sustainable projects. During the quarter, we awarded the 5 projects selected for Phase 2 of 2021. This is the third year running for the project, which has now seen over 50 projects awarded.

As a responsible business, we continue to deliver on our strategy to support vulnerable communities, and in the quarter, we donated MVR 100,000 to ARC AID by Advocating the Rights of Children. The funds supported 150 children in 70 families in the Greater Male' Area.

We continued our Fraud Awareness campaign, Samaaluvey during this quarter. We hosted a Samaaluvey TikTok challenge, which help create user driven content to get the message across.

On World Blood Donor day, we held blood donation camps in Male', Kulhudhuffushi and Manadhoo. The Bank also announced to host blood donation camps for staff on quarterly basis, to meet the demand of blood for transfusions required by Thalassaemia patients.

Continuing our support for environmental project, BML signed an MoU with Housing Development Corporation Ltd. to operate a City Bike Project in Hulhumale'. The project will see 300 rental bikes being introduced to Hulhumale' which will be available for the general public to rent and ride across the island at a low cost. BML is funding the project which will be operated in partnership with HDC.

To increase awareness on COVID-19, we continue to utilize our billboards and messaging at our branches and ATMs across Maldives.

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.

