

FIRST QUARTER REPORT

JANUARY – MARCH 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 504.2mn

Total Assets
MVR 43.3bn

New Loans to Individuals & Businesses
MVR 1bn

Operating Profit
MVR 670.4mn

Deposits
MVR 30.1bn

Net Loans
MVR 17.2bn

Capital Adequacy
46%

Provision Cover
100%

Non-Financial Highlights

39,000
ATM transactions per day

2mn+
Mobile Banking logins per day

14mn+
ATM Transactions

25,000+
New 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 325,000 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

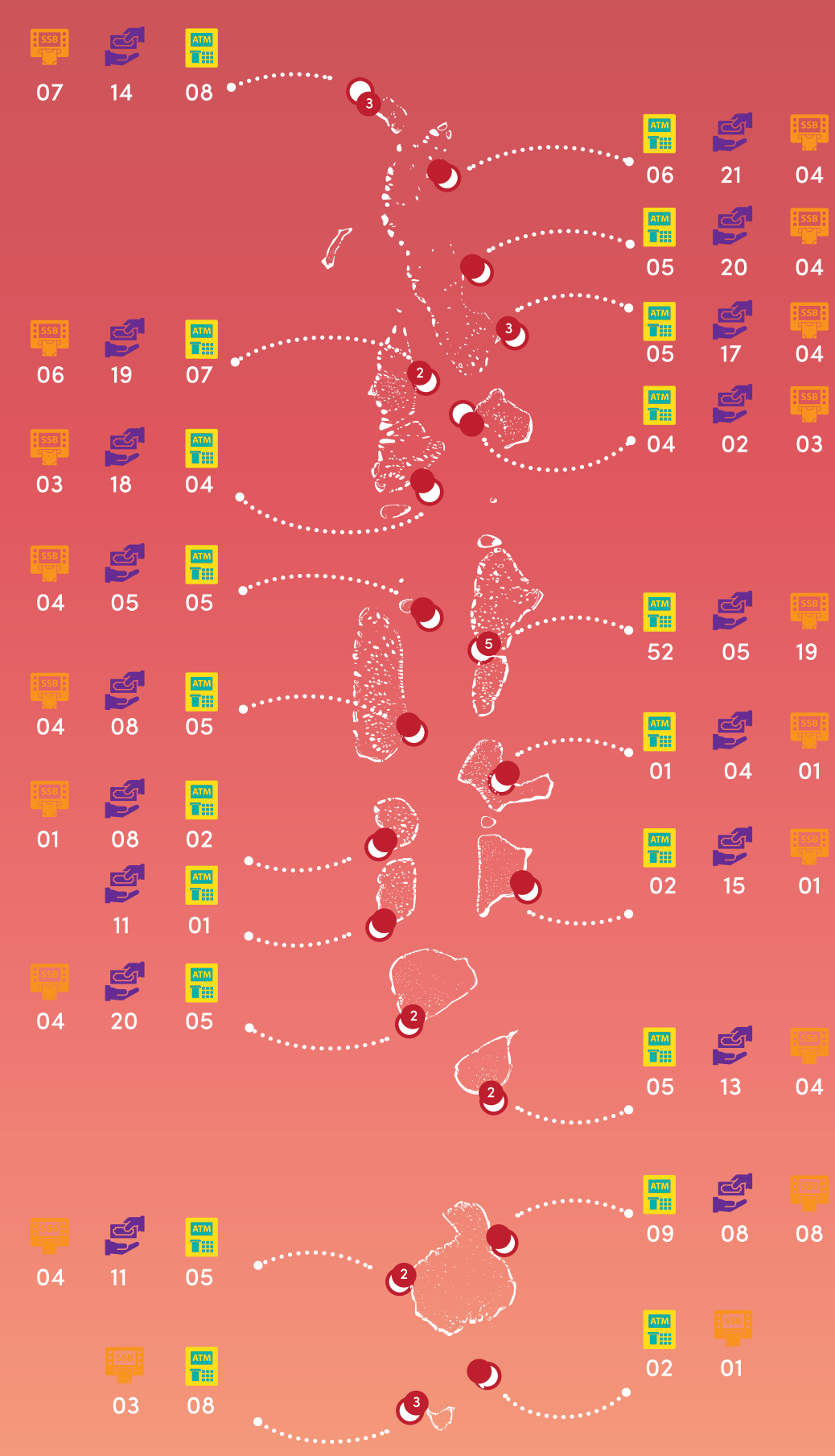
Bank of Maldives is a systemically important bank with Net Profit After Tax of MVR 1.6 billion, Total Assets of MVR 42 billion, a strong deposit base of MVR 29 billion and a strong capital position of 45% well above regulatory requirements.



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 published its audited financials for 2022 in March with solid balance sheet growth and profits. We are delighted to see the Bank continued its solid financial performance in the 1st quarter 2023. Total assets grew by MVR 1.4 billion, while customer deposits grew by over MVR 800 million. Operating profits closed at MVR 670mn, 9% up on the same quarter last year. PAT amounted to MVR 504 million. We continued our lending to Maldives businesses and individuals with new lending of over MVR 1 billion during the quarter. Capital and liquidity ratios remain very strong and above the regulatory requirements.

2.

Business Development

- On 12th January, the Bank held a special event to mark its 40th Anniversary where the Bank's Chairperson, Yooshau Saeed, highlighted the Bank's pivotal role in the Maldives economy and reflected on the Bank's operations when it began in 1982. Former President Maumoon Abdul Gayoom and Late Ismail Fathy were presented awards by President Ibrahim Mohamed Solih for their vision and invaluable contribution in establishing the Bank. The Bank also recognized the longest serving employees Aishath Noordeen, Fathimath Manike and Moosa Mohamed for having served the Bank for 40 years.
- In January, the Bank enabled the integration of Visa and Mastercard payments for Raajje Transport Link (RTL) operated by Maldives Transport & Contracting Company (MTCC) whereby passengers using the RTL Male' City bus networks can use any contactless Mastercard and Visa card including those issued by BML, for fare payments on the ticket validators.
- The Bank announced recipients of the BML Sports Scholarship in January. The Scholarship was introduced as part of the initiatives to celebrate the Bank's 40th anniversary to support athletes achieve their sporting potential through targeted programs and provide fully funded scholarships for top national athletes to train and develop at recognized high performance training centres worldwide.
- The Bank announced changes to its personal unsecured loan and financing products; simplifying its lending portfolio and increasing the financing limit to MVR 1.2 million. This extends to BML Islamic Personal Financing which also offers customers Shari'ah compliant financing up to MVR 1.2 million for the purchase of products or as cash financing. With this change, the Bank now considers salary as well as any other income for both Lui Loan and Personal Financing.
- During the quarter, the Bank expanded its banking services throughout the country with the introduction of Self-Service Banking ATM Centres in AA. Mathiveri, R. Inguraidhoo and in the newly relocated branch in AA. Rasdhoo.
- In February, the Bank announced positive changes to the Bank's student loan with the reduction in interest rate from 9% to 5% effective 1st February. This positive change extended to all Kiyavaa Loan and Education Financing, including all existing loans. The BML Kiyavaa Loan and Education Financing is available for students to cover 75% of the cost of education including tuition fees and other living costs and is offered with a repayment period of 10 years.
- In February, the Bank also announced the removal of restrictions on the monthly USD cash withdrawal limit put in place during the Covid-19 pandemic. With the change, customers can now withdraw USD 1,600 daily through USD ATMs or Branches. Customers with debit cards linked to a USD account as a primary account can continue to use cards for foreign transactions up to USD 3,000 daily and International Money Transfers through Internet or Mobile Banking can also be processed from USD accounts.
- In March, as part of its plan to further enhance security for payments through its app, the Bank enabled One Time Passwords (OTPs) that can be generated via Authenticator, SMS or email, for all QR payments. In addition to sending new login alerts, email alerts for all failed login attempts on Internet or Mobile Banking were also enabled.

3.

Key Financial Information

Income Statement (Unaudited)

(All amounts in MVR '000 unless otherwise stated)

	Q1 2023	Q4 2022	Q3 2022	Q1 2022
Gross Income	1,114,117	1,115,012	1,002,617	983,137
Interest Income and Similar Income	632,902	716,754	577,848	530,943
Interest Expense and Similar Charges	(47,188)	(59,875)	(43,224)	(45,286)
Net Interest Income	585,714	656,879	534,624	485,657
Fee and Commission Income	415,013	333,979	305,339	381,879
Fees and Commission Expense	(231,963)	(201,247)	(118,025)	(180,588)
Net Fee and Commission Income	183,050	132,732	187,314	201,291
Other Operating Income	66,202	64,279	119,430	70,315
Total Operating Income	834,966	853,890	841,368	757,263
Personnel Expenses	(86,457)	(125,604)	(71,615)	(84,288)
Marketing and CSR Expenses	(8,181)	(20,907)	(3,856)	(2,460)
Other Operational and Administration Expenses	(69,908)	(110,119)	(71,054)	(58,191)
Operating Expenses	(164,546)	(256,630)	(146,525)	(144,939)
Operating Profit (Profit before Provisions)	670,420	597,260	694,843	612,324
Provision for Bad and Doubtful Debts	20,309	(217,260)	(191,486)	146,428
Profit before Tax	690,729	380,000	503,357	758,752
Income Tax Expense	(186,497)	(27,934)	(135,906)	(204,863)
Net Profit for Quarter	504,232	352,066	367,451	553,889
Basic Earning Per Share (annualized)	375	262	273	412
Net Assets Per Share	2,002	1,909	1,824	1,738
Cash Flow Per Share	(273)	196	(490)	98

Statement of Financial Position (Unaudited)

(All amounts in MVR '000 unless otherwise stated)

	31 Mar 2023	31 Dec 2022 Audited	30 Sep 2022
Cash and Short Term Funds	12,148,900	10,947,088	9,419,444
Statutory Deposit with Maldives Monetary Authority	3,724,702	3,687,890	3,425,213
Loans and Advances	17,226,473	16,891,036	16,373,399
Financial Investments - FVOCI	234,109	234,109	243,616
Financial Investments - Amortized Cost	8,181,641	8,401,783	8,101,164
Property, Plant and Equipment	793,532	804,325	661,553
Right-of-use assets	154,421	157,514	158,412
Other Assets	808,077	747,966	1,079,340
Total Assets	43,271,855	41,871,711	39,462,141
Deposits	30,050,108	29,221,667	26,546,768
Borrowings	592,033	744,215	748,406
Lease Liabilities	145,933	147,531	151,725
Other Liabilities	1,707,635	1,486,383	2,197,054
Total Liabilities	32,495,709	31,599,796	29,643,953
Share Capital	269,096	269,096	269,096
Share Premium	93,000	93,000	93,000
Retained Earnings	2,135,815	1,631,582	2,883,204
Other Reserves	8,278,236	8,278,237	6,572,888
Total Shareholders' Equity	10,776,147	10,271,915	9,818,188
Total Equity and Liabilities	43,271,855	41,871,711	39,462,141



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 30 June 2022	362,096	2,515,753	6,572,888	9,450,737
(+) Net profit for the quarter	-	367,451	-	367,451
Balances as at 30 September 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	98,141	101,661
Balances as at 31 December 2022 (Audited)	362,096	1,631,583	8,278,236	10,271,915
(+) Net profit for the quarter	-	504,232	-	504,232
Balances as at 31 March 2023	362,096	2,135,815	8,278,236	10,776,147

Statement of Cash Flows (Unaudited)

	Q1 2023	Q4 2022	Q3 2022	Q1 2022
Cash Flows from Operating Activities	981,315	209,216	712,001	639,643
Changes in Operating Assets and Liabilities	(2,244,490)	1,563,303	(2,853,196)	524,444
Cash Flows from Investing Activities	202,453	(706,743)	(419,872)	(375,219)
Cash flows from Financing Activities	(410,514)	(10,873)	(77,666)	(261,900)
Net increase /(decrease) in Cash & Cash Equivalents	(1,471,236)	1,054,903	(2,638,733)	526,968
Cash & Cash Equivalents at beginning of Quarter	4,506,026	3,451,123	6,089,856	5,546,920
Cash & Cash equivalents at end of Quarter	3,034,790	4,506,026	3,451,123	6,073,888

4.

Investor Information

Highest Traded Price	MVR 880
Lowest Traded Price	MVR 780
Last Traded Price	MVR 830
Last Traded Date	29 March 2023
Number of Trades	14
Number of Shares Traded	485
Value of Shares Traded	MVR 399,036
Weighted Average Traded Price	MVR 822.75
Market Capitalization	MVR 4,466,993,600
Dividend Yield	2.41%
Price Earning- Ratio	2.21

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 2023 were as follows:

	No. of Meetings
Board of Directors	04 (Four)
Board Credit Committee	03 (Three)
Audit Committee	06 (Six)
Risk Committee	03 (Three)
Appointment, Nomination & Remuneration Committee	10 (Ten)
Corporate Governance Committee	02 (Two)

5.2 Key Activities carried out by the Board and Board Committees

- Appointed CEO Mr. Karl Stumke as Managing Director of Bank of Maldives Plc.
- Reviewed and approved the Corporate Staff Health Insurance Scheme for 2023.
- Reviewed the Compliance Report and Bank's Risk Management Report for Quarter 4 2022.
- Reviewed and approved new policies; ICAAP Policy, ILAAP Policy, Reputational Risk Management Policy, Strategic Risk Management Policy, Stress Testing Policy, Country Risk and Counterparty Policy.
- Reviewed and approved the Bank's financial statements for Quarter 4 2022.
- Reviewed the Minutes of Shari'ah Committee meetings.
- Reviewed the correspondences with regulatory agencies for Quarter 4 2022.
- Reviewed the report on the activities of the Internal Audit for Quarter 4 2022.
- Reviewed and approved changes to ATM withdrawal limit per customer.
- Reviewed Procurement Committee report for second half of 2022.
- Reviewed Non-Performing Assets and Loan Portfolio Report for Quarter 4 2022.
- Reviewed the measures taken against scam related accounts.
- Reviewed the monthly ANR, CG, BCC, Audit Committee and Risk Committee Reports.
- Reviewed and approved the changes proposed to penalty interest rate.
- Met with the Bank's External Auditors, Ernst & Young (EY) and discussed their feedback on Bank's performance, significant areas of accounting and auditing, key audit matters, other matters which required significant audit attention and an update on the progress of the management letter.
- Reviewed and approved the Bank's audited Financial Statements for the year ended 31st December 2022.
- Reviewed and resolved to recommend a proposed total dividend of MVR 40 per share; to be paid as Interim Dividend of MVR 20 per share and Final Dividend of MVR 20 per share with the total payout amounting to MVR 215,276,800 for shareholder's approval.
- Reviewed and approved the staff performance bonus for 2022.
- Reviewed and proposed changes to Bank's Articles of Association.
- Reviewed and approved to publish Extraordinary General Meeting Minutes held on 10th January 2023 for shareholder comments.
- Reviewed the matters received via Bank's Whistle Blowing System.

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 eight Nominee Directors and three Public Elected Directors. The quarter began with a total of 10 Directors with one vacant Nominee Director position. Mr. Karl Stumke was appointed to the Board during the Extraordinary General Meeting held on 10th January 2023. The quarter ended with a total of 11 Directors in the Board composition.

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 Stumke¹ 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 Sharah 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 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 Appointed as the Managing Director of the Bank effective 10th January 2023 following the Bank's Extraordinary General Meeting held on 10th January 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).

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.
- 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.
- As part of the high impact initiatives in the lead up to our 40th anniversary, during the quarter we announced the recipients of BML Sports Scholarship. Seven athletes from four sports received the scholarship.
- To mark International Women's Day and to promote gender equality in the field of innovation and technology, we announced our support for a Coding and Engineering program for 30 girls between the ages of 12 to 14 years.

- We continued our quarterly blood donation camp during the quarter. Over 38 staff and their family members joined together to donate blood for the camp held at Thalassemia Centre, Male’.
- To mark the World Happiness Day, we held clean-up events in Male’ and additional 6 islands across the country. At the clean-up event held at Male’, staff collected over 8 tons of waste from 12 locations. In addition, 6 jumbo bags of plastics were collected and handed over to Parley for recycling.

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.



bankofmaldives

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