

THIRD QUARTER REPORT

JULY TO SEPTEMBER 2011



Bank of Maldives PLC

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1. DEVELOPMENTS OF THE BANK

1.1 Private Sector

Development Loan Scheme

In collaboration with Ministry of Economic Development, Asian Development Bank & Bank of Maldives, the second round of Private Sector Development Loans Scheme was initiated during August 2011. This scheme is targeted towards, Arts & Handicraft, Fisheries & Tourism (guest-house development).

1.2 Post Tsunami Fisheries and Agricultural Rehabilitation Loan Scheme

Two additional loans under the scheme have been approved for installing Ice Plants on a specialized boat and a factory located in Hulhumale' which will be disbursed within a few weeks. This scheme is open for application until 02nd November 2011 and is in collaboration with Ministry of Fisheries & Agriculture and International Fund for Agricultural Development (IFAD).

1.3 Banking and Management Services to Dhiraagu IPO

The Bank has partnered with Dhiraagu in offering management and banking services to their proposed Initial Public Offering (IPO) that was launched on 4th October 2011.

The objective of the IPO is to sell 15% of the issued share capital of Dhiraagu, presently owned by the Government of Maldives.

The Bank under these arrangements, has undertaken to provide services including issue of prospectus, collection of completed share issue applications together with proceeds, share allotment process and providing allotment list to Maldives Stock Exchange.

2. HUMAN RESOURCE DEVELOPMENTS

2.1 Training

As have been the practice, the Bank continues to invest towards the enrichment of our staff members on an ongoing basis.

During the quarter, staff members participated in different training and development programs facilitated by the Bank, which were held both at local and international levels. Some of the specialized trainings attended by staff members include;

1	Islamic Banking and Finance
2	Goods and Services Tax
3	Lending Rationales
4	Cisco Certified Networks
5	Branding in Banking and Finance

As a part of the business transformation process, the Executive Management and the business unit Managers participated for training and briefing sessions conducted by our HR consultants Hunter Roberts.

2.2 Collaboration Activities

In August 2011, Bank participated in Youth Challenge 2011 (Kissaru Fair).

enhance the image and reputation of Bank of Maldives Plc.

The event was held at Dharubaaruge from August 17 – 20, 2011. The aim was to

3. ADMINISTRATIONS

3.1 Board of Directors

3.1.1 Annual General Meeting and Appointment of Chairperson for the AGM

The Board of Directors in their 477th Meeting held on 07th July 2011 finalized to hold the 28th Annual General Meeting of the Bank on 10th August 2011 at 2130 hours at Nasandhura Palace Hotel. Subsequently, during the 478th meeting of the Board of Directors held on 08th August 2011, members resolved to appoint Mr. Asad Ali to chair the Annual General Meeting.

3.1.2 Appointment of Auditors for the year 2011

The Board of Directors in their 478th meeting held on 08th August 2011, approved to recommend PricewaterhouseCoopers (PWC) as the Bank's auditors for the year 2011, to be approved at the 28th Annual General Meeting of the Bank as recommended by the Audit and Risk Management Committee.

3.1.3 Ratification of Quarterly Financials – June 2011

The Board of Directors in their 478th meeting held on 08th August 2011 also ratified the 02nd Quarter Financials after thorough review of it by the Audit and Risk Management Committee of the Board.

3.1.4 Board Evaluation

During the 478th meeting of the Board of Directors held on 08th August 2011, the Board conducted the exercise of evaluation of individual directors and an evaluation of the Board as a whole as required in the CG Code of the Bank and to foster good governance. Board members discussed the results of the evaluations.

3.1.5 Appointment of Chairman

In compliance with Article 79 of the Articles of Association of the Bank, Dr. Abdullah Shiham Hassan was appointed as the Chairman of the Board of BML in their 479th meeting held on 18th August 2011.

3.1.6 Formation of Committees

Consequently, in the 479th meeting, the Board of Directors resolved to appoint members for the sub-committees of the Board. Further it was resolved to appoint Chairpersons for the committees in each of its first sittings.

3.2 Executive Committee of the Board

3.2.1 Adoption of Second Quarter Financials

The Executive Committee of the Board in their 359th meeting held on 31st July 2011 reviewed and adopted the 02nd Quarter Financials subject to ratification by the Board of Directors.

3.3 Audit and Risk Management Committee

3.3.1 Review of 02nd Quarter Internal Audit Report for the year 2011

The Audit and Risk Management Committee of the Board in their 73rd meeting held on 24th July 2011 reviewed Internal Audit Report for the 02nd Quarter of year 2011. Subsequently, the discussion was continued during the 74th meeting of the Committee held on 25th July 2011.

3.3.2 Approval of Quarterly Financial Reporting for the 02nd Quarter ending on 30th June 2011

The Audit and Risk Management Committee of the Board in their 74th meeting held on 25th July 2011 comprehensively reviewed the Quarterly Financial Reporting for the 02nd Quarter of year 2011 and approved to recommend for Board of Directors approval.

3.3.3 Appointment of Auditors for the year 2011

Proposals from different audit firms were reviewed and PricewaterhouseCoopers (PwC) was selected at the 74th meeting of the Committee held on 25th July 2011, to be recommended to the Board of Directors for approval of shareholders at the 28th Annual General Meeting of the Bank.

3.3.4 Appointment of Chairperson for Audit and Risk Management Committee

In compliance with CG Code, the Audit and Risk Management Committee in their 76th meeting held on 21st August 2011, appointed Mr. Ibrahim Mohamed as the Chairperson of the Committee.

3.4 Appointment Nomination and Remuneration Committee

3.4.1 Appointment of Chairperson for Appointment, Nomination and Remuneration Committee

In compliance with CG Code, the Appointment, Nomination and Remuneration Committee in their 89th meeting held on 21st August 2011, appointed Mr. Ahmed Mohamed as the Chairperson of the Committee.

3.4.2 Discussion on the recruitment of Senior Executives for the Bank.

In its 90th meeting held on 8th September 2011, the Committees discussed on the recommendation from the Management with regard to the new recruitments of the Senior Executives of the Bank and resolved to place this for Board approval.

3.5 Board and Board Committee Meetings

The number of meetings held by the Board of Directors and its sub-committees, during the third quarter of the year 2011 were as follows:

	<i>No. of Meetings</i>
Board of Directors	05
Executive Committee	03
Audit & Risk Management Committee	05
Appointment, Nomination & Remuneration Committee	03

3.6 Changes to the board of Directors

The quarter began with a total strength of 10 directors in the Board's composition. The Directors were:

	<i>Name of Director</i>	<i>Category</i>	<i>Designation</i>	<i>Respective Committee</i>
1.	Mr. Peter Horton <i>Nominee Director</i>	Executive (MD)	Director	-
2.	Ms. Aishath Noordeen <i>Nominee Director</i>	Executive	Director	-
3.	Mr. Asad Ali <i>Nominee Director</i>	Non-Independent & Non-Executive	Director	ARM Committee
4.	Mr. Mohamed Jaish Ibrahim <i>Nominee Director</i>	Non-Independent & Non-Executive	Director	ANR Committee
5.	Mr. Hassan Muzni Mohamed <i>Nominee Director</i>	Independent & Non-Executive	Director	ANR Committee
6.	Ms. Nuha Mohamed Riza <i>Nominee Director</i>	Independent & Non-Executive	Director	ARM Committee
7.	Mr. Adam Azim <i>Nominee Director</i>	Non-Independent & Non-Executive	Director	
8.	Mr. Ahmed Mohamed <i>Elected Director</i>	Independent & Non-Executive	Director Chairman of ANR committee	ANR Committee ARM Committee
9.	Mr. Ibrahim Mohamed <i>Elected Director</i>	Independent & Non-Executive	Director Chairman of ARM committee	ANR Committee ARM Committee
10.	Mr. Mohamed Abdul Sattar <i>Elected Director</i>	Independent & Non-Executive	Director	ANR Committee ARM Committee

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Subsequent to the 28th Annual General Meeting of the Bank held on 10th August 2011, Dr. Abdullah Shiham Hassan and Mr. Hussain Shaheem were appointed as government nominee directors to the Board of BML while Mr. Asad Ali ceased to be a member of the Board. By the end of the quarter, the strength of the Board enhanced to 11 Directors. The Directors were:

	<i>Name of Director</i>	<i>Category</i>	<i>Designation</i>	<i>Respective Committee</i>
1.	Dr. Abdullah Shiham Hassan <i>Nominee Director</i>	Independent & Non-Executive	Chairman	-
2.	Mr. Peter Horton <i>Nominee Director</i>	Executive (MD)	Director	-
3.	Ms. Aishath Noordeen <i>Nominee Director</i>	Executive	Director	-
4.	Ms. Nuha Mohamed Riza <i>Nominee Director</i>	Independent & Non-Executive	Director	ARM Committee
5.	Mr. Mohamed Jaish Ibrahim <i>Nominee Director</i>	Non-Independent & Non-Executive	Director	ANR Committee
6.	Mr. Hassan Muzni Mohamed <i>Nominee Director</i>	Independent & Non-Executive	Director	ANR Committee
7.	Mr. Adam Azim <i>Nominee Director</i>	Non-Independent & Non-Executive	Director	ARM Committee
8.	Mr. Hussain Shaheem <i>Nominee Director</i>	Independent & Non-Executive	Director	ANR Committee
9.	Mr. Ahmed Mohamed <i>Elected Director</i>	Independent & Non-Executive	Director Chairman of ANR committee	ANR Committee ARM Committee
10.	Mr. Ibrahim Mohamed <i>Elected Director</i>	Independent & Non-Executive	Director Chairman of ARM committee	ANR Committee ARM Committee
11.	Mr. Mohamed Abdul Sattar <i>Elected Director</i>	Independent & Non-Executive	Director	ARM Committee

4. FINANCIAL STATEMENTS

4.1 Balance Sheet

Condensed Balance Sheet (Unaudited)		
As at 30 September 2011		
	<i>In Rufiyaa Actuals</i>	
	As at 30-Sep-11	As at 30-Jun-11
Cash, Short Term Funds & Balances with MMA	3,763,950,581	4,155,100,008
Loans and Advances	6,173,956,817	6,274,712,161
Investment - Available for Sale	5,129,699	5,129,699
Property, Plant and Equipment	108,730,254	109,602,730
Other Assets	157,126,741	180,853,013
TOTAL ASSETS	10,208,894,092	10,725,397,611
Deposits	7,281,956,669	7,425,283,339
Borrowings	1,008,499,148	1,432,749,491
Other liabilities	524,129,736	473,923,189
TOTAL LIABILITIES	8,814,585,552	9,331,956,020
Share Capital	269,096,000	269,096,000
Share Premium	93,000,000	93,000,000
Reserves	1,032,212,540	1,031,345,591
TOTAL SHAREHOLDERS' EQUITY	1,394,308,540	1,393,441,591
TOTAL EQUITY AND LIABILITIES	10,208,894,092	10,725,397,611



Lasantha Thennakoon

Chief Financial Officer



Peter Horton

Managing Director & CEO



Ibrahim Mohamed

Chairman Board Audit Committee

4.2 Income Statement

Condensed Income Statement (Unaudited)		
For the quarter ended 30 September 2011		
	<i>In Rufiyaa Actuals</i>	
	Q3 2011	Q2 2011
Interest income and similar income	150,864,526	160,463,367
Interest expense and similar charges	(40,569,171)	(45,251,180)
Net Interest Income	110,295,355	115,212,186
Other Operating Income	41,849,985	82,226,824
	152,145,340	197,439,010
Operating Expenses	(71,714,936)	(57,989,685)
Operating Profit (Profit before Provisions)	80,430,404	139,449,325
Provision for bad and doubtful debts	(80,430,404)	(139,449,325)
Profit before tax	-	-
Income tax expense	-	-
Net Profit / (Loss)	-	-
Basic Earning per share (annualized)	N/A	N/A

Note to the Financial Statements:

During the last two quarters, Bank's Operating Profit (Profit before Provisions) indicated a significant increase against the same period of the previous year. However, with the aim of complying with MMA provisioning guidelines by end of the year, Bank decided to set aside the Total Operating Profit as Loan Loss Provisions, during the last two quarters.

4.3 Cash Flow Statement

For the quarter ended 30 September 2011		
	<i>In Rufiyaa Actuals</i>	
	Q3 2011	Q2 2011
Cash flows from operating activities	137,714,582	(437,017,391)
Cash flows from investing activities	(5,878,686)	(1,530,592)
Cash flows from financing activities	(438,788,914)	254,239,842
Net increase in cash and cash equivalents	(306,953,018)	(184,308,141)
Cash and cash equivalents at beginning of the quarter	2,156,569,272	2,340,877,413
Cash and cash equivalents at end of the quarter	1,849,616,255	2,156,569,272

5. MARKET HIGHLIGHTS

	Rf.
Highest Traded Price	85.00
Lowest Traded Price	75.00
Weighted Average Traded Price	75.05
Market Capitalization	403,644,000
Dividend Yield	NA
Price Earnings Ratio	NA

6. CORPORATE GOVERNANCE COMPLIANCE

During the quarter, the Bank has been In compliance with the provisions of Bank's Corporate Governance Code.

The Bank published its 2010 Annual Report within the extended time period provided by the CMDA to all listed companies. Maldives Stock Exchange however charged a total penalty fee of Rf. 39,500/- for delayed publishing of Bank's 2010 Annual Report and delay in holding the AGM.

7. REPORTING COMPLIANCE

This report has been prepared taking into account the CMDA circular on Minimum Quarterly Reporting Requirement for Listed Companies.