



# FOURTH QUARTER REPORT

October to December 2022



**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.

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

**OVER 325,000 CUSTOMERS**

**38 BRANCHES IN ALL 20 ATOLLS**

**140 ATMs IN ALL 20 ATOLLS**

**200+ CASH AGENTS ON 165 ISLANDS**

**7,900 POS MERCHANTS**

**82 SELF SERVICE BANKING CENTRES**

**MVR 16.6 BILLION LOANS TO INDIVIDUALS & BUSINESSES**

**MVR 29 BILLION CUSTOMER DEPOSITS**

**MVR 2 BILLION GOVERNMENT LOAN SCHEMES**

**1,000 JOBS WITH 1/3 IN ATOLLS**

**99% OF STAFF ARE MALDIVIANS**



# Our Business Strengths

## Solid Financial Platform

- Deposit base MVR 29 billion
- Assets MVR 42 billion
- Strong capital position well above regulatory requirement

## Strong Customer Base

- Over 325,000 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

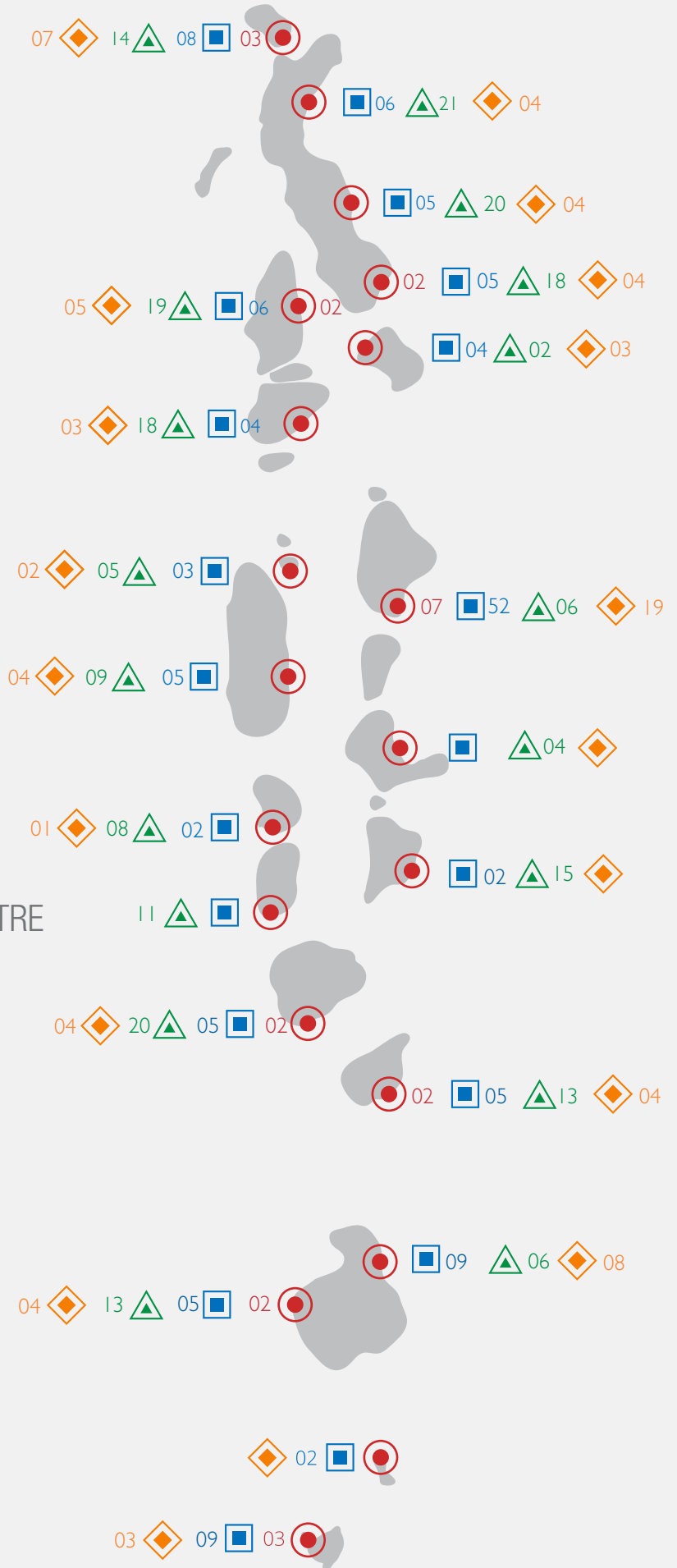
- Largest network of Branches, Agents, ATMs and POS terminals in Maldives
- Exclusive acquirer and issuer of American Express cards in Maldives
- Principal member in the Maldives for Visa and MasterCard

## 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

The Bank's financial results for the fourth quarter of 2022 was solid with all core business lines performing well. Operating Profit for the quarter amounted to MVR 489 million while Profit After Tax was MVR 212 million. This was lower than the previous quarter as a result of provision charges and year-end accruals as well as the one-off recoveries that benefited the third quarter.

Unaudited full year Net Profit After Tax amounted to MVR 1.48 billion. Underlying Profit After Tax was higher than the previous year. Total Assets for the year grew by almost MVR 3 billion while customer deposits grew by MVR 1.8 billion. The Bank recorded MVR 4.3 billion in new loans to businesses and individuals in 2022, with continued improvement in the loan book quality. Capital and liquidity ratios remain solid and well above regulatory requirements.

The year 2022 was a special year as we celebrated our 40th anniversary. We implemented 12 high impact monthly community initiatives to benefit communities, customers and colleagues over the year which saw the launch of initiatives in a wide range of sector including education, environment and health.

# 2. BUSINESS DEVELOPMENTS

- Mr. Karl Stumke was appointed as the Chief Executive Officer on 23rd October 2022. Karl brings over 36 years of experience leading Retail and Corporate banks at Executive and Board level in the Middle East, Africa, Indian Oceans and the United Kingdom. He was previously CEO of Al Ahli Bank of Kuwait in United Arab Emirates.
- In October, our top performing employees were honoured with a series of accolades at the annual staff awards ceremony. Hassan Aqleem (North Cluster Manager) and Mohamed Ashraf (Head of People Development) won the coveted Employee of the Year Award. In November, we also held our annual event to honour the loyalty of our long serving employees and presented awards to staff who have worked in the Bank for 15, 20, 25, 30, 35 and 40 years. Aishath Noordeen (Deputy CEO), Fathimath Manike (Development Banking Director) and Moosa Mohamed (Senior Facilities Officer) received special commendation for having served the Bank for 40 years, since its inception.
- During the quarter, we concluded our 12 high impact monthly community initiatives to celebrate the Bank's 40th anniversary. In October, we held a Hackathon under the theme of developing 'Banking Solutions to Enhance Customer Experience'. Over 30 participants took part in the 48-hour hackathon to develop innovative fintech ideas and solutions to enhance customer experience and operational excellence. The winners of Small Grants fund to implement community based projects that address environmental issues and promote sustainable development was announced in December. Each winner will receive a grant of MVR 250,000 to successfully implement the plan.
- As part of Bank of Maldives' commitment to support the development of sports in the country, we entered into an agreement with the Maldives Surfing Association (MSA) in October to become the Official Sponsor of all national surf teams. As part of this partnership, we will also support the annual National Junior Surfing Championship organized by MSA, to promote the development of young talent in the sport.
- We donated 33 motorised wheelchairs in December as part of our program to support people with mobility impairments across the Maldives. With this donation, the program which began in 2017 has now seen the successful delivery of over 200 motorised wheelchairs across the Maldives, enhancing the quality of life for people living with physical disabilities.
- In December, as part of our efforts to protect customers against scams, we put in place an additional layer of security for banking transactions by enabling authenticator apps to generate One Time Passwords (OTPs) for all transactions processed via Internet and Mobile Banking.

## 3. KEY FINANCIAL INFORMATION

### Income Statement (Unaudited)

(All amounts in MVR'000 unless otherwise stated)

	Q4 2022	Q3 2022	Q2 2022	12 Months 2022	12 Months 2021 (Audited)
<b>Gross Income</b>	<b>995,510</b>	<b>1,002,617</b>	<b>915,263</b>	<b>3,896,526</b>	<b>3,930,630</b>
Interest Income and Similar Income	603,962	577,848	556,500	2,269,253	2,151,889
Interest Expense and Similar Charges	(47,106)	(43,224)	(43,860)	(179,476)	(195,972)
<b>Net Interest Income</b>	<b>556,856</b>	<b>534,624</b>	<b>512,640</b>	<b>2,089,777</b>	<b>1,955,917</b>
Fee and Commission Income	340,746	305,339	310,533	1,338,496	1,156,672
Fee and Commission Expense	(201,247)	(118,025)	(142,646)	(642,506)	(491,709)
<b>Net Fee and Commission Income</b>	<b>139,499</b>	<b>187,314</b>	<b>167,887</b>	<b>695,990</b>	<b>664,963</b>
Other Operating Income	50,802	119,430	48,230	288,777	622,069
<b>Total Operating Income</b>	<b>747,158</b>	<b>841,367</b>	<b>728,757</b>	<b>3,074,544</b>	<b>3,242,949</b>
<b>Operating Expenses</b>	<b>(258,495)</b>	<b>(146,525)</b>	<b>(136,597)</b>	<b>(686,557)</b>	<b>(614,599)</b>
Personnel Expenses	(122,423)	(71,615)	(74,126)	(352,451)	(333,885)
Marketing and CSR Expenses	(20,907)	(3,856)	(3,868)	(31,091)	(18,835)
Other Operational and Administration Expenses	(115,166)	(71,054)	(58,604)	(303,015)	(261,879)
<b>Operating Profit (Profit before Provisions)</b>	<b>488,662</b>	<b>694,842</b>	<b>592,159</b>	<b>2,387,987</b>	<b>2,628,350</b>
Provision for Bad and Doubtful Debts	(198,613)	(191,486)	(106,329)	(350,000)	(91,658)
<b>Profit Before Tax</b>	<b>290,049</b>	<b>503,356</b>	<b>485,830</b>	<b>2,037,987</b>	<b>2,536,692</b>
Income Tax Expense	(78,313)	(135,906)	(131,174)	(550,257)	(674,673)
<b>Net Profit</b>	<b>211,736</b>	<b>367,450</b>	<b>354,656</b>	<b>1,487,731</b>	<b>1,862,019</b>
<b>Basic Earnings Per Share (annualised)</b>	<b>157</b>	<b>273</b>	<b>264</b>	<b>276</b>	<b>346</b>
<b>Net Assets Per Share</b>	<b>1,890</b>	<b>1,824</b>	<b>1,756</b>	<b>1,890</b>	<b>1,635</b>
<b>Cash Flow Per Share</b>	<b>196</b>	<b>(490)</b>	<b>3</b>	<b>(193)</b>	<b>700</b>



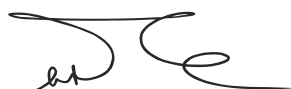
**Statement of Financial Position (Unaudited)**

(All amounts in MVR'000 unless otherwise stated)

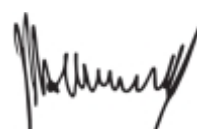
	31 Dec 2022	30 Sep 2022	30 Jun 2022	31 Dec 2021 Audited
Cash, Short Term Funds & Balances with MMA	14,636,283	12,844,657	15,910,053	14,134,292
Loans and Advances	16,616,746	16,373,399	16,116,528	15,556,667
Financial Investments - FVOCI	243,616	243,616	243,616	243,616
Financial Investments - Amortized Cost	8,404,194	8,101,164	7,701,998	7,279,367
Property, Plant and Equipment	804,328	661,553	658,013	618,241
Right-of-use Assets	158,412	158,412	158,412	158,412
Other Assets	1,079,724	1,079,340	821,945	960,391
<b>Total Assets</b>	<b>41,943,303</b>	<b>39,462,141</b>	<b>41,610,565</b>	<b>38,950,986</b>
Deposits	29,109,808	26,546,768	29,022,941	27,331,592
Borrowings	737,533	748,406	826,071	1,139,233
Lease Liabilities	151,725	151,725	151,725	151,726
Other Liabilities	1,770,474	2,197,056	2,159,091	1,527,911
<b>Total Liabilities</b>	<b>31,769,539</b>	<b>29,643,954</b>	<b>32,159,828</b>	<b>30,150,462</b>
Share Capital	269,096	269,096	269,096	269,096
Share Premium	93,000	93,000	93,000	93,000
Retained Earnings	3,353,270	3,141,534	2,774,084	1,865,539
Other Reserves	6,458,398	6,314,557	6,314,557	6,572,889
<b>Total Shareholders' Equity</b>	<b>10,173,764</b>	<b>9,818,187</b>	<b>9,450,737</b>	<b>8,800,524</b>
<b>Total Equity and Liabilities</b>	<b>41,943,303</b>	<b>39,462,141</b>	<b>41,610,565</b>	<b>38,950,986</b>



**Nandana Senevirathne**  
Chief Financial Officer



**Karl Stumke**  
CEO & Managing Director



**Ahmed Mohamed**  
Chairperson, Audit Committee

## Statement of Changes in Equity (Unaudited)

(All amounts in MVR'000 unless otherwise stated)

	Share Capital	Retained Earnings	Other Reserves	Total
<b>Balances as at 1 January 2022</b>	<b>362,096</b>	<b>1,865,539</b>	<b>6,572,889</b>	<b>8,800,524</b>
(+) Net profit for the quarter	-	553,889	-	553,889
<b>Balances as at 31 March 2022</b>	<b>362,096</b>	<b>2,419,428</b>	<b>6,572,889</b>	<b>9,354,413</b>
(-) Dividend to equity holders	-	-	(258,332)	(258,332)
(+) Net profit for the quarter	-	354,656	-	354,656
<b>Balances as at 30 June 2022</b>	<b>362,096</b>	<b>2,774,084</b>	<b>6,314,557</b>	<b>9,450,737</b>
(+) Net profit for the quarter	-	367,450	-	367,450
<b>Balances as at 30 September 2022</b>	<b>362,096</b>	<b>3,141,534</b>	<b>6,314,557</b>	<b>9,818,187</b>
(+) Revaluation Surplus	-	-	143,841	143,841
(+) Net profit for the quarter	-	211,736	-	211,736
<b>Balances as at 31 December 2022</b>	<b>362,096</b>	<b>3,353,270</b>	<b>6,458,398</b>	<b>10,173,764</b>

**Statement of Cash Flows (Unaudited)**

(All amounts in MVR'000 unless otherwise stated)

	Q4 2022	Q3 2022	Q2 2022	12 Months 2022	12 Months 2021 (Audited)
Cash Flows from Operating Activities	209,216	712,001	457,432	1,567,338	1,270,676
Changes in Operating Assets and Liabilities	1,563,303	(2,853,196)	(60,488)	(1,322,352)	2,778,259
Cash Flows from Investing Activities	(706,743)	(419,872)	(71,382)	(893,946)	(77,698)
Cash Flows from Financing Activities	(10,873)	(77,666)	(309,594)	(391,934)	(205,994)
<b>Net inc / (dec) in Cash and Cash Equivalents</b>	<b>1,054,903</b>	<b>(2,638,733)</b>	<b>15,968</b>	<b>(1,040,894)</b>	<b>3,765,243</b>
Cash and Cash Equivalents at beginning of Quarter / Year	3,451,123	6,089,856	6,073,888	5,546,920	1,781,677
<b>Cash and Cash Equivalents at end of Quarter / Year</b>	<b>4,506,026</b>	<b>3,451,123</b>	<b>6,089,856</b>	<b>4,506,026</b>	<b>5,546,920</b>

## 4. INVESTOR INFORMATION

Highest Traded Price	MVR 800
Lowest Traded Price	MVR 681
Last Traded Price	MVR 775
Last Traded Date	20 December 2022
Number of Trades	47
Number of Shares Traded	1,578
Value of Shares Traded	MVR 1,217,296
Weighted Average Traded Price	MVR 771.42
Market Capitalization	MVR 4,170,988,000
Price Earnings Ratio	4.94
Dividend Yield	6.19%

## 5. GOVERNANCE

### 5.1 Frequency of Board Meetings

The number of meetings held by the Board of Directors and its sub-committees during the fourth quarter of 2022 were as follows:

	No. of Meetings
Board of Directors	05 (Five)
Board Credit Committee	03 (Three)
Audit Committee	07 (Seven)
Risk Committee	04 (Four)
Appointment, Nomination & Remuneration Committee	03 (Three)
Corporate Governance Committee	03 (Three)

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

- Reviewed and approved the Bank's financial statements for Quarter 3 2022.
- Reviewed and approved the Bank's Strategic Plan 2023-2025.
- Reviewed and approved the Bank's budget for the year 2023.
- Reviewed the Non-Performing Assets and Loan Portfolio Report for Quarter 3 2022.
- Reviewed the Risk Management Report for Quarter 3 2022.
- Reviewed the Compliance Report for Quarter 3 2022.

- Reviewed the MMA Islamic Monetary Policy Instruments for Open Market Operations.
- Reviewed the Employment Contracts of three Executive Committee members.
- Reviewed the FIU Ad-Hoc On-Site Report.
- Reviewed the report on the activities of the Internal Audit function during Quarter 3 2022.
- Approved the Internal Audit Plan for the year 2023.
- Reviewed the correspondences with Regulatory Agencies for Quarter 3 2022.
- Reviewed and approved changes to Physical Security Policy, Payment System Policy, Information Security Policy, Cyber Security Policy, Shari'ah Compliance Manual, Insider Trading Policy, Risk Appetite Statement and Framework, Operational Risk Policy, Business Continuity Management Policy, Record Retention Policy, Marketing Policy, Human Resources Policy, Employee Handbook, Strategic Plan Policy, Collateral Policy, Procurement Policy and Delegation of Authority Policy.
- Reviewed the whistles received via Bank's Whistle Blowing System.
- Reviewed the Minutes of Shari'ah Committee meetings.
- Reviewed the monthly ANR, CG, BCC, Audit Committee and Risk Committee Reports.
- Reviewed and approved amendments to Unsecured Loan Products, BML Islamic Personal Financing Tawarruq Limit and Kiyavaa Loan.
- Undertook professional Board training.
- Reviewed and approved the Government Exposure limit for 2023.

### 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. The Board appointed Mr. Karl Stumke as the Bank's Chief Executive Officer on 16th October 2022. Mr. Stumke was appointed to the Board during the Extraordinary General Meeting held on 10th January 2023. As such currently Board composition consist of a total 11 Directors.

	Name of Director	Category	Designation	Date of Appointment	Respective Committee
01	<b>Mr. Yooshau Saeed</b> Nominee Director	Non-Executive & Independent	Chairperson	15th July 2021	BCC
02	<b>Mr. Karl Stumke</b> <sup>1</sup> Nominee Director	Executive	CEO & MD	10th January 2023	BCC
03	<b>Ms. Aishath Noordeen</b> Nominee Director	Executive	Director	31st August 2020	BCC
04	<b>Ms. Juwairiya Saeed</b> Nominee Director	Non-Executive & Non-Independent	Director	30th July 2019	AC, RC & CG
05	<b>Mr. Abdulla Hassan</b> Nominee Director	Non-Executive & Independent	Director Chairperson of ANR Committee	31st August 2020	ANR & AC

<sup>1</sup>Appointed as the Managing Director of the Bank effective 10th January 2023 following the Bank's Extraordinary General Meeting held on 10th January 2023.

06	<b>Mr. Mohamed Sharah</b> Nominee Director	Non-Executive & Independent	Director Chairperson of Risk Committee	15th July 2021	AC, RC, & CG
07	<b>Mr. Abdulla Husam Shareef</b> Nominee Director	Non-Executive & Non-Independent	Director	15th July 2021	ANR & BCC
08	<b>Ms. Aishath Sajny</b> Nominee Director	Non-Executive & Independent	Director	24th October 2021	ANR & BCC
09	<b>Mr. Ibrahim Mohamed</b> Elected Director	Non-Executive & Non-Independent <sup>2</sup>	Director	7th August 2009	BCC, AC, RC, CG & ANR
10	<b>Mr. Ahmed Mohamed</b> Elected Director	Non-Executive & Independent	Director Chairperson of Audit Committee	30th July 2019	ANR, AC, RC & CG
11	<b>Mr. Abdulla Naseem</b> Elected Director	Non-Executive & Independent	Director Chairperson of CG Committee	24th October 2021	CG, RC & BCC

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

<sup>2</sup>As 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". 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.

The BML Community Fund enables individuals and local organizations to contribute to their communities through sustainable projects. During the quarter, we awarded an additional 10 projects at a total value of MVR 500,000.

We continued our support to the Cancer Society of Maldives for the seventh consecutive year of Pink Ribbon Run to raise public awareness on breast cancer. We hosted the event in 34 islands across Maldives with a donation of MVR 150,000 to CSM to increase cancer awareness and provide psychosocial support to patients and their families.

As part of creating a financially literate society and helping children grow up with the right financial knowledge to make well informed decisions about their personal finances, various financial literacy sessions were held across the country.

We place emphasis on creating opportunities in sports through investing in development for talented youth. During the quarter, supported the BML 46th National Swimming Competition, National Junior Surfing Championship and the National Tennis Championship.

We continued to support people with mobility impairments across the Maldives with a donation of additional 33 motorized wheelchairs. The program has now seen the delivery of over 200 motorized wheelchairs across the Maldives since 2017, enhancing the quality of life for people living with physical disabilities.

As in the previous years, we donated tools to 10 schools to help Special Education Need students to develop their individual abilities and positively impact their learning and development. Donations were given to Mulak School, Noonu Atoll Education Centre, Maradhoo School, Maavashu School, Veymandoo School, Thaa Atoll Education Centre, GA Atoll Education Centre, Hanimaadhoo School, HDh. Atoll School and Nolvivaranfaru School.

To mark the International Day of the Persons with Disabilities, we supported Maldives Deaf Association to hold a special children's evening at K. Guraidhoo and visited SEN students of Imadhudheen School. In addition, we supported the free medical camp organized by Maldives Association of Persons with Disabilities (MAPD) where 120 people was screened for various health issues.

As part of the high impact initiatives in the lead up to our 40th anniversary, during the quarter we held the BML Hackathon under the theme of "Developing Solutions to Enhance Customer Experience" where 3 winning teams were selected for the BML Innovation Lab. We also announced the winners of BML Small Grants Fund. and 3 scholarships to top national athletes to train at recognized training centres worldwide.

## 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.



