



FOURTH QUARTER REPORT

October to December 2021



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 300,000 CUSTOMERS

35 BRANCHES IN ALL 20 ATOLLS

135 ATMs IN ALL 20 ATOLLS

200+ CASH AGENTS ON 165 ISLANDS

7,405 POS MERCHANTS

76 SELF SERVICE BANKING CENTRES

MVR 15.4 BILLION LOANS TO INDIVIDUALS & BUSINESSES

MVR 27.3 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 27 billion
- Assets MVR 39 billion
- Strong capital position well above regulatory requirement

Strong Customer Base

- Over 300,000 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

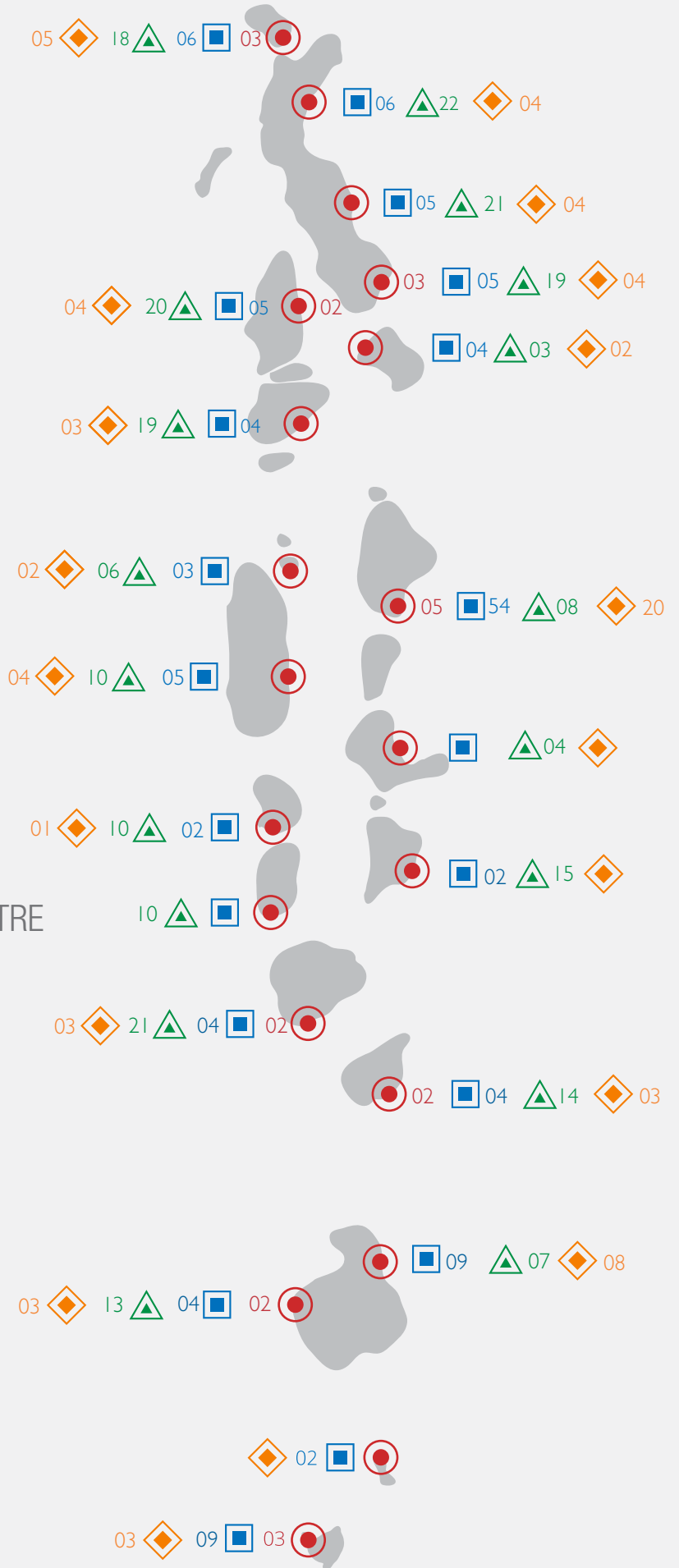


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1. SUMMARY

Financial results for the fourth quarter of 2021 is encouraging with all core business lines performing well. Operating Profit for the quarter amounted to MVR 524 million and Profit After Tax amounted to MVR 354 million. This was lower than the previous quarter which saw a significant one-off recovery which resulted in higher than average profits.

Unaudited full year Profit After Tax amounted to MVR 1.7 billion, a significant improvement on 2020. This reflects a strong post-Covid recovery with better than anticipated performance from all business lines as well as a significant one-off recovery recorded during the year. The Bank grew its Total Assets by almost MVR 7.6b and customer deposits by MVR 5.3b for the year. Lending grew with MVR 3.3 billion in new loans to businesses and individuals in 2021. Capital and liquidity ratios remain solid and well above regulatory requirements.

As the Bank marks the significant milestone of its 40th anniversary in November 2022, a series of monthly initiatives was announced as a way of supporting and appreciating customers, communities and colleagues. Initiatives announced in the quarter include the BML Scholarship Fund and the upgrade and refurbishment of the National Library to inspire learning. An additional five Aharenge Bank Community Fund projects were also awarded during the quarter, bringing the total number of project awarded to 60 since the Fund was launched.

2. BUSINESS DEVELOPMENTS

- In October, we received the coveted 'Asia's Best Employer Brand Award' for the fourth time from the World HRD Congress and the Employer Branding Institute. We were recognized for our commitment to people excellence and continued implementation of progressive policies for recruiting, developing and retaining talent to make the Bank one of the most attractive places to work in the region. We were also recognized for taking care of our people through one of the most difficult times the world has gone through in recent times.
- Also in October, we announced a program to promote positive mental well-being in the workplace through partnerships with leading institutions to provide support programs and professional services for employees across the country. As part of the program, the Bank will cover the cost of individual consultation sessions for employees and hold regular awareness sessions on parenting, work life balance and mental well-being at the workplace in partnership with the service providers.
- We launched our new US Dollar Visa Credit Card which allows foreign purchases up to the customer's approved credit limit without any of the existing foreign transaction limits. With the ease in liquidity pressure, we further increased the limit on credit cards for foreign transactions to USD 750.
- At the annual Long Service Awards, we honored the loyalty of our long serving employees and presented awards to staff who have worked in the Bank for 15, 20, 25, 30 and 35 years. Our CEO & Managing Director presented awards to 61 employees at the event.
- At the Bank's Extraordinary General Meeting (EGM) held in October, Ms. Aishath Sajnee, Tharividhaage, S. Hithadhoo was nominated by the Government and appointed to the Board of Directors. In addition, Mr. Abdulla Naseem, Karankaa Villa, H.A. Filladhoo was elected by public shareholders and appointed to the Board.
- In October, we also launched BML Rewards, a new exclusive loyalty program to earn points for purchases on credit cards. The points can be redeemed for a range of benefits including flights, hotels, car rentals and gift cards from leading brands such as Amazon, App Store, Google Play, PlayStation, and more.

- In November, our top performing employees were honored with a series of accolades at the annual Staff Awards ceremony. Afrah Ahmed (Head of Banking Solutions) and the Moratorium Project Team won the coveted CEO's Award for Outstanding Achievement in 2020. Recognition Awards celebrating the outstanding performance and contribution of staff during the Covid-19 pandemic were awarded to 17 teams across the Bank. In addition, Hawwa Sheeniyaz Adnan (Head of Loan Services), received the Employee of the Year Award for 2019.
- We announced plans for a series of high impact monthly initiatives in the year leading up to the Bank's 40th anniversary in November 2022. The 'BML Scholarship Fund', announced in November as the first initiative, will provide fully funded international scholarships for three students in the area of Banking and Finance. The second initiative announced in December was the major refurbishment and upgrade of the National Library.
- We reiterated our commitment to support the growth of Maldivian businesses as the Platinum Partner of Gold 100 awards, an annual listing of leading companies in the Maldives.
- In November, two Self Service Banking Centres were opened in GA. Dhevadhoo and A. Dh. Dhangethi. The ATM centers will support individuals and businesses in depositing and transferring money on a round-the-clock basis, in addition to cash withdrawal services.
- We announced positive changes to our BML Islamic Personal Financing portfolio to allow the option of cash financing in addition to the purchase of goods and services. Based on the concept of Tawwaruq, a widely recognised Islamic finance concept used to generate liquidity for customers through a process of buying and selling commodities, customers have the option to receive cash immediately and repay in monthly instalments of up to 5 years.
- In December we announced the reduction of Home Loan and Financing rates to 9%, the lowest rate available in the country. The reduced rate is available for customers applying for new loans or looking to refinance their existing loans in other financial institutions.
- Under the nationwide program to empower individuals and organizations to contribute to sustainable community development, the final 5 Community Fund projects for the year were awarded in December. A total of 60 projects have now been awarded under the Aharenge Bank Community Fund since its inception.
- The annual BML WOW Kidz Run was held in December in partnership with TFG. 900 children participated in the fun run to promote active and healthy lifestyles and a donation of MVR 100,000 was made to the Maldives Association for Persons with Disabilities.
- In December, we reached the milestone of 100 Cash Agents providing deposit and payment service. Cash Agents were introduced in 2015 with just cash withdrawal services. Today, agents are able to facilitate withdrawals, deposits and payments for loans or credit cards without any additional charges. Customers will be able to withdraw MVR 2,000 and deposit MVR 10,000 daily through these Cash Agents.

3. KEY FINANCIAL INFORMATION

Income Statement (Unaudited)

(All amounts in MVR'000 unless otherwise stated)

	Q4 2021	Q3 2021	Q2 2021	12 Months 2021	12 Months 2020 (Audited)
Gross Income	913,633	1,318,085	785,051	3,836,047	2,673,826
Interest Income and Similar Income	543,587	531,301	506,032	2,075,242	1,884,585
Interest Expense and Similar Charges	(47,055)	(47,767)	(46,429)	(186,708)	(179,055)
Net Interest Income	496,533	483,534	459,603	1,888,534	1,705,530
Fee and Commission Income	335,987	269,742	244,207	1,127,577	686,320
Fee and Commission Expense	(152,190)	(102,352)	(100,924)	(474,404)	(254,113)
Net Fee and Commission Income	183,797	167,390	143,283	653,173	432,207
Other Operating Income	34,058	517,042	34,812	633,228	102,920
Total Operating Income	714,388	1,167,966	637,698	3,174,935	2,240,657
Operating Expenses	(190,172)	(131,772)	(141,206)	(580,436)	(562,725)
Personnel Expenses	(103,836)	(67,063)	(78,742)	(308,832)	(280,924)
Marketing and CSR Expenses	(10,348)	(3,893)	(2,353)	(18,835)	(15,035)
Other Operational and Administration Expenses	(75,988)	(60,817)	(60,111)	(252,769)	(266,766)
Operating Profit (Profit before Provisions)	524,216	1,036,194	496,492	2,594,499	1,677,932
Provision for Bad and Doubtful Debts	(38,887)	(25,866)	(86,974)	(199,752)	(1,227,561)
Profit Before Tax	485,329	1,010,328	409,517	2,394,748	450,371
Income Tax Expense	(131,039)	(272,789)	(110,570)	(646,582)	(125,304)
Net Profit	354,290	737,539	298,948	1,748,166	325,067
Basic Earnings Per Share (annualised)	263	548	222	325	60
Net Assets Per Share	1,629	1,563	1,426	1,629	1,304
Cash Flow Per Share	532	101	(172)	685	5

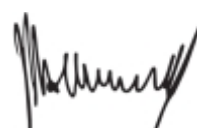
Statement of Financial Position (Unaudited)

(All amounts in MVR'000 unless otherwise stated)

	31 Dec 2021	30 Sep 2021	30 Jun 2021	31 Dec 2020 Audited
Cash, Short Term Funds & Balances with MMA	14,141,080	10,700,819	10,889,445	8,943,721
Loans and Advances	15,423,780	15,354,855	14,768,993	14,459,899
Financial Investments - FVOCI	245,166	245,166	245,166	245,166
Financial Investments - Amortized Cost	7,279,135	7,631,060	7,031,024	6,433,845
Property, Plant and Equipment	618,243	605,575	609,816	606,805
Right-of-use Assets	156,166	156,166	156,166	156,166
Other Assets	1,200,768	841,320	505,585	579,811
Total Assets	39,064,339	35,534,962	34,206,195	31,425,413
Deposits	27,305,586	24,775,193	24,429,693	21,929,169
Borrowings	1,129,466	780,313	789,086	906,706
Lease Liabilities	144,058	144,058	144,058	144,059
Other Liabilities	1,717,548	1,422,007	1,167,506	1,425,964
Total Liabilities	30,296,659	27,121,571	26,530,344	24,405,898
Share Capital	269,096	269,096	269,096	269,096
Share Premium	93,000	93,000	93,000	93,000
Retained Earnings	2,076,752	1,722,462	984,923	328,587
Other Reserves	6,328,832	6,328,832	6,328,832	6,328,832
Total Shareholders' Equity	8,767,681	8,413,391	7,675,851	7,019,515
Total Equity and Liabilities	39,064,339	35,534,962	34,206,195	31,425,413



Nandana Senevirathne
Chief Financial Officer



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
Balances as at 1 January 2021	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	685,976	6,328,832	7,376,904
(+) Net profit for the quarter	-	298,948	-	298,948
Balances as at 30 June 2021	362,096	984,924	6,328,832	7,675,852
(+) Net profit for the quarter	-	737,539	-	737,539
Balances as at 30 September 2021	362,096	1,722,464	6,328,832	8,413,391
(+) Net profit for the quarter	-	354,290	-	354,290
Balances as at 31 December 2021	362,096	2,076,754	6,328,832	8,767,681

Statement of Cash Flows (Unaudited)

(All amounts in MVR'000 unless otherwise stated)

	Q4 2021	Q3 2021	Q2 2021	12 Months 2021	12 Months 2020 Audited
Cash Flows from Operating Activities	233,882	871,039	521,345	1,914,251	450,371
Changes in Operating Assets and Liabilities	2,093,571	158,906	(1,088,087)	2,778,259	(263,129)
Cash Flows from Investing Activities	188,774	(482,439)	(402,943)	(1,083,928)	(143,085)
Cash Flows from Financing Activities	349,154	(6,274)	45,754	80,612	(16,856)
Net inc / (dec) in Cash and Cash Equivalents	2,865,382	541,232	(923,931)	3,689,193	27,301
Cash and Cash Equivalents at beginning of Quarter / Year	2,605,487	2,064,255	2,988,187	1,781,677	1,754,376
Cash and Cash Equivalents at end of Quarter / Year	5,470,869	2,605,487	2,064,255	5,470,870	1,781,677

4. INVESTOR INFORMATION

Highest Traded Price	MVR 235
Lowest Traded Price	MVR 223
Last Traded Price	MVR 235
Last Traded Date	24 November 2021
Number of Trades	10
Number of Shares Traded	745
Value of Shares Traded	MVR 168,695
Weighted Average Traded Price	MVR 226.44
Market Capitalization	MVR 1,218,681,964.80
Price Earnings Ratio	0.86
Dividend Yield	6.6%

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 2021 were as follows:

	No. of Meetings
Board of Directors	06 (Six)
Board Credit Committee	03 (Three)
Audit Committee	04 (Four)
Risk Committee	02 (Two)
Appointment, Nomination & Remuneration Committee	05 (Five)
Corporate Governance Committee	04 (Four)

5.2 Key Activities carried out by the Board & Board Committees

- Reviewed and approved the Bank's financial statements for Quarter 3 2021.
- Approved the Bank's Strategic Plan 2022 - 2024.
- Reviewed the Risk Management Report for Quarter 3 2021.
- Reviewed the Non-Performing Assets and Loan Portfolio Report for Quarter 3 2021.
- Reviewed ANR, Audit, CG, BCC and Risk Committee Report for Quarter 3 2021.
- Reviewed the report on the activities of the Internal Audit function for Quarter 3 2021.

- Reviewed and approved changes to IFRS 9 Impairment Policy, Fixed Asset Management Policy, Physical Security Policy, Fraud Risk Management Policy, Conflict of Interest Policy, AML/CFT Policy, Anti-Bribery & Corruption Policy, Compliance Policy, Operational Risk Policy, Business Continuity Management Policy, Risk Appetite Statement and Framework.
- Reviewed and approved Dividend Distribution Policy and Whistleblower Policy.
- Reviewed and approved Director Selection Guideline.
- Reviewed and approved to publish the Minutes of the 38th Annual General Meeting for shareholder comments.
- Held the Bank's Extraordinary General Meeting (EGM) and appointed two new directors Ms. Aishath Sajny (Nominee Director) and Mr. Abdulla Naseem (Elected Director).
- Reconstituted the composition of the Appointment, Nomination and Remuneration Committee (ANR), Risk Committee (RC), Corporate Governance (CG) Committee and Board Credit Committee (BCC) after EGM and appointed Mr. Abdulla Naseem as Chairperson of CG Committee.
- Undertook the professional Board training.
- Reviewed and approved the Bank's budget for the year 2022.
- Reviewed and approved amendments to the Retail Banking Products, Business Loan Products and BML Islamic Personal Financing Products.
- Reviewed and renewed the appointment of members' to the Bank's Shari'ah Advisory Committee (SAC).
- Reviewed and proposed changes to Bank's Articles of Association (AOA).
- Reviewed and approved the succession planning of the Bank.
- Reviewed the correspondences with Regulatory Agencies for Quarter 3 2021.

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 with a total of 09 Directors in the Board composition with 01 Nominee Director Position and 01 Elected Director Position vacant. The following are the 09 Directors on the Board until the Extraordinary General Meeting (EGM) was held on 24th October 2021.

	Name of Director	Category	Designation	Respective Committee
01	Mr. Yooshau Saeed 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	ANR, AC, RC & CG
05	Mr. Abdulla Hassan Nominee Director	Non-Executive & Independent	Director Chairperson of ANR & CG Committee	ANR, AC, RC, CG & BCC
06	Mr. Mohamed Sharah Nominee Director	Non-Executive & Independent	Director Chairperson of Risk Committee	ANR, AC, RC & CG

07	Mr. Abdulla Husam Shareef Nominee Director	Non-Executive & Non-Independent	Director	ANR & BCC
08	Mr. Ibrahim Mohamed Elected Director	Non-Executive & Non - Independent ¹	Director	AC, RC, CG & BCC
09	Mr. Ahmed Mohamed Elected Director	Non-Executive & Independent	Director Chairperson of Audit Committee	ANR, AC, RC, CG & BCC

BCC = Board Credit Committee; ANR = Appointment, Nomination & Remuneration Committee; AC = Audit Committee; RC = Risk 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". 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).

Following the Bank's EGM held on 24th October 2021, Ms. Aishath Sajny and Mr. Abdulla Naseem was appointed to the Board. With these appointments the Board consists of 11 members.

	Name of Director	Category	Designation	Respective Committee
01	Mr. Yooshau Saeed 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	ANR, AC, RC & CG
05	Mr. Abdulla Hassan Nominee Director	Non-Executive & Independent	Director Chairperson of ANR Committee	ANR, AC & BCC
06	Mr. Mohamed Sharah Nominee Director	Non-Executive & Independent	Director Chairperson of Risk Committee	AC, RC & BCC
07	Mr. Abdulla Husam Shareef Nominee Director	Non-Executive & Non-Independent	Director	ANR
08	Ms. Aishath Sajny Nominee Director	Non-Executive & Independent	Director	ANR, RC & CG
09	Mr. Ibrahim Mohamed Elected Director	Non-Executive & Non - Independent ¹	Director	AC, RC, CG & BCC
10	Mr. Ahmed Mohamed Elected Director	Non-Executive & Independent	Director Chairperson of Audit Committee	ANR, AC, RC & CG
11	Mr. Abdulla Naseem Elected Director	Non-Executive & Independent	Director Chairperson of CG Committee	CG & BCC

BCC = Board Credit Committee; ANR = Appointment, Nomination & Remuneration Committee; AC = Audit Committee; RC = Risk 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". 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.

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 value of MVR 500,000.

As in previous years, we supported the annual Pink Ribbon Run-Walk organized by the Cancer Society of Maldives (CSM), held digitally across the Maldives. We donated MVR 150,000 to CSM to support the campaign to increase breast cancer awareness and held cancer screening sessions for the community of Alif Alif Ukulhas and Thoddoo. We also conducted Breast Cancer screening session for our staff with Cancer Society of Maldives.

As part of our ongoing efforts to ensure inclusive and accessible service to our customers, our frontline staff took part in Sign Language learning sessions facilitated by Maldives Deaf Association.

We supported No Plastic Maldives to reduce single-use plastic and as part of the wider program, donated sewing machines to Women Development Committees on 10 different islands to make reusable cloth tote bags.

To kick off our 40th Anniversary celebrations, we held our annual Staff Charity Run and donated MVR 80,000 to Maldives Deaf Association and Beautiful Eyes Down Syndrome. The donation will fund sign language courses to be held by the Deaf Association and to train 30 behavioral therapists for their work nationwide, by the Beautiful Eyes Down Syndrome.

To further strengthen our relationship with communities and to celebrate International Volunteer Day, our staff carried out volunteer activities in 5 islands to renovate and refurbish community spaces.

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.

