



**THIRD
QUARTER
REPORT**
July to September 2020



BANK OF MALDIVES

BML

34 BRANCHES
100 ATMs
5000 POS
205 CASH AGENTS
33 SELF SERVICE BANKING CENTRES
MVR 12 BILLION LOANS
INTERNET BANKING
MOBILE BANKING

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100 ATMs
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BANK OF MALDIVES



Bank of Maldives (BML) is the leading financial institution in Maldives. We are a full-service bank engaging across 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.

ONE BANK IS INVESTING IN MALDIVES

294,000 CUSTOMERS

37 BRANCHES IN ALL 20 ATOLLS

125 ATMs IN ALL 20 ATOLLS

200+ CASH AGENTS ON 165 ISLANDS

6,514 POS MERCHANTS

62 SELF SERVICE BANKING CENTRES

2,000 DHONI BANKING TRIPS

MVR 14.8 BILLION LOANS TO INDIVIDUALS & BUSINESSES

MVR 20.4 BILLION CUSTOMER DEPOSITS

MVR 1 BILLION GOVERNMENT LOAN SCHEMES

950 JOBS WITH 1/3 IN ATOLLS

99% OF STAFF ARE MALDIVIANS



THAT BANK IS BANK OF MALDIVES

Our Business Strengths

Solid Financial Platform

- Deposit base MVR 20 billion
- Assets MVR 30 billion
- Strong capital position well above regulatory requirement

Strong Customer Base

- 294,000 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

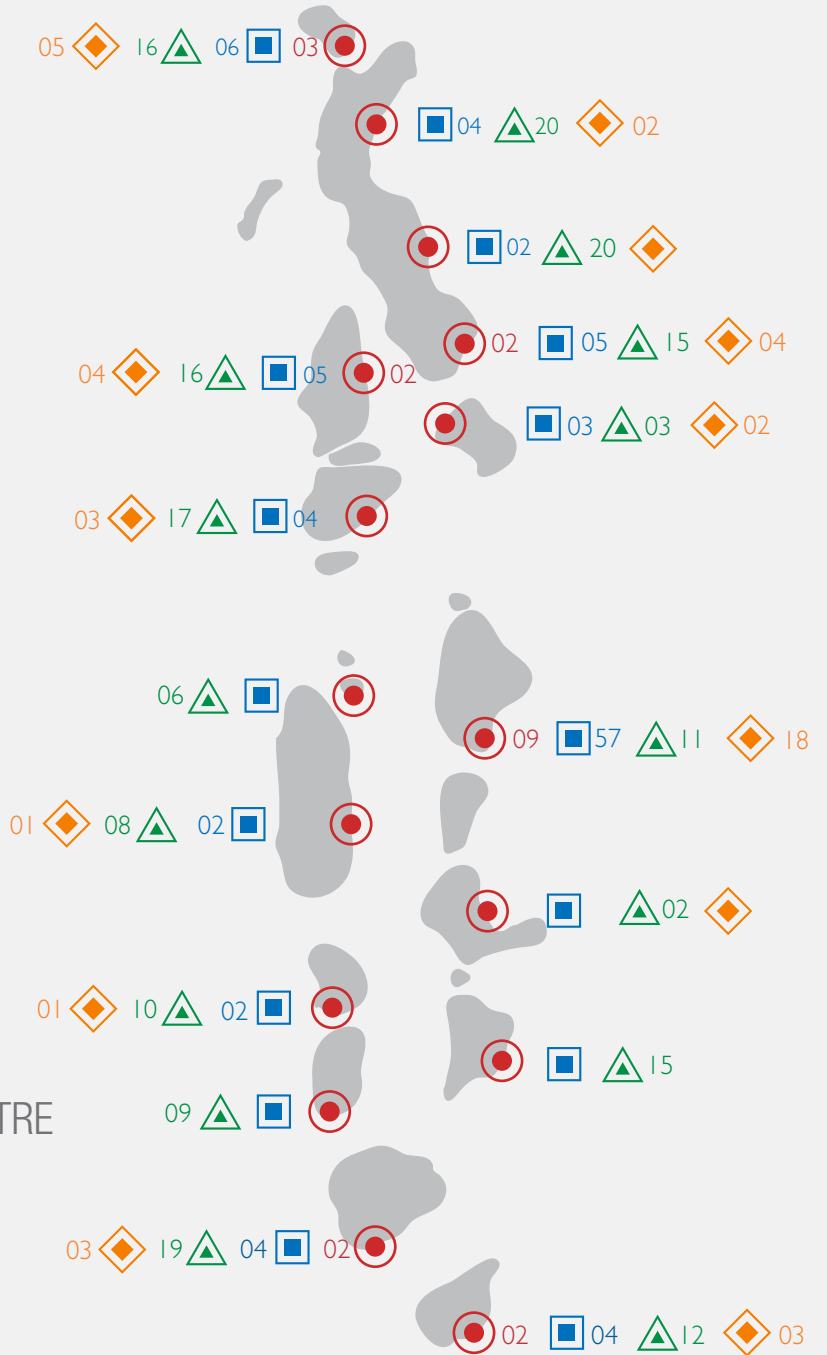
- Largest network of Branches, Agents, ATMs and POS terminals in Maldives
- Exclusive acquirer and issuer of American Express cards in Maldives
- Principal member in the Maldives for Visa and MasterCard

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



ONE BANK IS INVESTING IN MALDIVES

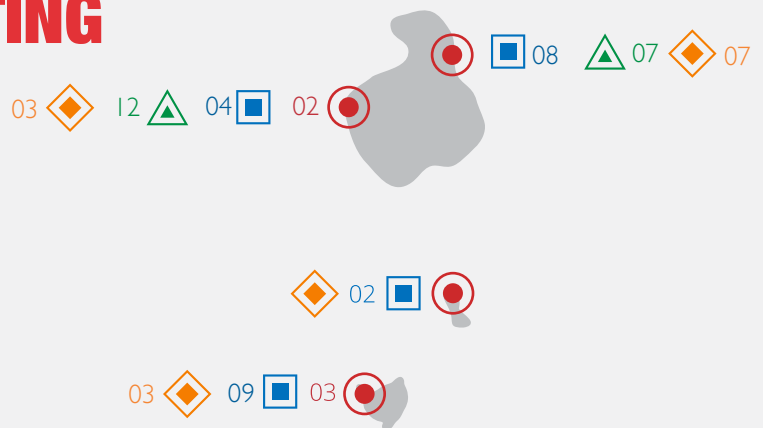


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1. SUMMARY

The COVID-19 global pandemic's impact on the Bank's business and income lines continued during the quarter despite some recovery. Profit after Tax for the quarter was MVR 259m, up 15% on same period last year. The Bank continued to lend with year to date lending amounting to MVR 2.2b despite tight liquidity position. During the quarter, the Bank supported customers with an additional moratorium of up to 3 months, working capital financing as well as short-term financing for businesses including those in the heavily impacted tourism sector. Capital ratios remain well above the minimum regulatory requirements.

2. BUSINESS DEVELOPMENTS

- To serve customers during the pandemic under HPA guidelines, in July we introduced an online token system for branches and service centres in the Male' city. With this change, customers can request for tokens for the Bank's services which are not available via ATM or online channels through the QueueBee app.
- Also in July we expanded cash deposit and payment services in the atolls with 40 Cash Agents providing deposit service and payment services. As part of our efforts to bring banking services to islands, we introduced our Cash Agent service in 2014. Today, there are over 200 Cash Agents providing cash withdrawal services across the islands and 40 of these agents now provide cash deposit as well as payment services with no additional charges.
- In July, the International Finance Corporation (IFC), a member of the World Bank Group signed a \$50 million agreement with the Bank to provide financing for private sector companies and small and medium sized businesses in the tourism sector, to help preserve jobs and combat the negative shocks of COVID-19 on the economy. The first tranche comprising of USD20 million was committed on 1st July 2020. In September, we also signed a USD5 million Murabaha Financing Facility with the International Islamic Trade Finance Corporation to support SMEs in Maldives.
- In August, we announced an extension to the first moratorium given for loans and financing facilities to minimize the impact on individuals and businesses due to COVID-19. This allowed customers who have not applied for the moratorium to apply until 31st December 2020. In addition, a second moratorium was announced for customers with upcoming loan and financing repayments following the initial moratorium to defer payments until December 2020.
- We held our Annual General Meeting in August. Ms. Sana Mansoor, Mr. Timothy Sawyer, Ms. Aishath Noordeen, Ms. Juwairiya Saeed, Mr. Najeem Ibrahim Zakariyya, Mr. Hussain Thoufeeq Ali and Mr. Abdulla Hassan were appointed to the Board by the government while Mr. Mohamed Abdul Sattar, Mr. Ibrahim Mohamed and Mr. Ahmed Mohamed were elected by public shareholders. Mr. Sana Mansoor was appointed as the Chairperson of the Board of Directors.
- With the disruption in tourism activities and the subsequent decline in foreign exchange earnings due to the COVID-19 pandemic, we were compelled to take difficult but necessary steps during the quarter to sustain our dollar outflow and ease the pressure on dollar liquidity. From 16th September, a new card limit of USD250 was introduced for all cards for use on foreign transactions while we continued to provide TTs for essential imports as well as overseas medical and education payments. For customers living overseas, an increased limit of USD750 was implemented.
- In September, following an extensive recruitment process, we announced the appointment of Mr. Moosa Nimal as Director of Retail and SME Banking, and Mr. Ahmed Aseef as Director of Corporate Banking.

3. KEY FINANCIAL INFORMATION

Income Statement (Unaudited) - Quarter ended 30 September 2020

(All amounts in MVR'000 unless otherwise stated)

	Q3 2020	Q2 2020	Q1 2020	Q3 2019
Gross Income	646,169	551,105	685,483	639,051
Interest Income and Similar Income	465,124	436,461	439,541	407,819
Interest Expense and Similar Charges	(42,728)	(38,481)	(40,814)	(36,148)
Net Interest Income	422,396	397,980	398,727	371,671
Fee and Commission Income	150,019	94,759	216,094	198,368
Fee and Commission Expense	(31,907)	(39,189)	(80,560)	(63,220)
Net Fee and Commission Income	118,112	55,570	135,534	135,148
Other Operating Income	31,026	19,885	29,848	32,864
Total Operating Income	571,534	473,435	564,109	539,683
Operating Expenses	(117,431)	(113,541)	(136,559)	(125,062)
Personnel Expenses	(58,712)	(58,459)	(71,987)	(56,646)
Marketing and CSR Expenses	(3,031)	(1,340)	(4,236)	(4,951)
Other Operational and Administration Expenses	(55,688)	(53,742)	(60,336)	(63,465)
Operating Profit (Profit before Provisions)	454,103	359,894	427,550	414,621
Provision for Bad and Doubtful Debts	(99,431)	(214,302)	(28,695)	(107,157)
Profit Before Tax	354,672	145,592	398,855	307,464
Income Tax Expense	(95,999)	(39,310)	(107,691)	(83,015)
Net Profit for Quarter	258,673	106,282	291,164	224,449
Basic Earnings Per Share (annualised)	192	79	216	167
Net Assets Per Share	1,387	1,339	1,319	1,202
Cash Flow Per Share	(112)	(1)	0.36	128

Statement of Financial Position (Unaudited) - As at 30 September 2020

(All amounts in MVR'000 unless otherwise stated)

	30 Sep 2020	30 Jun 2020	31 Mar 2020
Cash, Short Term Funds & Balances with MMA	6,972,538	7,773,747	7,237,085
Loans and Advances	14,832,811	13,798,014	13,716,863
Financial Investments - FVOCI	209,688	209,688	209,688
Financial Investments - Amortized Cost	6,632,102	6,224,631	5,787,487
Property, Plant and Equipment	578,416	551,754	551,428
Right-of-use Assets	176,321	176,321	176,321
Other Assets	424,495	547,344	315,117
Total Assets	29,826,371	29,281,499	27,993,989
Deposits	20,475,075	19,916,426	18,656,291
Borrowings	925,064	746,356	948,264
Lease Liabilities	155,143	155,143	155,143
Other Liabilities	808,277	1,259,435	1,136,434
Total Liabilities	22,363,559	22,077,360	20,896,132
Share Capital	269,096	269,096	269,096
Share Premium	93,000	93,000	93,000
Retained Earnings	1,698,766	1,440,093	1,333,811
Other Reserves	5,401,950	5,401,950	5,401,950
Total Shareholders' Equity	7,462,812	7,204,139	7,097,857
Total Equity and Liabilities	29,826,371	29,281,499	27,993,989



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 September 2020

(All amounts in MVR'000 unless otherwise stated)

	Share Capital	Retained Earnings	Other Reserves	Total
Balances as at 1 January 2020	362,096	1,042,647	5,401,950	6,806,693
(+) Net profit for the quarter	-	291,164	-	291,164
Balances as at 31 March 2020	362,096	1,333,811	5,401,950	7,097,857
(+) Net profit for the quarter	-	106,282	-	106,282
Balances as at 30 June 2020	362,096	1,440,093	5,401,950	7,204,139
(+) Net profit for the quarter	-	258,673	-	258,673
Balances as at 30 September 2020	362,096	1,698,766	5,401,950	7,462,812

Statement of Cash Flows (Unaudited) - Quarter ended 30 September 2020

(All amounts in MVR'000 unless otherwise stated)

	Q3 2020	Q2 2020	Q1 2020	Q3 2019
Cash Flows from Operating Activities	(43,594)	365,598	481,965	117,300
Changes in Operating Assets and Liabilities	(288,622)	284,483	234,123	487,469
Cash Flows from Investing Activities	(449,905)	(453,952)	(687,076)	(50,060)
Cash Flows from Financing Activities	178,708	(201,909)	(27,085)	135,842
Net increase/ (decrease) in Cash and Cash Equivalents	(603,413)	(5,780)	1,927	690,551
Cash and Cash Equivalents at beginning of Quarter	1,750,524	1,756,304	1,754,377	1,332,245
Cash and Cash Equivalents at end of Quarter	1,147,111	1,750,524	1,756,304	2,022,796

4. INVESTOR INFORMATION

Highest Traded Price	MVR 300
Lowest Traded Price	MVR 250
Last Traded Price	MVR 250
Last Traded Date	10 September 2020
Number of Trades	11
Number of Shares Traded	128
Value of Shares Traded	MVR 34,000
Weighted Average Traded Price	MVR 265.63
Market Capitalization	MVR 1,429,599,409.60
Price Earnings Ratio	1.38
Dividend Yield	9.8%

5. GOVERNANCE

5.1 Frequency of Board Meetings

The number of meetings held by the Board of Directors and its sub-committees during the third quarter of 2020 were as follows:

	No. of Meetings
Board of Directors	08 (Eight)
Board Credit Committee	03 (Three)
Audit & Risk Management Committee	09 (Nine)
Appointment & Remuneration Committee	05 (Five)
Nomination Committee	04 (Four)
Corporate Governance Committee	08 (Eight)

5.2 Key Activities carried out by the Board & Board Committees

- Reviewed and discussed Nominee Directors and Public Directorship candidates.
- Reconstituted the composition of the AR Committee, NC Committee, CG Committee, ARM Committee and Board Credit Committee.
- Appointed Ms. Sana Mansoor as Chairperson of the Bank.
- Re-appointed CEO Mr. Timothy Sawyer as Managing Director.
- Reviewed and approved the revised Audit Plan 2020.
- Reviewed and approved the Bank's financial statements for Quarter 2 2020.

- Appointed Mr. Najeem Ibrahim Zakariyya as Chairperson of ARM Committee, Mr. Mohamed Abdul Sattar as Chairperson of AR Committee, Mr. Abdulla Hassan as Chairperson of Nomination Committee and re-appointed Mr. Ahmed Mohamed as Chairperson of Corporate Governance Committee.
- Reviewed the report on the activities of the Internal Audit function during Quarter 1 and Quarter 2 2020.
- Reviewed and approved the Strategic Plan 2020 – 2021.
- Reviewed the Risk Management Report for Quarter 2 2020.
- Reviewed the Non-Performing Assets and Loan Portfolio Report for Quarter 2 2020.
- Reviewed AR, NC and ARM Committee Report for Quarter 2 2020.
- Reviewed Procurement Committee Report for the first half of 2020.
- Reviewed and approved Anti-Bribery and Corruption Policy.
- Reviewed and approved changes to Conflict of Interest Policy.
- Reviewed and approved changes to Human Resources Policy.
- Reviewed and approved Corporate Governance Committee Charter.
- Reviewed the Corporate Social Responsibility Report for the first half of 2020.
- Appointed Mr. Moosa Nimal as Director of Retail and SME Banking and Mr. Ahmed Aseef as Director of Corporate Banking.

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 with 02 Nominee Director positions being vacant. The following were the 09 Directors on the Board until the 37th Annual General Meeting (AGM) held on 31st August 2020.

	Name of Director	Category	Designation	Respective Committee
01	Mr. Timothy Sawyer Nominee Director	Executive & Non-Independent	CEO & MD	BCC
02	Ms. Sana Mansoor Nominee Director	Non-Executive & Independent	Director Chairperson of AR Committee	ARM, AR, BCC & CG
03	Ms. Hawwa Safna Nominee Director	Non-Executive & Independent	Director Chairperson of NC Committee	AR, NC, & 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	ARM, NC, BCC & CG
06	Mr. Hussain Thoufeeq Ali Nominee Director	Non-Executive & Non-Independent	Director	AR & NC
07	Mr. Ibrahim Mohamed Elected Director	Non-Executive & Independent	Director Chairperson of ARM Committee	ARM, BCC & CG
08	Mr. Mohamed Abdul Sattar Elected Director	Non-Executive & Independent	Director	ARM, AR & BCC
09	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

Following the 37th AGM held on 31st August 2020, the newly appointed Board now consists of 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 & Non-Independent	CEO & MD	BCC
03	Ms. Aishath Noordeen Nominee Director	Executive & Non-Independent	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 & Independent	Director	ARM, BCC & CG
09	Mr. Mohamed Abdul Sattar Elected Director	Non-Executive & Independent	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

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 continued to invest in our community, supporting initiatives in the areas of education, sports, environment and community development. During the quarter, we donated personal protection equipment to 10 hospitals across Maldives and continued to create awareness on COVID-19 at our branches and ATMs across Maldives. We held our financial literacy sessions, including a webinar on youth entrepreneurship on International Youth Day and a fortnightly webinar series on Financial Education.

The Bank continued to provide banking services and support customers during the pandemic across the country. We provided an extension on application deadline for the first moratorium and announced a second moratorium to help individuals and businesses continuing to face hardship. More services were moved online to offer better convenience and to minimize physical contact, which included the introduction of an online token system for branches and service centers in Male'. During this quarter, we introduced self-service banking ATMs in HA Dhidhoo, A Dh Maamigili and S Hulhumeedhoo and introduced cash deposit and payment functions for 40 agents as part of our financial inclusion strategy.

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.

