



FOURTH QUARTER REPORT

October to December 2014



BANK OF MALDIVES



Bank of Maldives is proud to be the national bank of the Maldives. We touch the lives of almost every citizen of the country through our extensive network of branches, ATMs 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 play an active role in community development and to create long-term value for our shareholders.

Our strategic pillars are Financial Inclusion, Customer Service and Support for Business. Our strategic foundations are People Excellence and Robust Risk Management.

We have embarked on a journey to transform our business to become a professionally managed, customer-oriented, financially robust organization which follows international best practices.

Our Business Strengths

Solid Financial Platform

- Deposit base MVR 12.4 billion
- Assets MVR 15.7 billion
- Strong capital position well above regulatory requirement

Strong Customer Base

- Leading market share in Retail, Corporate and SME segments
- Over 240,000 customers
- Market leader in self-service banking with largest number of online banking and ATM users

Leadership in Innovation

- First to launch POS services in Maldives
- First to launch cash and cheque deposit machines
- First to launch Internet Banking

Leadership in Service Delivery

- Largest network of branches, ATMs and POS terminals in Maldives
- Exclusive acquirer and issuer of American Express cards in Maldives
- Only principal member in the Maldives for Visa and MasterCard
- Worldwide network of foreign correspondent banking relationships

Experienced and Dedicated Team

- Largest employer in the banking sector with over 800 dedicated employees
- 99% of our workforce are locals with almost one third employed in the Atolls
- Most of the executive leadership team are experienced local professionals

TABLE OF CONTENTS

04	SUMMARY	08	GOVERNANCE
04	BUSINESS DEVELOPMENTS	10	CORPORATE GOVERNANCE COMPLIANCE
05	KEY FINANCIAL INFORMATION	10	REPORTING COMPLIANCE
08	INVESTOR INFORMATION		

1. SUMMARY

Financial results for the fourth quarter of 2014 continued to be positive with an Operating Profit of MVR 434 million, up 74% on the previous quarter. Loan book quality is also trending in the right direction, while capital levels are well in excess of regulatory requirements.

While the financials submitted in this report are unaudited, and are therefore subject to change, the Bank expects to report a satisfactory overall outcome for 2014, with like-for-like profits well up on 2013. Unaudited 2014 financials show an increase in Operating Profit of 43% versus 2013.

2. BUSINESS DEVELOPMENTS

- As part of our programme to deliver basic banking services to all inhabited islands, POS Cash Withdrawal Services were introduced through the Bank's agents in 56 islands across the country.
- In order to improve customer services and to relieve branch congestion, 22 state-of-the-art multi-functional ATMs were introduced in 5 locations in Male'. As well as obtaining cash, customers can now deposit and make payments at these ATMs at any time of day or night.
- In December, we launched our first US Dollar ATM with cash deposit and withdrawal capabilities. This is positioned on the ground floor of our Head Office/Main Branch in Male'.
- Plans to introduce Islamic Banking were advanced with the internal launch (to staff only) of our first product, Wadia'ah Personal Account. The intention is to launch this deposit product to customers and the wider community during Quarter 1 2015, with further products to be introduced on a phased basis throughout 2015 and 2016.

3. KEY FINANCIAL INFORMATION

Balance Sheet - Quarter ended 31 December 2014

Consolidated Statement of financial position (Unaudited)

(All amounts in MVR'000 unless otherwise stated)

	Group		Bank	
	As at 31-Dec-14	As at 30-Sep-14	As at 31-Dec-14	As at 30-Sep-14
Cash, Short Term Funds & Balances with MMA	9,280,265	8,445,645	9,269,297	8,441,868
Loans and Advances	5,362,910	5,355,903	5,817,231	5,886,273
Assets held for Sale	454,753	530,803	-	-
Investment - Available for Sale	319	319	319	319
Investments in subsidiaries	-	-	20	20
Property, Plant and Equipment	346,822	334,868	346,822	334,868
Other Assets	266,685	397,559	266,056	396,885
TOTAL ASSETS	15,711,754	15,065,096	15,699,744	15,060,233
Deposits	12,354,738	11,517,698	12,354,738	11,517,698
Borrowings	434,179	465,229	434,179	465,229
Other liabilities	638,266	919,552	649,381	937,781
TOTAL LIABILITIES	13,427,183	12,902,479	13,438,298	12,920,708
Share Capital	269,096	269,096	269,096	269,096
Share Premium	93,000	93,000	93,000	93,000
Reserves	1,922,441	1,800,486	1,899,350	1,777,429
	2,284,537	2,162,582	2,261,446	2,139,525
Non-controlling interest	34	34	-	-
TOTAL SHAREHOLDERS' EQUITY	2,284,571	2,162,617	2,261,446	2,139,525
TOTAL EQUITY AND LIABILITIES	15,711,754	15,065,096	15,699,744	15,060,233



Nandana Senevirathne
Chief Financial Officer



Andrew Healy
CEO & Managing Director



Ibrahim Mohamed
Chairperson, Audit & Risk
Management Committee

Income Statement - Quarter ended 31 December 2014**Consolidated Income Statement (Unaudited)**

(All amounts in MVR'000 unless otherwise stated)

	Group		Bank	
	Q4 2014	Q3 2014	Q4 2014	Q3 2014
Gross Income	651,064	420,196	645,667	412,486
Interest Income and similar income	394,817	295,592	394,817	295,592
Interest Expense and similar charges	(31,238)	(39,739)	(31,238)	(39,739)
Net Interest Income	363,578	255,853	363,578	255,853
Fee and commission Income	127,146	96,955	127,146	96,955
Fee and commission expense	(50,707)	(40,076)	(50,707)	(40,076)
Net Fee and commission income	76,439	56,879	76,439	56,879
Other Operating Income	129,102	27,649	123,705	19,939
	569,119	340,381	563,722	332,671
Operating Expenses	(134,590)	(83,933)	(129,240)	(82,527)
Operating Profit (Profit before Provisions)	434,529	256,448	434,482	250,144
Provision for bad and doubtful debts	(183,005)	(48,689)	(259,055)	(48,689)
Provision for impairment of assets held for sale	(76,050)	-	-	-
Profit before tax	175,474	207,758	175,427	201,454
Income tax expense	(53,520)	(67,560)	(53,505)	(66,614)
Net Profit / (Loss) for the quarter	121,955	140,199	121,922	134,840
Basic Earning per share (annualised)	78.22	104.20	77.95	100.22

Cash Flow Statement - Quarter ended 31 December 2014

Consolidated Statement of cash flows (Unaudited)

(All amounts in MVR'000 unless otherwise stated)

	Group		Bank	
	Q4 2014	Q3 2014	Q4 2014	Q3 2014
Cash flows from operating activities	387,755	276,642	384,535	273,422
Changes in operating assets and liabilities	(194,570)	(498,215)	(191,350)	(494,995)
Cash flows from investing activities	(26,685)	(21,603)	(26,685)	(21,603)
Cash flows from financing activities	(31,050)	(31,127)	(31,050)	(31,127)
Net increase in cash and cash equivalents	135,450	(274,304)	(135,450)	(274,304)
Cash and cash equivalents at beginning of the quarter	6,179,091	6,453,395	6,172,171	6,446,474
Cash and cash equivalents at end of the quarter	6,314,542	6,179,091	6,307,621	6,172,171

4. INVESTOR INFORMATION

	In MVR
Highest Traded Price	135
Lowest Traded Price	110
Weighted Average Traded Price	120
Market Capitalization	618,920,800
Price Earnings - Ratio	1.48
Dividend Yield	N/A

5. GOVERNANCE

5.1 Frequency of Board Meetings

The number of meetings held by the Board of Directors and its sub-committees during the 04th quarter of 2014 were as follows:

	No. of Meetings
Board of Directors	03 (Three)
Board Credit Committee	01 (One)
Audit & Risk Management Committee	13 (Thirteen)
Appointment, Nomination & Remuneration Committee	06 (Six)

5.2 Activities carried out by the Board & Board Committees

- Approved the Bank's Budget for 2015
- Reviewed Quarterly Report on activities of Internal Audit Department and the Audit Plan for 2015
- Approved the Internal Audit Charter
- Reviewed updates proposed by Management to the Bank's Credit, Collateral and Liquidity policies

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 Public Elected Directors. At present 02 Nominee Director positions are vacant. The following are the 09 Directors on the Board.

	Name of Director	Category	Designation	Respective Committee
01	Mr. Andrew Healy Nominee Director (CEO & MD)	Non-Independent & Executive	Director	BCC
02	Mr. Mohamed Shareef Nominee Director	Non-Independent & Executive	Director	BCC
03	Mr. Ibrahim Mohamed Elected Director	Independent & Non-Executive	Director Chairperson of ARM Committee	BCC, ANR & ARM Committee
04	Mr. Mohamed Abdul Sattar Elected Director	Independent & Non-Executive	Director Chairperson of ANR Committee	BCC, ANR & ARM Committee
05	Mr. Murthala Mohamed Didi Nominee Director	Independent & Non-Executive	Director	BCC & ANR Committee
06	Mr. Abdul Haris Nominee Director	Non-Independent & Non-Executive	Director	BCC & ANR Committee
07	Mr. Mohamed Luveiz Nominee Director	Independent & Non-Executive	Director	BCC, ANR & ARM Committee
08	Mr. Ismail Mukhthaba Elected Director	Independent & Non-Executive	Director	ARM Committee
09	Mr. Mohamed Umar Nominee Director	Non-Independent & Non-Executive	Director	ARM Committee

The post of the Chairman of the Board is currently vacant. The Articles of Association provide that any Director who is to chair the Board meetings needs to be a Nominee Director. Further the Chairman has to be an Independent Director as per the Corporate Governance Code issued by CMDA. Board meetings have been carried out by the Bank in accordance with these requirements.

6. 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 in the Bank. 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.

7. REPORTING COMPLIANCE

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

