



FIRST QUARTER REPORT

January to March 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 attract the best talent, to play an active role in community development and to create long-term value for our shareholders.

We have embarked on a journey to transform our business and to become a truly customer-focused organisation which follows international best practices.

Our Business Strengths

Solid Financial Platform

- Deposit base MVR 11.4 billion
- Assets MVR 14.7 billion
- Strong capital position well above regulatory requirement

Strong Customer Base

- Leading market share in Retail, Corporate and SME segments
- Over 235,000 customers
- Over 49,000 lending relationships

Leadership in Innovation

- First to launch POS services in Maldives
- First to launch cash and cheque deposit machines
- First to launch Internet Banking
- First to launch AMEX and Visa Credit and Debit cards

Leadership in Service Delivery

- Largest network of branches, ATMs and Point of Sale 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
- Over 99% of our workforce are locals
- Most of the executive leadership team are experienced local professionals
- Almost one third of our staff are employed in the Atolls

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1. SUMMARY

The financial results of the first quarter of 2014 showed continued positive performance with Operating Profit of MVR 199 million, 35% up on the previous quarter. Income grew by 10%, while expenses were well controlled. The loan book grew by MVR 199 million in the quarter, while loan book quality continued to strengthen. Deposits were up 17%.

2. BUSINESS DEVELOPMENTS

- New CEO, Andrew Healy, took up duty and the Board of Directors supported his proposal to complete a strategic review by the end of the second quarter of this year.
- MVR 23 million loan scheme was launched for the SME sector in partnership with the Ministry of Economic Development.
- A loan scheme was also launched in partnership with the Ministry of Fisheries and Agriculture to finance agricultural projects of SMEs.
- Further investment in the Bank's Internet Banking service took place.
- A new Customer Service Unit was established which will serve as a single point of contact and management for customer queries, concerns and feedback.

3. KEY FINANCIAL INFORMATION

Balance Sheet - Quarter ended 31 March 2014

Statement of financial position (Unaudited)

(All amounts in MVR'000 unless otherwise stated)

	As at 31-Mar-14	As at 31-Dec-13
Cash, Short Term Funds & Balances with MMA	7,295,175	6,038,277
Loans and Advances	6,302,048	6,103,296
Investments in subsidiaries	320	320
Investment - Available for Sale	20	20
Property, Plant and Equipment	316,992	315,482
Other Assets	762,133	223,413
TOTAL ASSETS	14,676,689	12,680,808
Deposits	11,367,882	9,725,687
Borrowings	525,178	538,696
Other liabilities	902,798	574,475
TOTAL LIABILITIES	12,795,859	10,838,858
Share Capital	269,096	269,096
Share Premium	93,000	93,000
Reserves	1,518,734	1,479,854
TOTAL SHAREHOLDERS' EQUITY	1,880,830	1,841,950
TOTAL EQUITY AND LIABILITIES	14,676,689	12,680,808



Nandana Senevirathne
Chief Financial Officer



Andrew Healy
CEO & Managing Director



Ibrahim Mohamed
Chairperson, Audit & Risk
Management Committee

Income Statement - Quarter ended 31 March 2014

Statement of comprehensive income (Unaudited)

(All amounts in MVR'000 unless otherwise stated)

	Q1 2014	Q4 2013
Gross Income	306,525	278,797
Interest Income and similar income	202,720	153,128
Interest Expense and similar charges	(38,635)	(40,454)
Net Interest Income	164,085	112,675
Other Operating Income	103,805	125,668
	267,890	238,343
Operating Expenses	(68,385)	(90,706)
Operating Profit (Profit before Provisions)	199,505	147,637
Provision for bad and doubtful debts	(104,433)	46,569
Profit before tax	95,073	194,206
Income tax expense	(23,768)	(92,237)
Net Profit / (Loss) for the quarter	71,304	101,969
Basic Earning per share (annualised)	48.58	58.65

Cash Flow Statement - Quarter ended 31 March 2014

Statement of cash flows (Unaudited)

(All amounts in MVR'000 unless otherwise stated)

	Q1 2014	Q4 2013
Cash flows from operating activities	1,241,935	72,401
Cash flows from investing activities	(8,059)	(29,588)
Cash flows from financing activities	(6,376)	(24,178)
Net increase in cash and cash equivalents	1,227,499	18,636
Cash and cash equivalents at beginning of the quarter	3,659,012	3,640,377
Cash and cash equivalents at end of the quarter	4,886,512	3,659,012

4. INVESTOR INFORMATION

	In MVR
Highest Traded Price	150
Lowest Traded Price	100
Weighted Average Traded Price	149.74
Market Capitalization	807,288,000

5. GOVERNANCE

Frequency of Board Meetings

The number of meetings held by the Board of Directors and its sub-committees during the 01st quarter of 2014 are as follows:

	No. of Meetings
Board of Directors	04
Executive Committee	Nil
Audit & Risk Management Committee	13
Appointment, Nomination & Remuneration Committee	15

5.1 Activities carried out by the Board & Board Committees

- 30th Annual General Meeting of the Bank was held on 6th February 2014
- Approval of the budget for the year 2014
- Approval of new board members following AGM held on 6th February 2014
- Reconstitution of board committees namely the Audit and Risk Management Committee and Appointment, Nomination and Remuneration Committee.

5.2 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 Directors including the Chairman's position 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	
02	Mr. Mohamed Shareef Nominee Director	Non-Independent & Executive	Director	
03	Mr. Ibrahim Mohamed Elected Director	Independent & Non-Executive	Director Chairperson of ARM Committee	ANR Committee ARM Committee
04	Mr. Mohamed Abdul Sattar Elected Director	Independent & Non-Executive	Director Chairperson of ANR Committee	ARM Committee ANR Committee
05	Mr. Murthala Mohamed Didi Nominee Director	Independent & Non-Executive	Director	ANR Committee
06	Mr. Abdul Haris Nominee Director	Non-Independent & Non-Executive	Director	ANR Committee
07	Mr. Mohamed Luveiz Nominee Director	Non-Independent & Non-Executive	Director	ARM Committee
08	Mr. Ismail Mukhthaba Elected Director	Independent & Non-Executive	Director	ANR Committee ARM Committee
09	Mr. Mohamed Umar Nominee Director	Non-Independent & Non-Executive	Director	ARM Committee

The Bank's Articles of Association and Corporate Governance Code provide that any Director who is to chair the Bank's Board meetings must be an Independent and a Nominee Director. 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, recognises 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 has been working to achieve compliance with the provisions of the Bank's Corporate Governance Code that articulates best corporate governance practices in the industry. The Bank has complied with the provisions of its internal policies and procedures that govern its day to day operations.

Due to factors beyond the Bank's scope, the Bank was unable to convene its Annual General Meeting within the regulatory time frame. Consequently, a fine of MVR 125,000/- was imposed by Maldives Stock Exchange for the delay in convening the Annual General Meeting.

7. REPORTING COMPLIANCE

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

