



# FOURTH QUARTER REPORT

October to December 2013

Bank of Maldives PLC

[www.bankofmaldives.com.mv](http://www.bankofmaldives.com.mv)



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## 1. SUMMARY

The fourth quarter saw continued positive momentum in the financial performance of the Bank with an operating profit of MVR 218 million showing a growth of 25% compared to the previous quarter. The loan book has grown by MVR 236 million in the quarter with improved loan quality, reflected in lower provisioning levels.

During the quarter, BML paid its first interim dividend since 2008.

## 2. BUSINESS DEVELOPMENTS

### Launch of New Services

- SME Loan Scheme - During the quarter, the Bank partnered with the Ministry of Economic Development to launch a concessionary loan scheme targeted at the SME sector. Under this scheme a total of MVR 23 million will be disbursed on a first-come, first-served basis.
- BancAssurance - The Bank has commenced the provision of certain insurance products such as home insurance and motor insurance in partnership with Allied Insurance, the leading insurance company in Maldives.

### Investment in Technology

- The first phase of a new internet banking platform was implemented as part of an ongoing project to modernize e-banking services. Once the project is fully implemented, customers will have access to world-class online banking services 24x7.
- Under the IT transformation program, a project is underway to replace the existing Core Banking System with Temenos T24, one of the world's most advanced banking systems.

- The Bank's new corporate website was also launched during the quarter.

### Service Excellence and Outstanding Community Initiative Awards

During the quarter, the Bank received two international awards being an Outstanding Community Initiative Award for Dhoni Banking Service and a Service Excellence Award for BML Lite.

### Investment in the Community

BML continued to invest in the local community through a number of initiatives, including our participation as key sponsors of the 2013 Fisherman's Day celebrations and the events held to mark International Anti-Corruption Day.

### Investment in Our People

During the quarter a number of initiatives were undertaken to improve staff development and engagement. These included local and overseas training programs as well as the launch of a new health insurance scheme for staff.



### 3. KEY FINANCIAL INFORMATION

#### Balance Sheet

Condensed Balance Sheet (Unaudited)

As at 31 December 2013

In MVR

	As at 31-Dec-13	As at 30-Sep-13
Cash, Short Term Funds & Balances with MMA	6,023,148,586	5,934,087,343
Loans and Advances	6,142,757,493	5,783,862,738
Investment - Available for Sale	339,046	339,046
Property, Plant and Equipment	315,413,532	287,117,042
Other Assets	258,825,181	287,337,946
<b>TOTAL ASSETS</b>	<b>12,740,483,838</b>	<b>12,292,744,115</b>
Deposits	9,560,912,540	9,265,269,739
Borrowings	538,696,483	567,466,868
Other liabilities	776,266,675	601,174,107
<b>TOTAL LIABILITIES</b>	<b>10,875,875,698</b>	<b>10,433,910,714</b>
Share Capital	269,096,000	269,096,000
Share Premium	93,000,000	93,000,000
Reserves	1,502,512,140	1,496,737,401
<b>TOTAL SHAREHOLDERS' EQUITY</b>	<b>1,864,608,140</b>	<b>1,858,833,401</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>12,740,483,838</b>	<b>12,292,744,115</b>



**Nandana Senevirathne**  
Chief Financial Officer



**Andrew Healy**  
Chief Executive Officer



**Ibrahim Mohamed**  
Chairperson, Audit & Risk  
Management Committee



**Income Statement**

Condensed Income Statement (Unaudited)

For the quarter ended 31 December 2013

In MVR

	Q4 2013	Q3 2013
Interest Income and similar income	219,628,614	217,018,910
Interest Expense and similar charges	(48,204,781)	(35,097,889)
<b>Net Interest Income</b>	<b>171,423,833</b>	<b>181,921,021</b>
Other Operating Income	165,835,007	114,950,681
	<b>337,258,840</b>	<b>296,871,702</b>
Operating Expenses	(119,599,360)	(123,328,743)
<b>Operating Profit (Profit before Provisions)</b>	<b>217,659,480</b>	<b>173,542,959</b>
Provision for bad and doubtful debts	31,678,668	(35,689,132)
<b>Profit before tax</b>	<b>249,338,148</b>	<b>137,853,827</b>
Income tax expense	(92,237,244)	(45,885,990)*
<b>Net Profit / (Loss) for the quarter</b>	<b>157,100,904</b>	<b>91,967,837</b>
<b>Basic Earning per share (annualised)</b>	<b>116.11</b>	<b>74.82</b>

\*Income tax for Q3 has been recomputed



**Cash Flow Statement**

Condensed Cash Flow Statement (Unaudited)

For the quarter ended at 31 December 2013

In MVR

	<b>Q4 2013</b>	<b>Q3 2013</b>
Cash flows from operating activities	72,401,367	255,414,917
Cash flows from investing activities	(29,587,635)	(19,402,599)
Cash flows from financing activities	(24,178,197)	(16,565,659)
<b>Net increase in cash and cash equivalents</b>	<b>18,635,535</b>	<b>219,446,659</b>
Cash and cash equivalents at beginning of the quarter	3,640,376,635	3,420,929,975
<b>Cash and cash equivalents at end of the quarter</b>	<b>3,659,012,170</b>	<b>3,640,376,635</b>



## 4. ADMINISTRATIONS

### Frequency of Board Meetings

The number of meetings held by the Board of Directors and its sub-committees during the 04th quarter of 2013 are as follows:

	No. of Meetings
Board of Directors	05
Executive Committee	04
Audit & Risk Management Committee	08
Appointment, Nomination & Remuneration Committee	12

### 4.1 Activities carried out by the Board & Board Committees

The following key decisions were taken during the quarter.

- On 14th November 2013, by way of a circular board resolution, the Board of Directors resolved to distribute the declared interim dividend of MVR 50 million which equates to dividend of MVR 9.29 per share, to all shareholders registered in the Bank's Shareholders Register as at 31st October 2013.
- An Extraordinary General Meeting was held on 28th December 2013 in order to appoint external auditors. PWC were reappointed as the external auditors of the Bank for the year 2013.
- Approval of Mr. Andrew Healy as the Bank's new Chief Executive Officer.
- Approval of Mr. Nandana Senevirathne as the Bank's new Chief Financial Officer.



#### 4.2 Changes in the Board of Directors

The quarter began with a total strength of 10 directors in the Board's composition. The Directors were:

	Name of Director	Category	Designation	Respective Committee
01	<b>Dr. Abdullah Shiham Hassan</b> Nominee Director	Independent & Non-Executive	Chairman of the Board	
02	<b>Ms. Aishath Noordeen</b> Nominee Director (Deputy CEO)	Non-Independent & Executive	Director	
03	<b>Mr. Mohamed Abdul Sattar</b> Elected Director	Independent & Non-Executive	Director Chairperson of ANR Committee	ANR Committee ARM Committee
04	<b>Mr. Ibrahim Mohamed</b> Elected Director	Independent & Non-Executive	Director Chairperson of ARM Committee	ARM Committee ANR Committee
05	<b>Mr. Mohamed Jaish Ibrahim</b> Nominee Director	Non-Independent & Non-Executive	Director	ANR Committee
06	<b>Mr. Adam Azim</b> Nominee Director	Non-Independent & Non-Executive	Director	ARM Committee
07	<b>Dr. Ismail Shafeeu</b> Nominee Director	Independent & Non-Executive	Director	ANR Committee
08	<b>Mr. Hassan Shameem</b> Nominee Director	Independent & Non-Executive	Director	ANR Committee ARM Committee
09	<b>Mr. Abdulla Naseem</b> Nominee Director	Independent & Non-Executive	Director	ARM Committee
10	<b>Ms. Fathimath Niuma</b> Elected Director	Independent & Non-Executive	Director	ARM Committee

Following the resignation of Mr. Abdulla Naseem, on 18th November 2013, the strength of the Board reduced to 9 directors. Mr. Hassan Shameem was appointed as a member of the Audit and Risk Management Committee during the 376th Executive Committee Meeting held on 25th December 2013.





## 5. MARKET HIGHLIGHTS

	In MVR
Highest Traded Price	125
Lowest Traded Price	100
Weighted Average Traded Price	111.09
Market Capitalization	538,192,000
Dividend Yield	9.29%
Price Earnings - Ratio	0.86 (times)

## 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.

## 7. REPORTING COMPLIANCE

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

