

RECORD FINANCIAL PERFORMANCE SEES BANK OF MALDIVES DOUBLE COMMUNITY INVESTMENT IN 2017

- Profit Before Tax of MVR 1.4 billion, up 20% on a like-for-like basis
- MVR 300 million investment program delivers over 50 community projects across the country
- Dividend payout of MVR 118.4 million / MVR 22 per share proposed, up 10%
- Overseas expansion by year end

Bank of Maldives today released its audited financial statements and annual report for 2017. The results reflect a very positive year for the Bank as it recorded its best ever financial performance while simultaneously doubling its investment in local communities. Profit Before Tax was MVR 1.416 billion, an increase of 4% in absolute terms and up 20% on an underlying basis versus the prior year.

While the Bank experienced higher funding costs and lower margins in some segments, solid business volumes and further improvement in loan book quality helped to compensate. The ratio of non-performing to total loans reduced from 7.0% to 4.1%, while new lending of MVR 4.4 billion helped a large number of local individuals and businesses. Deposits increased by 15% which was well ahead of market growth levels, while capital and liquidity ratios were comfortably in excess of regulatory requirements.

Bank of Maldives' robust financial position has led the Board to recommend an increase in dividend payout of 10% for 2017 to MVR 118.4 million, MVR 22 per ordinary share.

The past year has seen BML implement its largest ever program of investment in local communities under its 'Aharenge Bank' initiative. This program reached out to all corners of the country via more than 50 distinct projects which supported charitable, educational, sports and environmental causes. The Bank also opened 3 new branches in the atolls as well as 14 new Self-Service Banking Centres. Additionally, its network of agents providing services to those island communities without a branch or ATM was increased from 191 to 230.

BML CEO and Managing Director, Andrew Healy commented "The past year has further strengthened our confidence in the Bank's strategic direction. The results show an increasingly robust bank which is continuing to simultaneously grow and invest. I would like to extend my thanks to our wonderful team of staff for their extraordinary dedication during the year. Thank you also to all our customers, old and new, for your support. You can be assured we will continue to work hard and humbly to meet your expectations."

In terms of financial highlights, Andrew pointed to deposit growth and improved loan book quality. "It was particularly pleasing to see deposit growth of 15% which was well ahead of the market. New lending of MVR 4.4 billion supported a number of local individuals and businesses and very importantly, we saw further substantial improvement in loan book quality with our ratio of non-performing to total loans falling from 7.0% to 4.1%. It is worth recalling that this ratio stood at over 20% just three years ago".

Andrew emphasized that the Bank's improved financial performance has facilitated its increased investment in communities. "Financial robustness has provided the necessary platform to step up initiatives to support individuals, families and businesses across the country. Therefore it is no coincidence that we managed to double our investment in local communities during the year and we will see further significant investment over the year ahead."

Commenting on customer service, Andrew highlighted some encouraging trends. "As in other countries, banking customer behaviors in Maldives are changing, with less reliance on branches and ever-increasing demand for online services. An integral part of our customer service strategy has been to offer the convenience of 24/7 banking via a range of self-service channels. At the same time, we have been adapting our branches to become more welcoming "advice centres" when face to face contact is required. The increased adoption of online banking channels during the year – more than 90% of all transactions were conducted online, while 10 million deposits and withdrawals were through ATMs – has helped reduce branch footfall, leading to a better overall customer experience. In fact, recent independent research indicates that satisfaction among our Bank's customer base is well ahead of the regional average which is very heartening."

Referring to the Bank's fledgling Islamic banking arm, Andrew continued. "Bank of Maldives may be relatively new to Islamic banking but BML Islamic grew strongly during the year. Our deposit base increased significantly and helped to put us in a position to launch a suite of home financing products which are proving very popular. There is a clear appetite in the country for Shari'ah-compliant banking and we are on course to achieve our goal of providing a Shari'ah-compliant alternative to all of our conventional products by the end of 2018."

Chairperson of the Board of Directors, Saeeda Umar also commented positively on the Bank's performance. "As a Board, we are very pleased with the positive trajectory of our business which has given us the platform to propose to shareholders a record dividend for 2017. I am proud that we achieved our best ever financial performance and it was particularly satisfying that we concurrently managed to step up, also to a record level, our investment under our 'Ahareng Bank' program which continues to benefit communities throughout the country."

Saeeda also touched upon plans for international expansion. "The Bank has worked hard over recent years to implement a strategy designed to deliver the highest international standards in every aspect of our business. We feel we have made good progress and that now is the right time to look beyond the shores of the Maldives. Our main focus will of course always be on our home country where our business growth and extensive ongoing investment program demonstrate our commitment. However, overseas expansion makes sense as it will bring much needed diversification benefits and it will generate revenue to support our investments at home. I am happy to advise that we are in the process of applying for a banking license in another Asian country and it is hoped we will be up and running before the end of the year."

For more information please contact:
Mohamed Saeed
Public Relations Department
Phone: 3015315