# SECOND QUARTER REPORT

APRIL - JUNE 2024

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

We are firmly focused on being a professionally managed, customer-oriented organization which follows international best practices.

# Highlights

## Financial Highlights

Net Profit
MVR448mn

Total Assets
MVR44.9bn

New Loans to Individuals & Businesses
MVR1.9bn

Operating Profit
MVR698mn

Deposits
MVR29.5bn

Net Loans
MVR19.9bn

Capital Adequacy
53%

Provision Cover
100%

## Non-Financial Highlights

40,000
ATM transactions per day

1mn+
Mobile Banking & Internet Banking logins per day

14mn+
ATM Transactions

345,000+
Customers

54mn
POS Transactions

295,000+
Internet and Mobile Banking transactions per day

107mn+
Internet Banking Transactions annually

# Our Business Strengths

### Leadership
Bank of Maldives has a skilled, gender balanced Management team with experience in various countries and banking markets, supported by an experienced Board of Directors.

### Innovation
The Bank is the pioneer of the banking industry with many firsts. The first to launch POS and mPOS services in Maldives, first to launch debit and credit cards, first to launch internet and mobile banking, first to launch cash and cheque deposit machines.

### Governance
The Bank's governance framework is built on the highest standards of international best practice. We are committed to upholding the values and standards that our local and international stakeholders expect.

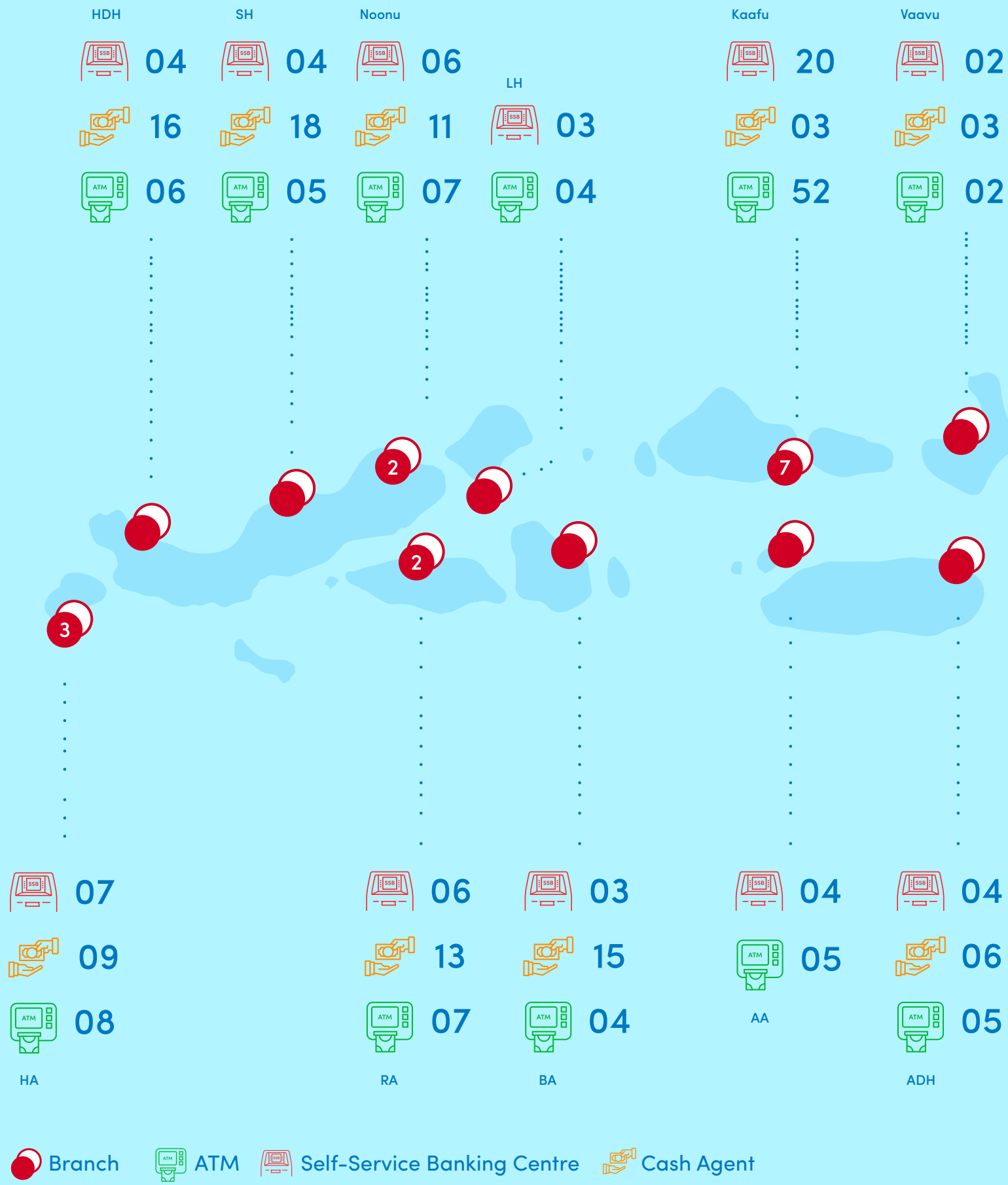
### People
The Bank is the largest employer in the Maldives banking sector with over 1,000 employees. 99% of employees are locals with almost one third employed in the atolls.

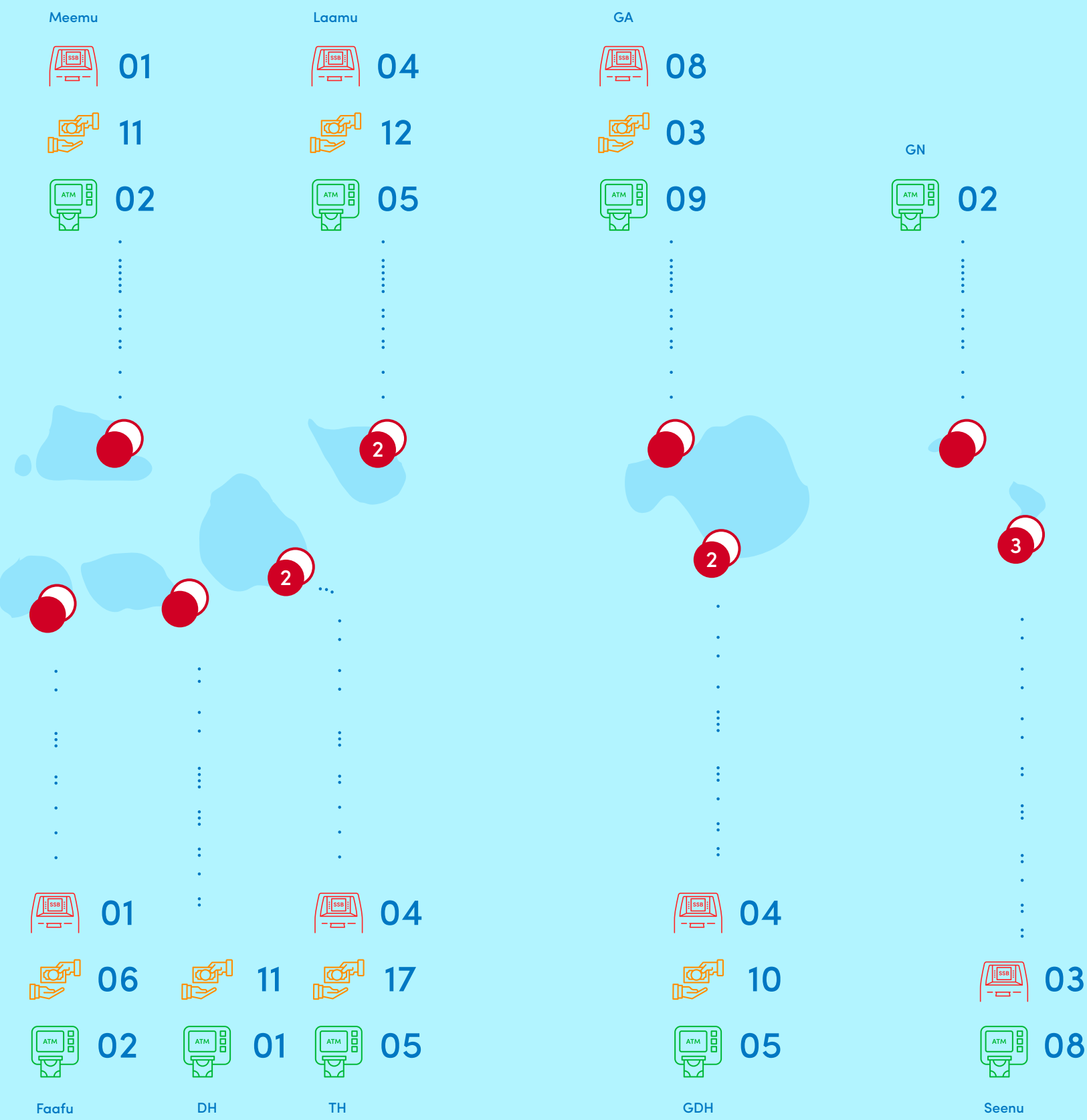
### Customer Base
We are dominant in the Maldives with over 345,000 customers, and market leaders in Retail, Corporate and SME segments. We are also the market leader in Self Service banking with the largest number of online and ATM users.

### Financial Strength
Bank of Maldives is a systemically important bank with Net Profit After Tax of MVR 2.07 billion, Total Assets of MVR 46 billion, a strong deposit base of MVR 31 billion and a strong capital position of 51% well above regulatory requirements as at 31 December 2023.

### Service Delivery
We have the largest network of branches, Agents, ATMs and POS terminals in Maldives. We are the exclusive acquirer and issuer of American Express cards in Maldives. We are the principle member in the Maldives for Visa and Mastercard.

# Our Network


HDH
04
16
06
SH
04
18
05
Noonu
06
11
07
LH
03
04
Kaafu
20
03
52
Vaavu
02
03
02
2
7
3
2
07
09
08
HA
06
13
07
RA
03
15
04
BA
04
05
AA
04
06
05
ADH
Branch
ATM
Self-Service Banking Centre
Cash Agent


Meemu
01
11
02
Laamu
04
12
05
2
GA
08
03
09
2
GN
02
3
Faafu
01
06
02
DH
2
11
01
TH
04
17
05
GDH
04
10
05
Seenu
03
08

# Table of Contents


07 SUMMARY

08 BUSINESS DEVELOPMENTS

10 KEY FINANCIAL INFORMATION

13 INVESTOR INFORMATION

13 GOVERNANCE

17 SHAREHOLDING STRUCTURE

17 MATERIAL TRANSACTIONS

18 CORPORATE SOCIAL RESPONSIBILITY

19 CORPORATE GOVERNANCE COMPLIANCE

19 REPORTING COMPLIANCE

# 1.
# Summary

The financial results for the second quarter of the year is encouraging with an Operating Profit of MVR 698 million, up 3% compared to same period last year. Net Profit amounted to MVR 448 million. Operating costs have been maintained despite inflationary pressures and the provision cover remains strong at 100%. Total Assets at end of quarter stood at MVR 44.9 billion and deposits amounted to MVR 29.5 billion. The Bank has lent MVR 2.8 billion in new loans to individuals and businesses year to date. Capital ratios remain solid and well above regulatory requirements. The quarter saw the Bank hold its Annual General Meeting during which Shareholders approved a record dividend payout of MVR 269 million which equates to MVR 50 per share.

# 2.
# Business Development

- In April, we recognized and celebrated our outstanding employees at the annual staff awards ceremony held at Crossroads Maldives. The prestigious Employee of the Year Award was awarded to Mohamed Shaig Ahmed (Customer Service Manager). The CEO's Award for Outstanding Achievement was won by Naifaru Branch. Ali Farish Khaleel (Head of Business and SME Banking) received the Best Leader Award and Azan Rasheed (Terminal Management Unit) won the Best Manager Award.

- In May, we launched two new home loan products, the Home Build Loan and the Home Equity Loan to cater to the growing customer needs for home construction and renovation. The new Home Build Loan has been designed to allow individuals to borrow up to MVR 1 million without any additional security. With a repayment period of over 15 years, this is ideal for renovation projects or larger home construction projects across the country. For the first time, the Bank also introduced its Home Equity Loan for existing Home Loan and Financing customers. This new loan enables customers to borrow up to the repaid amount, or the usable equity, of the primary loan. The Home Equity Loan is offered for borrowings of more than MVR 50,000 with a repayment period of 20 years.

- Also in May, we introduced bulk payment services on Internet Banking for businesses to conveniently process large-scale payments for salary, allowance, bonus, dividend, pension or any other multi-credit transfer requirements. Once registered for the service, businesses can make bulk payments in MVR and USD automatically to multiple BML accounts.

- We announced introduction of Weixin Pay, or known as WeChat Pay in overseas markets, as a payment method on its Point-of-Sale (POS) terminal network, allowing merchants to accept QR payments from the popular Chinese app, also in May. WeChat Pay has previously only been available on the BML Payment Gateway.

- In May, we announced 'Bank Fund' to empower NGOs to contribute to their communities through sustainable projects. The 'Bank Fund' invites proposals for ideas that promote sustainability and provide a social opportunity. Every year, five projects in the areas of education, environment, sports and community development will be selected to receive MVR 200,000 each.

- BML Islamic introduced the country's first ever Shari'ah compliant Credit Card also in May. The new BML Islamic Credit Card that runs on the American Express network was launched with a host of local and international benefits for Card Members, including exclusive savings on booking.com and offers on dining experiences. The Credit Card also offers instalment payments through BML EasyPay. The BML Islamic Credit Card is offered based on the principle of Ujrah, the concept of charging an agreed fee for providing services to a customer.

- We held our Annual General Meeting in May in which shareholders approved a total dividend payout of MVR 296 million which equates to MVR 50 per share.

- In June, we expanded our services in Maafushi branch to offer a full range of banking solutions to both individuals and businesses. With this change, the branch now operates as a full-fledged branch offering all services including USD deposits and withdrawals, loans and financing applications, cheque deposits, issuing statements as well as currency exchange. We also established a new USD ATM in the island during the same month. The new ATM installed at Maafushi Branch will support individuals and businesses to withdraw and deposit USD conveniently. It is the first USD ATM outside Male' City and adds to the existing ATM network in Male', Hulhumale' and Velana International Airport.

# 3.

# Key Financial Information

## Statement of Comprehensive Income (Unaudited)

| (All amounts in MVR '000 unless otherwise stated) | Q2 2024 | Q1 2024 | Q4 2023 | Q2 2023 |
|---|---|---|---|---|
| **Gross Income** | 1,139,787 | 1,227,557 | 1,191,681 | 1,063,322 |
| Interest Income and Similar Income | 709,713 | 701,087 | 705,003 | 654,286 |
| Interest Expense and Similar Charges | (50,434) | (53,139) | (49,692) | (44,997) |
| **Net Interest Income** | **659,279** | **647,948** | **655,311** | **609,289** |
| Fee and Commission Income | 381,123 | 458,529 | 417,963 | 340,813 |
| Fees and Commission Expense | (211,766) | (275,251) | (229,510) | (181,578) |
| **Net Fee and Commission Income** | **169,357** | **183,278** | **188,453** | **159,235** |
| Other Operating Income | 48,951 | 67,941 | 68,715 | 68,223 |
| **Total Operating Income** | **877,587** | **899,167** | **912,479** | **836,747** |
| Personnel Expenses | (94,874) | (108,274) | (142,847) | (72,469) |
| Marketing and CSR Expenses | (5,138) | (4,848) | (13,660) | (5,302) |
| Other Operational and Administration Expenses | (79,840) | (77,570) | (83,327) | (80,416) |
| **Operating Expenses** | **(179,852)** | **(190,692)** | **(239,834)** | **(158,187)** |
| **Operating Profit (Profit before Provisions)** | **697,735** | **708,475** | **672,645** | **678,560** |
| Provision for Bad and Doubtful Debts | (127,312) | (33,592) | 103,586 | 77,136 |
| **Profit before Tax** | **570,423** | **674,883** | **776,231** | **755,696** |
| Income Tax Expense | (121,431) | (182,219) | (238,727) | (204,038) |
| **Net Profit for Quarter** | **448,992** | **492,664** | **537,504** | **551,658** |
| **Basic Earning Per Share (annualized)** | **334** | **366** | **399** | **410** |
| **Net Assets Per Share** | **2,387** | **2,354** | **2,262** | **2,065** |
| **Cash Flow Per Share** | **(270)** | **9** | **228** | **(33)** |

## Statement of Financial Position (Unaudited)

| (All amounts in MVR '000 unless otherwise stated) | 30 June 2024 | 31 Mar 2024 | 31 Dec 2023 Audited |
|---|---|---|---|
| Cash and Short Term Funds | 7,940,426 | 11,387,601 | 10,872,072 |
| Statutory Deposit with Maldives Monetary Authority | 4,119,570 | 3,405,198 | 3,976,238 |
| Loans and Advances | 19,853,011 | 19,300,403 | 19,255,490 |
| Financial Investments - FVOCI | 292,877 | 292,113 | 292,114 |
| Financial Investments - Amortized Cost | 10,714,247 | 9,985,274 | 9,630,746 |
| Property, Plant and Equipment | 785,845 | 799,418 | 794,029 |
| Right-of-use assets | 138,353 | 141,492 | 144,632 |
| Other Assets | 1,041,728 | 1,013,285 | 701,829 |
| **Total Assets** | **44,886,057** | **46,324,784** | **45,667,150** |
| Deposits | 29,497,473 | 31,197,410 | 30,787,420 |
| Borrowings | 523,665 | 524,658 | 502,859 |
| Government Grants | 62,694 | 63,521 | 63,521 |
| Lease Liabilities | 135,906 | 137,906 | 139,863 |
| Other Liabilities | 1,817,239 | 1,732,105 | 1,996,967 |
| **Total Liabilities** | **32,036,977** | **33,655,600** | **33,490,630** |
| Share Capital | 269,096 | 269,096 | 269,096 |
| Share Premium | 93,000 | 93,000 | 93,000 |
| Retained Earnings | 2,754,336 | 2,574,440 | 2,081,776 |
| Other Reserves | 9,732,648 | 9,732,648 | 9,732,648 |
| **Total Shareholders' Equity** | **12,849,080** | **12,669,184** | **12,176,520** |
| **Total Equity and Liabilities** | **44,886,057** | **46,324,784** | **45,667,150** |

Nandana Senevirathne
Chief Financial Officer

Karl Stumke
CEO and Managing Director

Najeem Ibrahim Zakariyya
Audit Committee Chairperson

## Statement of Changes in Equity (Unaudited)

| | Share Capital | Retained Earnings | Reserves | Total |
|---|---|---|---|---|
| **Balances as at 30 September 2023** | **362,096** | **2,953,266** | **8,278,237** | **11,593,599** |
| (+) Net profit for the quarter | | 537,504 | | 537,504 |
| (-) Dividend to equity holders | - | (215,277) | - | (215,277) |
| (+/-) Transfer to general reserve | - | (1,416,305) | 1,416,305 | - |
| (+/-) Movement to other reserves | - | 222,588 | 38,106 | 260,694 |
| **Balances as at 31 December 2023 (Audited)** | **362,096** | **2,081,776** | **9,732,648** | **12,176,520** |
| (+) Net profit for the quarter | - | 492,664 | - | 492,664 |
| **Balances as at 31 March 2024** | **362,096** | **2,574,440** | **9,732,648** | **12,669,184** |
| (-) Dividend to equity holders | - | (269,096) | - | (269,096) |
| (+) Net profit for the quarter | - | 448,992 | - | 448,992 |
| **Balances as at 30 June 2024** | **362,096** | **2,754,336** | **9,732,648** | **12,849,080** |

## Statement of Cash Flows (Unaudited)

| | Q2 2024 | Q1 2024 | Q4 2023 | Q2 2023 |
|---|---|---|---|---|
| Cash Flows from Operating Activities | 692,437 | 24,464 | (303,884) | 732,246 |
| Changes in Operating Assets and Liabilities | (1,166,733) | 386,053 | 508,726 | 173,173 |
| Cash Flows from Investing Activities | (740,963) | (385,655) | 411,626 | (627,362) |
| Cash Flows from Financing Activities | (238,827) | 21,799 | 611,293 | (454,103) |
| **Net increase /(decrease) in Cash & Cash Equivalents** | **(1,454,086)** | **46,661** | **1,227,761** | **(176,046)** |
| Cash & Cash Equivalents at beginning of the period | 3,780,688 | 3,734,027 | 2,506,266 | 3,034,790 |
| **Cash & Cash equivalents at end of the period** | **2,326,602** | **3,780,688** | **3,734,027** | **2,858,744** |

# 4.

# Investor Information

| | |
|---|---|
| Highest Traded Price | MVR 740 |
| Lowest Traded Price | MVR 666 |
| Last Traded Price | MVR 698 |
| Last Traded Date | 30th June 2024 |
| Number of Trades | 41 |
| Number of Shares Traded | 1236 |
| Value of Shares Traded | MVR 892,540 |
| Weighted Average Traded Price | MVR 722.12 |
| Market Capitalization | MVR 3,756,580,160 |
| Dividend Yield | 7.16% |
| Price Earning - Ratio | 2.09 |

# 5.

# Governance

### 5.1 Frequency of Board Meetings

The number of meetings held by the Board and Committees during the second quarter of 2024 were as follows:

| | **No. of Meetings** |
|---|---|
| Board of Directors | 07 (Seven) |
| Board Credit Committee | 02 (Two) |
| Audit Committee | 05 (Five) |
| Risk Committee | 04 (Four) |
| Appointment, Nomination & Remuneration Committee | 08 (Eight) |
| Corporate Governance Committee | 14 (Fourteen) |

### 5.2 Key Activities carried out by the Board and Board Committees

- Reviewed and approved the Bank's Financial Statements for Quarter 1 2024.
- Reviewed Risk Management Report, Compliance Report, Non-Performing Assets and Loan Portfolio Report and Report on the activities of the Internal Audit function for Quarter 1 2024.
- Reviewed the monthly ANR, Audit, CG, BCC and Risk Committee Reports.
- Reviewed Correspondences with regulatory agencies for Q1 2024.
- Reviewed the Shari'ah Committee Minutes.
- Reviewed matters received via the Bank's Whistle Blowing System.
- Discussed the Board Evaluation Results.
- Reviewed the names received for Nominee Directorship Position and applications received for Public Directorship Position.
- Held the Bank's 41st Annual General Meeting.
- Re-appointed CEO Mr. Karl Stumke as Managing Director of the Bank.
- Reviewed and approved changes to Board Committees composition.
- Reviewed the Succession Plan.
- Reviewed the Budget Reforecast.
- Reviewed the Custodian Compliance Report 2023.
- Reviewed and approved Management Letter 2023 and External Auditors Report on Reliability of Controls.
- Reviewed and approved the amendments to eligibility criteria for Lui Loan and USD Visa Credit Card.
- Reviewed and approved to publish Extraordinary General Meeting Minutes held on 24th March 2024 and 41st Annual General Meeting held on 28th May 2024 for shareholder comments.
- Reviewed and approved the changes to government and SOE exposure limit.
- Reviewed Maldives Monetary Authority's Onsite Examination Report on Cybersecurity.
- Reviewed and approved the Contingency Funding Plan.
- Reviewed and approved changes to IFRS 9 Policy.
- Reviewed and approved changes to unsecured limit cap.
- Reviewed and approved amendments to Director's Selection Policy.
- Reviewed the Bank's Insurance.
- Reviewed and proposed changes to Bank's Memorandum of Association and Article of Association.
- Reviewed and approved amendments to Board Charter.
- Reviewed the Job Grading Exercise.
- Reviewed the Bank's Net Open Position and USD Forex Position.

### 5.3 Changes in the Board of Directors

As per the Articles of Association, the Board shall consist of 11 members, which includes 8 nominee directors and 3 public directors. The quarter began with the following 10 directors in the Board composition.

| Name of Director | Category | Designation | Date of Appointment | Respective Committee |
|---|---|---|---|---|
| **Mr. Hassan Zareer*** Nominee Director | Non-Executive & Independent | Chairperson | 25th Mar 2024 | BCC |
| **Mr. Karl Stumke** Nominee Director | Executive | CEO & MD | 10th Jan 2023 | BCC |
| **Ms. Aishath Noordeen** Nominee Director | Executive | Director | 31st Aug 2020 | BCC |
| **Ms. Juwairiya Saeed** Nominee Director | Non-Executive & Non-Independent | Director | 30th Jul 2019 | AC, RC & CG |
| **Mr. Abdulla Hassan** Nominee Director | Non-Executive & Independent | Director Chairperson of ANR Committee | 31st Aug 2020 | ANR, RC & AC |
| **Mr. Ali Faris Mohamed** Nominee Director | Non-Executive & Independent | Director | 25th Mar 2024 | ANR, BCC & RC |
| **Ms. Aishath Sajny** Nominee Director | Non-Executive & Independent | Director Chairperson of CG Committee | 24th Oct 2021 | ANR, BCC & RC |
| **Mr. Ibrahim Mohamed** Elected Director | Non-Executive & Non-Independent | Director | 7th Aug 2009 | AC, ANR, CG & BCC |
| **Mr. Ahmed Mohamed** Elected Director | Non-Executive & Independent | Director Chairperson of Audit Committee | 30th Jul 2019 | ANR, AC, RC & CG |
| **Mr. Abdulla Naseem** Elected Director | Non-Executive & Independent | Director Chairperson of Risk Committee | 24th Oct 2021 | AC, RC, BCC & CG |

BCC = Board Credit Committee; ANR = Appointment, Nomination & Remuneration Committee; AC = Audit Committee; RC = Risk Committee; CG = Corporate Governance Committee

*Mr. Hassan Zareer, the Chairperson of the Board, resigned in May 2024. With his resignation, the position of Chairperson remains vacant. The bank has requested the government to appoint a new Chairperson to the Board.

Mr. Abdulla Hassan and Ms. Juwairya Saeed's tenure ended with the bank after the 41st AGM held on 28th May 2024. Subsequently, Mr. Adil Moosa and Dr. Mariyam Suzy Adam were newly appointed to the bank's Board during the same AGM. As of the end of the quarter, the Board composition consists of a total of 9 directors with two vacant nominee director positions. The following is the current composition of the Board of Directors as at the end of Q2 2024.

| Name of Director | Category | Designation | Date of Appointment | Respective Committee |
|---|---|---|---|---|
| **Mr. Karl Stumke**<br>Nominee Director | Executive | CEO & MD | 10th Jan 2023 | BCC |
| **Ms. Aishath Noordeen**<br>Nominee Director | Executive | Director | 31st Aug 2020 | BCC |
| **Ms. Aishath Sajny**<br>Nominee Director | Non-Executive & Independent | Director<br>Chairperson of CG Committee | 24th Oct 2021 | ANR, CG & BCC |
| **Mr. Ali Faris Mohamed**<br>Nominee Director | Non-Executive & Independent | Director | 25th Mar 2024 | AC, RC & BCC |
| **Mr. Adil Moosa**<br>Nominee Director | Non-Executive & Independent | Director | 28th May 2024 | ANR, AC & RC |
| **Dr. Mariyam Suzy Adam**<br>Nominee Director | Non-Executive & Independent | Director<br>Chairperson of ANR Committee | 28th May 2024 | ANR, RC & CG |
| **Mr. Ibrahim Mohamed***<br>Elected Director | Non-Executive & Non-Independent | Director | 7th Aug 2009 | AC, ANR, CG & BCC |
| **Mr. Ahmed Mohamed***<br>Elected Director | Non-Executive & Independent | Director<br>Chairperson of Audit Committee | 30th Jul 2019 | ANR, AC, RC & CG |
| **Mr. Abdulla Naseem**<br>Elected Director | Non-Executive & Independent | Director<br>Chairperson of Risk Committee | 24th Oct 2021 | AC, RC, BCC & CG |

BCC = Board Credit Committee; ANR = Appointment, Nomination & Remuneration Committee; AC = Audit Committee; RC = Risk Committee; CG = Corporate Governance Committee

*In July, the tenure of Mr. Ahmed Mohamed and Mr. Ibrahim Mohamed ended, and two new directors, Mr. Moosa Rasheed and Mr. Najeem Ibrahim Zakariyya, were appointed.

# 6.

# Shareholding Structure

The Bank's shareholding as at the end of the quarter was as follows:

| Shareholders | Number of Shares | % |
|---|---|---|
| Government (Ministry of Finance) | 2,733,868 | 50.80% |
| Maldives Pension Administration Office (MPAO) | 394,380 | 7.33% |
| Maldives Transport and Contracting Company PLC (MTCC) | 219,096 | 4.07% |
| Atoll/Island Councils | 219,096 | 4.07% |
| General Public | 1,815,480 | 33.73% |
| **Balances as at 30th June 2024** | **5,381,920** | **100%** |

# 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.

We continued to invest in community initiatives supporting the areas of education, sports, environment and community development. We aim to create opportunities for people and empower communities.

During the quarter we launched our new “Bank Fund” initiative which awards five projects each year with MVR200,000 each in the areas of education, environment, sports, and community development to promote sustainability, innovation and provide a social opportunity for communities. The launch of the Bank Fund brings an end to the 5-year long Community Fund which has now seen 100 projects awarded to local island communities. Over the quarter, 4 Community Fund projects were also completed.

We renewed our partnership with the Maldives Surfing Association (MSA) as the official sponsor of all national surf teams! With this partnership, we will also support the annual National Junior Surfing Championship organized by to promote the development of local talent.

BML Wow Kids Run was held in partnership with TFG on June 1st with over 760 participants. The run, now in its 8th year, is held to promote active, healthy lifestyles for kids and parents.

To mark Children’s Day, our branch teams hosted family evenings as a show of support to communities in M. Muli, G.Dh. Madaveli, A.Dh. Mahibadhoo, and K. Maafushi.

In addition, as part of our strategy to engage more with the communities, this Eid we hosted Eid Sai in seven islands; HA. Utheemu, R. Kinolhas, A.Dh. Dhangethi, Th. Veymandoo, L. Gan, R Ungoofaaru and Fuvahmulaku City in partnership with their respective councils and local NGOs. Over 4,000 people joined the event.

As an extension of our clean-up initiatives, we donated cleaning supplies to Male’ City Council to support their work of keeping the Male’ city area clean and garbage free. The Bank routinely hold cleaning events across the country, engaging with local councils and non-governmental organizations to make a difference in our communities.

In June, we held our quarterly blood donation camp for our staff in partnership with Maldives Blood Services to contribute to the vital supply of blood necessary to save lives.

# 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.

bankofmaldives
bankofmaldives.com.mv