

Second Quarter 2011

April 2011 – June 2011



Bank of Maldives PLC

www.bankofmaldives.com.mv

DEVELOPMENTS OF THE COMPANY

Annual Report 2010

Annual Report of the Bank of Maldives PLC for the year 2010, along with the accompanying Audit Report and Financials

were published by the Bank on 15 May 2011.

Appointment of Mr. Peter Horton as Managing Director

Mr. Peter Horton, who serves as the Chief Executive Officer of the Bank was appointed as the Managing Director of the Bank of Maldives Plc. The engagement was

effected on 13 April 2011 by the Board of Directors during the 470 meeting of the Board.

Business Transformation Programme

Bank of Maldives Plc has commenced a Business Transformation programme which will see the business re-align its organizational structure to allow greater focus around customers and customer segments with a view to transforming the business into a Financial Services institution with a strong service and customer focus. As a critical first step in the transformation

process the Bank is focused on strengthening the Human Resources Function and have engaged a human resource consultancy firm, Hunter Roberts, who have extensive experience working with Banks around the world. They are working closely with the Management team in order to develop effective employee policy and provide staff development.

HUMAN RESOURCE DEVELOPMENTS

The Bank places a high priority in the development of its most valuable asset – our employees.

Fully Provided Scholarships

Three scholars, returned to service at the Bank upon successful completion of their scholarships. The successive candidates

returned upon due completion of their undergraduate and postgraduate studies.

Training

As have been the practice, the Bank continues to invest towards the enrichment of our staff members on an ongoing basis. In this regard, trainings are provided to

staff members to improve on their skills to deliver better customer oriented and greater shareholder returns.

In summary, the training sessions facilitated catered as follows:

Nature	Staff Participation
In-house	71
Local	11
Overseas	4

Collaboration Activities

The Bank successively took part in the Club Maldives Cup 2011, held in May 2011. In making the team selection to represent the institute, opportunities were extended to Male' Based Branches/Departments as well

as outstation Branches, enhancing participation and promoting synergy among staff members.

ADMINISTRATIONS

During the period 01st April 2011 to 30th June 2011, the following activities were carried out by the Board of Directors and its sub-committees

Board of Directors

Approval of Quarterly Financial Reporting – March 2011

The Board of Directors in their 471 meeting held on 27 April 2011, reviewed and approved the publication of quarter one report of 2011 together with unaudited financials.

Ratification of Nominee Directors and Applicants received for Elected Directorship

The Board of Directors in their 475 meeting held on 6 June 2011 ratified the names received for nominee directorship and elected directorships. These names were placed for ratification after review by the Executive Committee of the Board.

Ratification of Minutes of the Extraordinary General Meeting of the Bank

The Board of Directors in their 475 meeting held on 6 June 2011 also ratified the Minutes of the Extraordinary General Meeting of the Bank held on 06 April 2011. The Minutes was discussed and reviewed by the Audit and Risk Management Committee of the Board before being placed for due ratification from the Board of Directors.

Approval of Annual Financial Statements (Audited Financials) – 2010

The Board of Directors in their 473 meeting held on 12 May 2011, approved the Audited Annual Financial Statements. The financials were placed for adoption, having been reviewed by the Audit and Risk Management Committee.

Discussion on Recommendation of Nominee Directors to the Government.

The Executive Committee of the Board in their 357 meeting held on 25 May 2011 reviewed and recommended as per the Articles of Association and resolved to send the 14 names to the Government as recommended by the Appointment, Nomination and Remuneration Committee for nominee directorships of the Bank.

Audit and Risk Management Committee

Approval of Quarterly Financial Reporting

The Audit and Risk Management Committee of the Board in their 66 meeting held on 25 April 2011 reviewed the Quarterly Financial

Reporting for the first Quarter of year 2011 and approved to recommend for Board of Directors approval.

Approval of Audited Financials for the year 2010

The Audit and Risk Management Committee of the Board in their 69 meeting held on 08 May 2011 approved the Audit Report and

Financials for the year 2010 and resolved to be placed for approval of the Board of Directors.

Review of the First Quarter Internal Audit Report for the year 2011

The Audit and Risk Management Committee of the Board reviewed the internal audit report for the first quarter of year 2011 and action

plans were drawn up in discussion with the Management to rectify the issues identified.

Appointment, Nomination and Remuneration Committee

Discussion on the 04 Applications Received for Public Directorship of BML.

As three out of four applications received for public directorships were applications from elected directors sitting in the Board, the Appointment Nomination and Remuneration Committee in their 83 meeting held on 24 May 2011,

resolved to place these three applications for Board or Executive Committee's consideration. Further it was resolved to carry out due diligence process for these applicants through the courts and MMA.

Discussion on Recommendation of Nominee Directors to the Government.

The Appointment, Nomination and Remuneration Committee of the Board reviewed names of the directorship candidates, as per clause 54 of the Articles of

Association and in their 86 meeting held on 21 June 2011 finalized to place these names for shareholders consideration

Meetings

The number of meetings held by the Board of Directors and its sub-committees, during the second quarter of the year 2011 were as follows;

	<i>No. of Meetings</i>
Board of Directors	07
Executive Committee of the Board	01
Audit & Risk Management Committee	07
Appointment, Nomination & Remuneration Committee	08

Changes to the Board of Directors

At the Extraordinary General Meeting of the Bank held on 6 April 2011, Mr. Peter Horton and Mr. Adam Azim was appointed as

Government nominated Directors to the Board, strengthening the Board composition to 11 directors.

Resignation of Chairman – Mr. Adam Ibrahim

Mr. Adam Ibrahim resigned from the office of the Board of Directors and Chairman of Bank of Maldives PLC, effective 19 April 2011. Mr.

Adam Ibrahim served at this capacity since his initial appointed to the role on 7 August 2009.

Following the resignation of Mr. Adam Ibrahim, the composition of the Board reduced to 10 directors.

Financial Statements

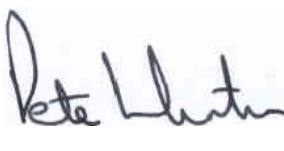
Balance Sheet (Unaudited)

As at 30 June 2011

	In Rf.	
	As at 30-Jun-11	As at 31-Mar-11
Cash, short term funds & balances with MMA	4,155,100,008	4,092,979,891
Loans and Advances	6,274,712,161	6,083,881,932
Investment - Available for sale	5,129,699	5,079,115
Property, plant and equipment	109,602,730	114,579,130
Other Assets	180,853,013	145,300,761
Total Assets	10,725,397,611	10,441,820,829
Deposits	7,425,283,339	7,404,736,814
Borrowings	1,432,749,491	1,178,439,439
Other liabilities	473,923,189	462,368,916
Total liabilities	9,331,956,020	9,045,545,170
Share Capital	269,096,000	269,096,000
Share Premium	93,000,000	93,000,000
Reserves	1,031,345,591	1,034,179,660
Total Shareholders' Equity	1,393,441,591	1,396,275,660
Total Equity and Liabilities	10,725,397,611	10,441,820,829



Lasantha Thennakoon
Chief Financial Officer



Peter Horton
Managing Director & CEO



Ibrahim Mohamed
Chairman – Board Audit Committee

Income Statement (Unaudited)

For the quarter ended 30 June 2011

	In Rf.	
	<u>Q2 2011</u>	<u>Q1 2011</u>
Interest income and similar income	160,463,367	149,697,465
Interest expense and similar charges	(45,251,181)	(41,576,665)
Net Interest Income	115,212,186	108,120,800
Other Operating Income	82,226,824	49,925,785
	197,439,010	158,046,585
Operating Expenses	(57,989,684)	(60,662,724)
Provision for bad and doubtful debts	(139,449,325)	(81,096,127)
	(197,439,009)	(141,758,851)
Profit before tax	-	16,287,734
Income tax expense	-	(4,071,933)
Net Profit for the quarter	-	12,215,800
Basic Earning per share (annualized)	-	9.08

Notes to the Financial Statements

During the Quarter 2, 2011 Bank's operating profit indicated a significant increase against Quarter 1, 2011. However, with the aim of complying with MMA provisioning guidelines by end of the year, Bank decided to set aside the total operating profit as loan loss provisions, during the Quarter 2, 2011. Significant progress has already been made this year towards compliance with provisioning requirements and our focus at the half year stage underlines our commitment to deal fully and finally with this matter as soon as is possible.

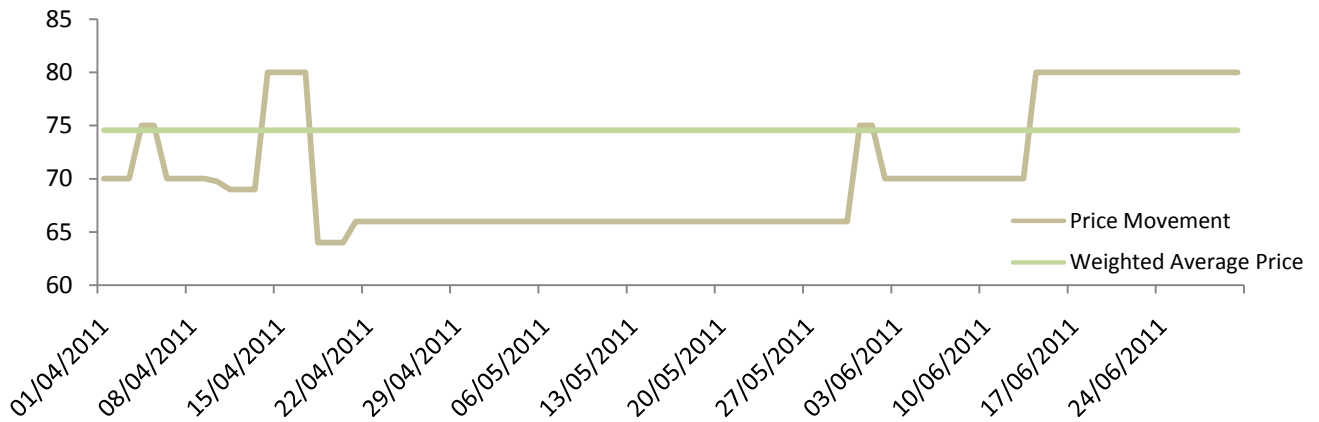
Cash Flow Statement (Unaudited)

For the quarter ended 30 June 2011

	In Rf.	
	<u>Q2 2011</u>	<u>Q1 2011</u>
Cash flows from operating activities	(437,017,391)	437,844,456
Cash flows from investing activities	(1,530,592)	(473,142)
Cash flows from financing activities	254,239,842	(82,055,398)
Net increase in cash and cash equivalents	(184,308,141)	355,315,916
Cash and cash equivalents at beginning of the quarter	2,340,877,413	1,985,561,498
Cash and cash equivalents at end of the quarter	2,156,569,272	2,340,877,413

Market Highlights

	<i>Rf.</i>
Highest Trading Price	80/-
Lowest Trading Price	64/-
Weighted Average Trading Price	74.55
Market Capitalization (at quarter end)	430,553,600/-
Price Earnings Ratio (annualized at quarter end)	17.62



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 has been in compliance with the provisions of the Bank's corporate governance code that articulates best corporate governance practices in the industry. The Bank has also complied with the provisions of its internal policies and procedures that govern its day to day operations.

Reporting Compliance

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