

# FIRST QUARTER REPORT

January 2011 – March 2011



**Bank of Maldives Plc.**

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

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## 1. Developments of the Company

### 1.1 Progress Towards Goals and Objectives

- **Approval of Budget 2011**

The Board of Directors in their 465<sup>th</sup> meeting held on 03<sup>rd</sup> January 2011 adopted the Bank's Budget for the year 2011.

- **Recruitment of the Chief Executive Officer**

Mr. Peter Horton was appointed as Chief Executive Officer during the quarter.

*More information provided under Board Activities.*

### 1.2 Highlights of Business Activities

- **Restoration of NPA Fisheries Loans**

Through the Development Banking Cell, the Bank implemented the second phase of NPA Fisheries Loans restoration program. Through this program all overdues below a specified amount were funded to reduce their interest burden of borrowers willing to cooperate with insurance of assets.

- **Fund Based Loan Scheme to Small to Medium Enterprises (SMEs)**

Asian Development Bank and Ministry of Finance and Treasury (MoFT) in alliance with BML launched the first phase of Private Sector Development Project. The acceptance of application for SME development loans were opened from 1 March 2011 to 31 March 2011.

At present the proposals submitted to the Bank are being validated and placed to Ministry of Economic Development for appraising these proposals. It is expected that the disbursement of funds to beneficiaries will commence soon.

- **Fund Based Loan Scheme to Fisheries Industry**

With financing received from International Fund for Agricultural Development (IFAD) through MoFT, BML has begun collecting applications for installing RSW in fishing vessels. Loan funds are expected to be disbursed during the ensuing quarter.

- **Enhancement of Professional Development Loans**

Enhancement of loans granted under Loans Scheme for Educational Assistance was disbursed during the first quarter of 2011 to students residing in Malaysia. Further new facilities were granted under the same loan scheme for purchasing laptops for teachers.

### **1.3 Human Resources**

- **Team Building**

To foster team work and interaction among staff, the Bank organized the Inter Department Volleyball Tournament and the Inter Department Futsal Tournament. Both events were a success with participation and involvement of staff members enabled opportunities for further interaction and development of team effort.

- **Training**

Over the course of the quarter, numerous training sessions were conducted for enhancing staff productivity and developing specialist knowledge. In this regard a total of 73 staff members participated in different enhancement programs facilitated by the Bank, which were held both at local, national and international levels.

## 2. Administrations

### 2.1 Board Activities

- **Minutes of Bank's Annual General Meeting 2010**

The minutes of the Bank's Annual General Meeting held on 30th October 2010 was approved by the Board of Directors in their 467th meeting held on 16th February 2011. The minutes was published on 17th February 2011 and shareholders were given a period of 01 month to submit their comments to the minutes.

- **Recruitment of Chief Executive Officer**

With the resignation of Mr. Ganesan Subramanyam from the post of Chief Executive Officer of BML with effect from 16th August 2010, the Appointment, Nomination & Remuneration Committee of the Board of Directors during September 2010, undertook the task of recruiting a new Chief Executive Officer for the Bank. The applicants for the post were aptly scrutinized by the Appointment, Nomination & Remuneration Committee, and subsequently, the shortlisted candidates were put up to the Board for consideration. Accordingly, the Board of Directors in their 461st meeting held on 27th November 2010 concurred to appoint Mr. Peter Horton to the post of Chief Executive Officer of the Bank. In this regard, the new CEO, Mr. Peter Horton joined the Bank on 23rd February 2011.

- **THE AUDIT & RISK MANAGEMENT COMMITTEE - Review of the Bank's Procurement Process**

Subsequent to the adoption of the Bank's first Procurement Policy (the "Policy") by the Board of Directors in their 436th meeting held on 28th April 2010, the Audit & Risk Management Committee of the Board has continuously reviewed the procurement process of the Bank in order to ensure that each and every procurement conducted by the Bank is in line with the approved Policy so that, the maximum benefits of the Policy accrue to the Bank.

- **THE APPOINTMENT, NOMINATION & REMUNERATION COMMITTEE - Review of Government Nominees to the Board of Directors**

With the resignation of Mr. Ganesan Subramanyam from the post of Chief Executive Officer and the disqualification of Mr. Azban Fahmy from holding office as a member of the Board of Directors on 12th December 2010 under Section 15(c) of the Banking Act (Law No: 24/2010) the Appointment, Nomination & Remuneration Committee sought nominees from the Government of the Republic of Maldives to fill in the 02 vacant positions in the office of the Board of Directors. Once the names of the Nominee Directors were finalized by the Government, the Appointment, Nomination & Remuneration Committee of the Board examined whether the proposed Nominee Directors possessed the minimum pre-qualifications stipulated in Article 54 of the Bank's Articles of Association and the Fit and Proper Guidelines of MMA's Prudential Regulations.

## **2.2 Changes in Members of the Board of Directors**

The Board's Composition remained unchanged throughout the quarter.

### 3. Financial Statements

#### Bank of Maldives Plc

##### Condensed Income Statement ( Unaudited )

For the quarter ended 31 March 2011

	In MRf.	
	Q1 2011	Q1 2010
Interest income and similar income	149,697,465	144,350,567
Interest expense and similar charges	-41,576,665	-45,804,091
Net Interest Income	108,120,800	98,546,476
Other Operating Income	49,925,785	41,029,444
	<b>158,046,585</b>	<b>139,575,920</b>
Operating Expenses	-60,662,724	-59,703,654
Provision for bad and doubtful debts	-81,096,127	-65,439,822
	<b>-141,758,851</b>	<b>-125,143,476</b>
<b>Profit before tax</b>	<b>16,287,734</b>	<b>14,432,444</b>
Income tax expense	-4,071,933	-3,608,111
<b>Net Profit for the quarter</b>	<b>12,215,800</b>	<b>10,824,333</b>
<b>Basic Earning per share (annualised)</b>	<b>9.08</b>	<b>8.04</b>

##### Condensed Cash Flow Statement ( Unaudited )

For the quarter ended 31 March 2011

	In MRf.	
	Q1 2011	Q1 2010
Cash flows from operating activities	444,064,434	339,140,847
Cash flows from investing activities	-507,583	-165,114
Cash flows from financing activities	-71,055,656	175,109,342
<b>Net increase in cash and cash equivalents</b>	<b>372,501,195</b>	<b>514,085,075</b>
Cash and cash equivalents at beginning of the quarter	1,968,376,218	1,949,427,462
<b>Cash and cash equivalents at end of the quarter</b>	<b>2,340,877,413</b>	<b>2,463,512,538</b>

## Bank of Maldives Plc

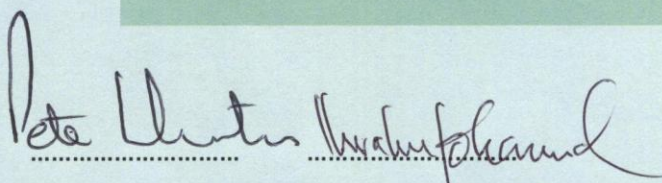
### Condensed Balance Sheet ( Unaudited )

As at 31 March 2011

	In MRF.	
	As at 31-Mar-11	As at 31-Mar-10
Cash, short term funds & Balances with MMA	4,092,979,891	4,078,876,923
Loans and Advances	6,083,881,932	6,265,023,946
Investment - Available for sale	5,079,115	6,693,662
Property, plant and equipment	114,579,130	97,345,131
Other Assets	145,300,761	152,498,733
<b>Total Assets</b>	<b>10,441,820,829</b>	<b>10,600,438,396</b>
Deposits	7,404,736,814	7,490,453,950
Borrowings	1,178,439,439	1,379,449,087
Other liabilities	462,368,916	373,182,427
<b>Total liabilities</b>	<b>9,045,545,170</b>	<b>9,243,085,463</b>
Share Capital	269,096,000	269,096,000
Share Premium	93,000,000	93,000,000
Reserves	1,034,179,660	995,256,933
<b>Total Shareholders' Equity</b>	<b>1,396,275,660</b>	<b>1,357,352,933</b>
<b>Total Equity and Liabilities</b>	<b>10,441,820,829</b>	<b>10,600,438,396</b>



Lasantha Thennakoon  
Chief Financial Officer



Peter Horton  
Chief Executive Officer

Ibrahim Mohamed  
Chairman-Board Audit Committee

## 4. Market Highlights of BML Shares

### 4.1 Share Price Related Information

Highest Price (02.01.2011)	120/-
Lowest Price (30.03.2011 to 31.03.2011)	70/-
Weighted Average Price	74.14
Market Capitalization (at end of quarter)	376,734,400/-
Price Earnings Ratio (annualized)	7.60

### 4.2 Share Price Movement



## 5. Corporate Governance Compliance

During the quarter, the Bank has been In compliance with the provisions of Bank's Corporate Governance Code.

## 6. Reporting Compliance

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