

THIRD QUARTER REPORT

JULY 2010 – SEPTEMBER 2010



BANK OF MALDIVES PLC

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1. DEVELOPMENTS OF THE COMPANY

1.1 PROGRESS TOWARDS GOALS AND OBJECTIVES

1.1.1 Adoption of Pension Plan

A Pension Plan structured as per the Pension Act was approved by the Board of Directors. With implementation of the scheme, employees will enjoy the benefit of both the Pension Plan and Staff Provident Fund.

The Plan would come into effect at the beginning of year 2011.

1.1.2 Selection of Suitable Candidates for the “Executive Grooming Programme”

During the 02nd quarter of the year, the Board of Directors approved an Executive Grooming Programme for the Bank’s staff in order to equip them with the necessary skills and knowledge to occupy Corporate Management Positions of the Bank in future.

In this regard, on 14 July 2010, suitable candidates were identified for the programme by the Committee.

1.2 HIGHLIGHTS OF BUSINESS ACTIVITIES

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1.2.1 Loans and Advances

During the quarter 2,039 loans aggregating to Rf 708 million were sanctioned.

1.3 HUMAN RESOURCES

1.3.1 Local and Overseas Training Programmes/Workshops/Seminars

Serving a commitment to strive for the continuous development of its Human Resources, the Bank ensures that its staff members are provided adequate training and development opportunities. During the quarter several staff members were sponsored by the Bank to attend various local and overseas trainings, seminars and workshops, covering a wide range of knowledge areas.

2. ADMINISTRATIONS

2.1 BOARD ACTIVITIES

The number of meetings held by the Board of Directors and its sub-committees during the third quarter of the year 2010 was as follows;

	<i>No. of Meetings</i>
Board of Directors	11
Audit & Risk Management Committee (ARM Committee)	09
Appointment, Nomination & Remuneration Committee (ANR Committee)	07

2.2 ANNUAL BOARD DIRECTOR EVALUATIONS

An evaluation of individual directors and an evaluation of the Board as a whole were conducted during the quarter as required in the Corporate Governance Code of the Bank and to foster good governance. Board members discussed the results of the evaluations.

2.3 CHANGES IN MEMBERS OF THE BOARD OF DIRECTORS

By the end of the quarter, number of directors reduced to 08 following the resignation of Mr. Ganesan Subramanyam, Managing Director & CEO on 16th August 2010.

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2.4 DECISIONS / RESOLUTIONS APPROVED BY THE BOARD OF DIRECTORS

Summary of some of the key resolutions made by the Board during the quarter are as follows.

2.4.1 Appointment of Acting MD & CEO

Upon resignation of Mr. Ganesan Subramanyam, Ms. Aishath Noordeen, Executive Director / Assistant General Manager was appointed by the Board as Acting MD & CEO effective 29 August 2010.

2.4.2 The 27th Annual General Meeting

The Board of Directors had announced to hold the 27th AGM of the Bank on 30 October 2010 (Saturday) at the Islamic Centre Hall at 20:30 hours.

3. FINANCIAL STATEMENTS

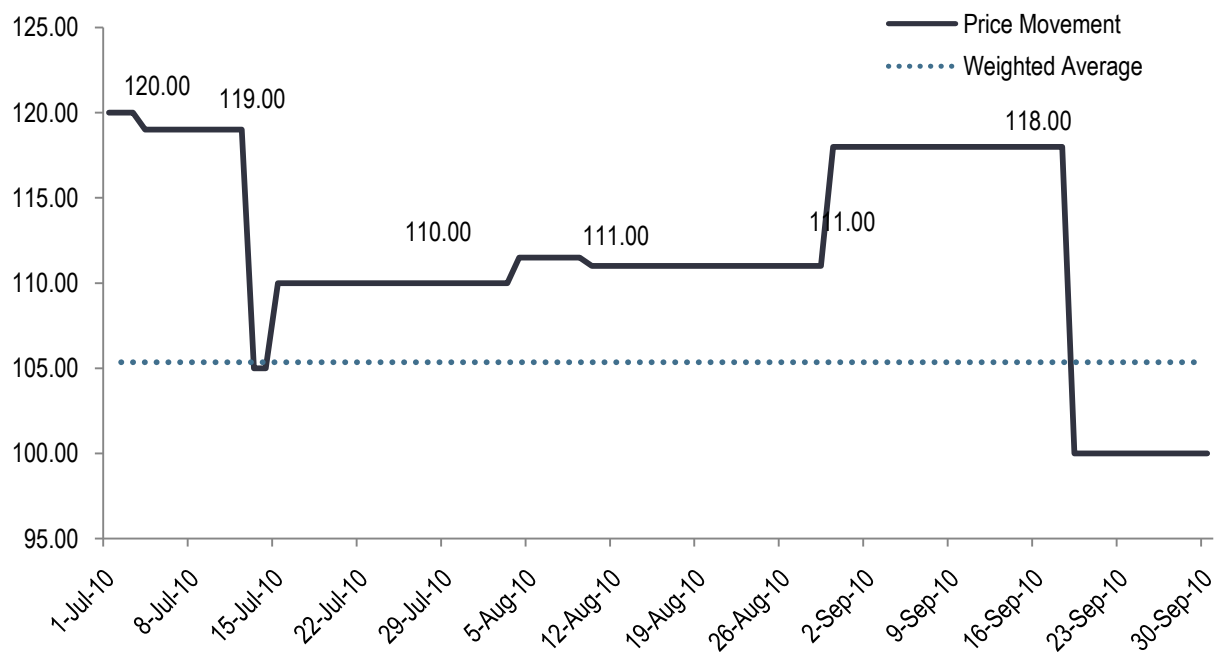
Income Statement, Balance Sheet and Cash flow Statement for the quarter 3, 2010 is attached separately.

4. MARKET HIGHLIGHTS FOR BML SHARES

4.1 SHARE PRICE RELATED INFORMATION

Market price per Share	
Highest Price (01.07.2010)	120/-
Lowest Price (19.09.2010 to 30.09.2010)	100/-
Weighted Average Price	105.34
Market Capitalisation (at end of quarter)	538,192,000/-
Price Earnings Ratio (annualized)	13.61

4.2 SHARE PRICE MOVEMENTS



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.

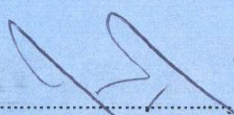
ANNEXURE: BALANCE SHEET

BANK OF MALDIVES PLC

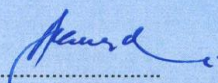
Third Quarter Ended ended 30 September 2010

BALANCE SHEET (Unaudited)

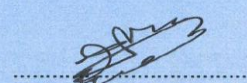
	in MRF Actual	
	As at 30-Jun-10	As at 30-Sep-10
Cash and short term funds	2,332,844,601	2,012,006,021
Balances with Maldives Monetary Authority	1,602,850,169	1,777,266,040
Bills of Exchange	10,047,030	15,318,348
Loans and Advances	6,090,077,537	6,144,012,583
Investment - Available for sale	6,693,662	6,693,662
Property, plant and equipment	129,102,601	122,690,931
Other Assets	115,152,505	188,086,344
Total Assets	10,286,768,105	10,266,073,929
Deposits from non-bank customers	7,232,212,812	7,077,608,966
Borrowings	1,322,209,354	1,453,545,687
Bills, acceptances and other documentary credits	15,418,960	10,121,385
Other liabilities	316,804,374	339,417,387
Current tax	35,445,976	10,531,374
Dividends payable	3,933,057	3,702,007
Total liabilities	8,926,024,534	8,894,926,807
Share Capital	269,096,000	269,096,000
Share Premium	93,000,000	93,000,000
Reserves	998,647,571	1,009,051,123
Total Shareholders' Equity	1,360,743,571	1,371,147,123
Total Equity and Liabilities	10,286,768,105	10,266,073,929
Commitments and Contingencies	375,002,171	404,355,557



Asad Ali
Chairman - Board Audit Committee



Aishath Noordeen
Acting MD & CEO



Lasantha Thennakoon
Chief Financial Officer

ANNEXURE: INCOME STATEMENT

BANK OF MALDIVES PLC

CONSOLIDATED

Third Quarter Ended ended 30 September 2010

INCOME STATEMENT (Unaudited)

in MRF Actual

	Q2 2010	Q3 2010
Gross Income	193,429,367	200,399,867
Interest income and similar income	142,056,172	139,340,993
Interest expense and similar charges	(44,669,287)	(44,425,870)
Net Interest Income	97,386,884	94,915,123
Fee and commission income	50,687,069	47,957,701
Fees and commission expenses	(20,419,429)	(15,737,223)
Net Fees and Commission Income	30,267,641	32,220,478
Dividend income	-	-
Net foreign exchange income	(3,096,880)	11,429,248
Other operating income	3,783,006	1,671,926
Total Operating Income	128,340,651	140,236,774
Provision for bad and doubtful debts	(46,490,335)	(55,242,937)
Net Operating Income	81,850,316	84,993,836
Staff costs	(36,571,463)	(43,822,269)
Premises, equipment and establishment expenses	(19,504,238)	(16,146,300)
Other operating expenses	(11,952,965)	(11,141,864)
Toatal Operating Expenses	(68,028,666)	(71,110,433)
Profit before tax	13,821,650	13,883,403
Income tax expense	(3,455,412)	(3,470,851)
Net Profit for the quarter	10,366,237	10,412,552
Return on Average Assets (annualised)	0.40%	0.40%
Return on Average Equity (annualised)	3.06%	3.05%
Basic Earning per share (annualised)	7.70	7.74
Core Capital (Tier 1 and 2 Capital)	20.72%	19.82%

ANNEXURE: CASH FLOW STATEMENT

BANK OF MALDIVES PLC

Third Quarter Ended ended 30 September 2010

CASH FLOW STATEMENT (Unaudited)

	in MRF Actual	
	As at 30-Jun-10	As at 30-Sep-10
Cash flows from operating activities		
Interest receipts	140,596,627	129,235,590
Fees and commission receipts	29,183,227	30,059,877
Dividend income	-	-
Other operating income	13,996,400	9,946,253
Interest payments	(44,669,286)	(44,425,869)
Cash paid to employees	(35,408,899)	(41,970,091)
Cash paid to other expenses	(516,924)	(14,775,447)
Cash flows from operating profits before changes in operating assets and liabilities	103,181,145	68,070,314
Changes in operating assets and liabilities:		
Increase in reserve deposit with MMA	12,513,217	(254,415,872)
Increase/Decrease in loans and advances to customers	44,854,696	(228,774,221)
Increase in other assets	(2,125,345)	(74,787,085)
Increase in amounts due to customers	(270,580,414)	(155,713,809)
Increase in other liabilities	(93,460,732)	103,611,435
Net cash used in operating activities before income tax	(169,829,638)	(542,009,237)
Income tax paid	-	-
Net cash used in operating activities	(169,830,638)	(542,009,237)
Cash flows from investing activities		
Purchase of property, plant and equipment	(14,683,044)	(2,069,775)
Proceeds from sale of property, plant and equipment	-	-
Investment in bonds	-	-
Disposal of bonds	-	-
Net cash used in investing activities	(14,683,044)	(2,069,775)
Cash flows from financing activities		
Proceeds from share issue	-	-
Proceeds from borrowed funds	300,165,971	190,028,167
Repayments of borrowed funds	(242,926,238)	(58,691,834)
Dividends paid	(297,108)	(231,050)
Net cash generated from financing activities	56,942,625	131,105,283
Net increase in cash and cash equivalents	(127,571,057)	(412,973,729)
Net foreign exchange income	(3,096,880)	4,657,508
Cash and cash equivalents at beginning of the quarter	2,463,512,538	2,332,845,601
Cash and cash equivalents at end of the quarter	2,332,845,601	1,924,529,380