

ANNUAL REPORT

of the Board of Directors

As required by clause (184) of the Companies Act of the Maldives Act No 7/2023

2024



COMMERCIAL BANK OF MALDIVES

Our Vision & Mission

Vision

To be the Trusted Financial Solutions partner for Growth, delivering excellence in Service Quality.

Mission

To serve the client with reliable service offerings through, continuously developing talent and technology. To seek opportunities for a sustainable and prudent growth. To deliver stakeholder aspirations in a responsible & professional manner.

General

The Commercial Bank of Maldives (CBM), established in partnership with Commercial Bank of Ceylon PLC and Tree Top Investments (TTI), has strategically leveraged local market expertise to expand financial services across the Maldives. Since its inception in 2016, CBM has steadily grown, now operating two branches and six Self-service terminals including two offsite terminals. This expansion underscores CBM's commitment to technological advancement and customer-centric banking solutions.

As CBM continues to expand its portfolio of financial services, its vision is to establish itself as the leading financial institution in the Republic of Maldives. By embracing cutting-edge technology, fostering continuous innovation, and prioritizing customer-centric solutions, CBM aims to redefine banking excellence in Maldives, ensuring seamless and superior financial experiences for all its clients.

While being consistently recognised both globally and locally as one of the fastest-growing banks in the Maldives, and securing its position among the elite Top 100 Companies in the country, CBM continues to reaffirm its unwavering commitment to corporate social responsibility.

In 2024, the Bank supported the "Back to School" campaign by providing essential school supplies to children from underprivileged backgrounds. CBM also played an active role in the Mission for Migrant Workers Maldives initiative, delivering customised financial literacy programs aimed at empowering migrant communities.

Additionally, CBM was a proud sponsor of the Maldives Finance Forum, hosted by the Maldives Pension Administration Office. The event focused on the critical theme of "A Sustainable Pension System," aligning with the Bank's broader commitment to sustainable financial development .

A major milestone for CBM in 2024 was the successful launch of UnionPay cards in the Maldives, a move that significantly strengthened global financial connectivity for our customers. Complementing this achievement, the Bank also introduced USD ATMs, enhancing customer convenience by enabling seamless 24/7 access to USD withdrawals. These ATMs are conveniently located in Malé and Hulhumalé, ensuring greater accessibility for both residents and visitors.

Looking ahead, CBM remains dedicated to technological advancement, expansion, innovation, and enhancing customer experience. With an unwavering focus on financial inclusion, cutting-edge banking solutions, and community development.

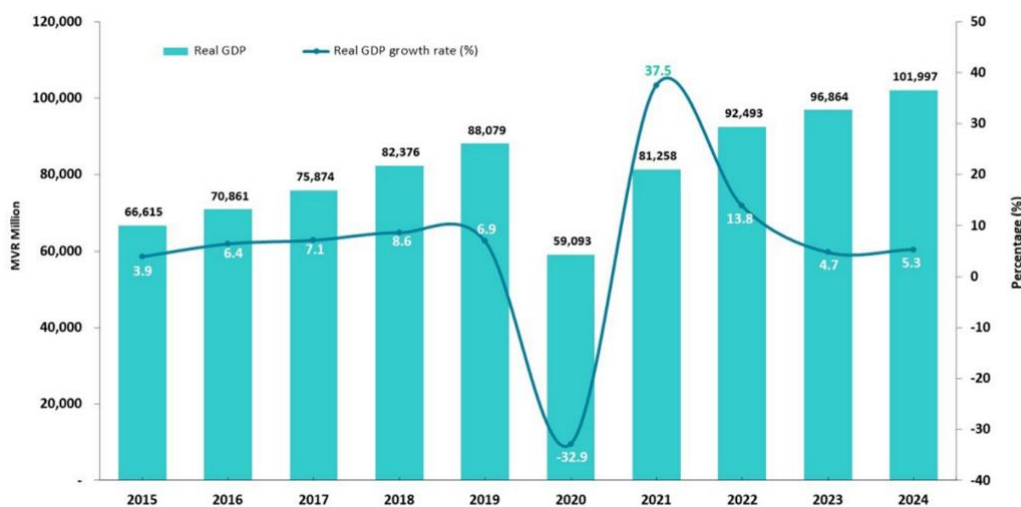


Maldives Economy and Outlook

The Maldivian economy in 2024 demonstrated resilience primarily driven by its robust tourism sector, which constitutes a significant portion of the nation's GDP. Tourist arrivals reached a record high of over two million, marking a substantial increase from the previous year. This surge in visitors was largely fueled by strong performances from key markets, including China, Russia, and Europe, with China emerging as the top source market. The increase in tourist numbers translated to higher travel receipts, significantly boosting economic activity in related sectors such as transportation, communication, and trade. The average length of stay also saw a slight increase, further contributing to the overall positive impact of tourism on the economy.

Despite the thriving tourism industry, the Maldivian economy faced certain challenges in 2024. The fisheries sector experienced a notable contraction, impacting domestic exports. Additionally, there were concerns regarding the country's fiscal situation, with a widening fiscal deficit due to increased government spending outpacing revenue collection. This was further compounded by rising public debt and the decline in foreign reserves. Inflation remained relatively low for most of the year due to continued subsidies on essential items, but it began to pick up towards the end of 2024, particularly in categories like tobacco, restaurants, and accommodation. Food price inflation also posed a concern, disproportionately affecting vulnerable households.

Looking ahead, the outlook for the Maldivian economy hinges significantly on the sustained performance of the tourism sector. Forecasts generally anticipate continued growth in tourist arrivals, although there are some concerns about moderating spending per tourist. The government has announced plans for fiscal consolidation, including reducing blanket subsidies and rationalizing expenditure, which are crucial for long-term economic stability. The successful implementation of these reforms will be key to addressing the existing fiscal and external imbalances. While tourism is expected to remain the primary driver of growth, diversifying the economy and strengthening other sectors will be important for ensuring sustainable and balanced development in the future. The nation has set an ambitious target for tourism receipts in 2025, indicating a continued focus on maximizing the economic benefits from this vital industry.



Source - Maldives Bureau of Statistics



Key Performance Indicators

Total Operating Income

MVR 179.5 Mn

Net Profit after Tax

MVR 65.4 Mn

Total Assets

MVR 3.9 Bn

Gross Loans & Advances

MVR 1.3 Bn

Total Deposits

MVR 3.2 Bn

Capital Adequacy (Total)

35.3%

Impaired Loans (Stage 3)
Ratio

1.2%

Provision Cover (Stage 3)

68.9%

Net Interest Margin

3.5%

Return on Asset (after tax)

1.8%



Review of Performance in 2024 Comparison to 2023

Despite prevailing economic headwinds, the bank demonstrated strong performance, showcasing its resilience and effective strategies. Accordingly, this report outlines the Bank's performance covering the period from January 1, 2024, to December 31, 2024.

Deposits

As of 31st December 2024, the Bank successfully expanded its total deposit base to MVR 3,244.4 Mn, reflecting an increase of MVR 459.8 Mn or 16.5% compared to MVR 2,784.6 Mn recorded as of 31st December 2023. The deposit portfolio comprised MVR 1,721.4 Mn in Local Currency deposits and MVR 1,523.0 Mn in Foreign Currency deposits. Notably, Local Currency deposits grew by an impressive 50.8%, while Foreign Currency deposits saw a decline of 7.3% during the year.

Number of Accounts

During the year Bank managed to increase its number of accounts, Debit cards and Credit cards by a considerable amount as indicated below.

Particulars	Dec 2024	Dec 2023	Increase
Total Number of Accounts	31,102	24,486	6,616 ↑
Total number of Debit Cards issued	14,716	11,781	2,935 ↑
Total Number of Credit Cards issued	669	384	284 ↑

Advances

As of 31st December 2024, the Bank's Gross Loans and Advances reached MVR 1,273.5 Mn, marking a significant increase of MVR 318.3 Mn, or 33.3%, compared to MVR 955.2 Mn recorded at the end of 2023. The loan portfolio consisted of MVR 586.5 Mn in Local Currency loans and MVR 687.0 Mn in Foreign Currency loans. Notably, loans and advances contributed 60.7% to the Bank's total interest income, underscoring their critical role in the Bank's revenue generation.

Treasury

As at 31st December 2024, the Bank's total investments in Treasury Bills and Bonds stood at MVR 1,795.3 Mn, reflecting an increase of MVR 116.7 Mn compared to the previous year. The investment portfolio comprised MVR 1,333.6 Mn in local currency T-bills and MVR 406.3 Mn equivalent in dual currency USD T-bills. Additionally, Treasury Bond investments during the year amounted to MVR 55.5 Mn. Notably, 35.2% of the Bank's total interest income was derived from investments in Treasury instruments, while the Bank also recorded a net trading income of MVR 21.9 Mn in 2024 compared to MVR 3.7 Mn in 2023 .



Profitability

For the year ended 2024, the Bank reported a Profit After Tax of MVR 65.4 Mn. Net Interest Income (NII) increased by MVR 10.8 Mn, reflecting a 9.5% growth, while Net Fee and Commission Income rose by MVR 7.2 Mn, representing a growth of 27.9%.

During the year, the Bank recognized impairment provisions amounting to MVR 11.5 Mn on investment securities, MVR 6.6 Mn on balances with the Maldives Monetary Authority, and MVR 5.8 Mn on placements with other financial institutions. Total impairment charges for the period recorded at MVR 34.9 Mn compared to the provision reversal of MVR 9.4 Mn in 2023. This significant increase was primarily driven by Fitch's downgrade of the country's credit rating from B- to CC in 2024. Additionally, impairment charges for loans and receivables to customers totalled to MVR 17.2 Mn compared to MVR 6.3 Mn in 2023.

Staff Composition

Designation	Total Count as at December 31,	
	2023	2024
Managing Director / Chief Executive Officer	1	1
Deputy Chief Executive Officer	1	1
Chief Operations Officer	1	1
Head of Risk and Compliance	1	1
Head of Credit and Trade and Finance	1	1
Acting Head of Credit and Trade Finance	0	1
Chief Financial Officer	1	1
Senior Manager	1	1
Manager	5	5
Assistant Manager	3	3
Executive Officer	9	13
Executive Assistant	30	33
Call Center Assistant	2	2
Total	56	64

In alignment with its ambitious expansion strategy, the Bank welcomed 28 new employees during the year, further strengthening its human capital to support continued growth. Meanwhile, 20 employees exited the organization mainly due to resignations for higher studies , contract completions, or other separations.



Key Events and Staff Development Activities in 2024

Launching of UnionPay Cards in the Maldives

On 24th November 2024, CBM proudly launched UnionPay cards at a prestigious event held at Kurumba Maldives, marking the official introduction of UnionPay services to the Maldivian market. The occasion featured the unveiling of promotional videos and the ceremonial presentation of UnionPay cards to valued customers. The event was graced by distinguished guests, including CBM Board Members, prominent customers, special invitees and officials from UnionPay and Commercial Bank of Ceylon. This launch reflects CBM's ongoing commitment to enhancing its product offerings and integrating global payment solutions for its customers.



"Back To School 2024" Campaign



CBM partnered with Moms Aid to support the "Back to School 2024" campaign, an initiative aimed at equipping underprivileged children with essential school supplies. Through this partnership, 250 children—especially those from single-parent and widowed families—received the resources required to begin the academic year with confidence. This campaign reinforces CBM's strong focus on Corporate Social Responsibility and its dedication to uplifting the community.

Launching of USD ATMs

As part of Banks drive to enhance customer convenience and service accessibility, CBM launched USD ATM services in 2024 in both Male and Hulhumale. This development positions CBM as the fourth bank in the Maldives to provide USD cash withdrawal facilities, demonstrating its focus on innovation and responsiveness to the evolving needs of its customer base.



Annual Staff Trip

The Bank organized its Annual Staff Trip to the Oaga Art Resort, bringing together 48 employees for an enriching overnight experience. The retreat featured team-building activities aimed at strengthening collaboration, promoting employee well-being, and nurturing a positive workplace culture.



Inter Office Handball Tournament 2024

CBM actively participated in the 8th MILO Inter Office Handball Tournament with both men's and women's teams. The teams exhibited remarkable sportsmanship and teamwork, with the men's team advancing to the quarterfinals. Participation in such events showcases CBM's commitment to employee engagement and fostering a healthy, team-oriented work environment.

Basic Fire and Rescue Training for Staff



Bank organized a basic Fire and Rescue training session with theory and practical sessions for its employees, partnering with the Maldives National Defence Force (MNDF) Fire and Rescue Services to enhance workplace safety. Participants gained essential skills in fire safety protocols and rescue techniques, empowering them to respond effectively in emergencies. This initiative underscores CBM's commitment to maintaining a safe environment for all its staff.

8th Anniversary Celebration

CBM commemorated its 8th anniversary with a celebratory event that reflected on the Bank's achievements and growth over the years. The occasion served to honour the dedication of CBM's employees and reaffirm the Bank's commitment to recognizing its people as the foundation of its continued success.

Open Day Event

Bank organized a successful Open Day event at Artificial Beach. Many individuals showed interest in Bank's offerings, leading to a significant number of inquiries and account openings on the spot enhancing customer engagement and strengthening its presence within the local community with a diverse audience.



Board Composition

Article 53 of the Articles of Association (AoA) states that the Board of Directors shall not be less than seven (7) nor more than fifteen (15) in number and further states that Directors shall be (a) Member of the Company or (b) a person nominated by a legal entity that holds shares in the Company.

In order to incorporate the changes proposed with regard to Independent Directors in the Corporate Governance Regulation 2020/R-59, Bank has taken steps to amend the AoA on 29th August 2021 by including article 65A.

Accordingly, the Board increased the number of Directors from seven to nine members by appointing 3 Independent Directors and reducing one Nominee Director from Tree Top Investments Pvt Ltd (TTIL).

Article 54 of the AoA has been amended as Commercial Bank of Ceylon PLC (CBC) shall be entitled to nominate and appoint four (4) persons who are employees of CBC as Directors and TTIL shall be entitled to nominate and appoint two (2) persons as Directors.

The above being in compliance with the Maldives Banking Act (Law No.24/2010) and pursuant to the AoA of the Company, the year 2024 commenced with the following Board of Directors:

Composition of the Board as at 31.12.2024

1.	Mr. Ahmed Nazeer (Chairman)	Tree Top Investments Pvt Ltd, Non-Executive
2.	Mr. Sanath Chandima Manatunge	Commercial Bank of Ceylon PLC, Non-Executive
3.	Mr. Elmo Sooriyaarachchi (MD/CEO)	Commercial Bank of Ceylon PLC, Executive
4.	Mr. Sellathurai Prabagar	Commercial Bank of Ceylon PLC, Non-Executive
5.	Mr. Udul Isuru Sri Tillakawardana	Commercial Bank of Ceylon PLC, Non-Executive
6.	Dr. Ibrahim Vishan	Tree Top Investments Pvt Ltd, Non-Executive
7.	Ms. Fareeha Shareef	Non-Executive/ Independent Director
8.	Ms. Aishath Zahira	Non-Executive/ Independent Director
9.	Mr. Jayakody Arachchige Don Johney Christie Nanayakkara	Non-Executive/ Independent Director

Changes during the Year

No changes during 2024.



Corporate Governance

The Directors, hereby, submit their report together with the audited financial statements of the Bank for the financial year ended 31st December 2024.

The Board of Directors

The overall responsibilities of the Board include managing the business and affairs of the Company subject to the provisions of the statutes and to be vested with all management power, control and authority over, and responsibility for the business affairs of the Company.

In compliance with Corporate Governance best practice, the Board exercises independent oversight on the management and bears the overall accountability for the performance of the Bank and its compliance with the laws and regulations and principles of good governance.

The Board of Directors comprise of qualified members with a range of banking experience, skills, talents and expertise which are required to provide sound and prudent guidance with respect to the operations and interests of the Bank and the stakeholders.

Bank complies with Regulation No 2020/R-59 on Corporate Governance (CG) for Banks, Insurance Companies and Finance Companies issued under Section 38 of the Maldives Monetary Authority Act 1981 (Law No.: 6/81) and Section 66 of the Maldives Banking Act (Law No.: 24/2010).

Board Meetings

As required by the Maldives Banking Act (Law No.24/2010) and pursuant to Article 66 of the AoA, monthly Board Meetings were held during the year, including the Annual General Meeting, with the mandatory quorum of at least two members present in person, by proxy or through teleconferencing including both CBC and TTIL Directors. Directors regularly attend meetings either in person or via teleconference and actively participate in the deliberations.

The number of meetings eligible and attended by each Director are as follows:

Directors	Total meetings attended
Mr. Ahmed Nazeer	12/12
Mr. Udul Isuru Sri Tillakawardana	12/12
Mr. Sanath Chandima Manatunge	11/12
Dr. Ibrahim Vishan	12/12
Ms. Fareeha Shareef	12/12
Ms. Aishath Zahira	12/12
Mr. Jayakody Arachchige Don Johney Christie Nanayakkara	12/12
Mr. Elmo Sooriyaarachchi (MD/CEO)	12/12
Mr. Sellathurai Prabagar	12/12



In order to strengthen governance and pursuant to Article 78 of the AoA, under its discretionary powers for delegating authority vested in the Board, the Board had delegated authority to the following four sub-committees. .

Board Audit Committee

As required under Clause 22 of the Maldives Banking Act, the Board Audit Committee's composition is as follows:

- Ms. Fareeha Shareef (Chairperson)
- Mr. Sanath Manatunge
- Mr. Sellathurai Prabagar
- Mr Elmo Sooriyaarachchi (MD/CEO)
- Internal Auditor, CFO, COO and Head of Risk and Compliance by invitation

Four meetings of the Board Audit Committee were held during the period of this report as follows:

Meeting No and Date	Ms. Fareeha Shareef	Mr. Sanath Manatunge	Mr. Sellathurai Prabagar	Mr Elmo Sooriyaarachchi	By Invitation						
					Internal Auditor	Manager-Internal Audit	CFO	CFO - Designate	COO	HORC	External Auditors
01/BAC/2024 - 13th February 2024	✓	✓	✓	✓	✓	-	✓	-	✓	✓	✓
02/BAC/2024 - 15th May 2024	✓	✓	✓	✓	✓	✓	✓	-	✓	✓	-
03/BAC/2024 - 01st September 2024	✓	✓	✓	✓	✓	✗	✓	-	✓	✓	✓
04/BAC/2024 - 04th December 2024	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	-

Board Risk Management Committee

Composition

- Mr. Jayakody Arachchige Don Johny Christie Nanayakkara (Chairman)
- Mr. Sanath Manatunge
- Ms. Fareeha Shareef
- Mr. Isuru Tillakawardana
- Mr Elmo Sooriyaarachchi (MD/CEO)
- HORC, CFO, COO by invitation

Four meetings of the Board Risk Management Committee were held during the period of this report as follows:



Meeting No and Date	Mr. J A D J C Nanayakkara	Mr. Sanath Manatunge	Ms. Fareeha Shareef	Mr. Isuru Tillakawardana	Mr Elmo Sooriyaarachchi	By Invitation		
						HORC	CFO	COO
01/BRMC/2024 - 14th March 2024	✓	✓	✓	✓	✓	✓	✓	✓
02/ BRMC/2024 - 20th June 2024	✓	✓	✓	✓	✓	✓	✓	✓
03/ BRMC/2024 - 20th September 2024	✓	✓	✓	✓	✓	✓	✓	✓
04/ BRMC/2024 - 09th December 2024	✓	✓	✓	✓	✓	✓	✓	✓

Board HR, Remuneration and Nominations Committee

Composition

- Mr. Isuru Tillakawardana (Chairman)
- Mr. Sellathurai Prabagar
- Dr. Ibrahim Vishan
- Mr Elmo Sooriyaarachchi (MD/CEO)

Five meetings of the Board HR Remuneration and Nominations Committee were held during the period of this report as follows:

Meeting No and Date	Mr. Isuru Tillakawardana	Mr. Sellathurai Prabagar	Dr. Ibrahim Vishan	Mr Elmo Sooriyaarachchi
01/HRC/2024 - 20th February 2024	✓	✓	✓	✓
02/HRC/2024 - 27th March 2024	✓	✓	✓	✓
03/HRC/2024 - 21st May 2024	✓	✓	✓	✓
04/HRC/2024 - 10th September 2024	✓	✓	✓	✓
05/HRC/2024 - 17th December 2024	✓	✓	✓	✓



Board Credit Committee

Composition

- Mr. Sanath Manatunge (Committee Chairman)
- Dr. Ibrahim Vishan
- Ms. Aishath Zahira
- Mr. Sellathurai Prabagar
- Mr Elmo Sooriyaarachchi (MD/CEO)
- DCEO, HOCT, HORC by invitation

12 meetings of the Board Credit Committee were held during the period to approve the Credit Facilities recommended by Executive Credit Committee (ECC) during the period.

Meeting No and Date	Mr. Sanath Manatunge	Mr. Sellathurai Prabagar	Dr. Ibrahim Vishan	Ms. Aishath Zahira	Mr Elmo Sooriyaarachchi	By Invitation		
						DCEO	HOCT	HORC
01/BCC/2024 - 22nd January 2024	✓	✓	✓	✓	✓	✓	✓	✓
02/BCC/2024 - 19th February 2024	✓	✓	✓	✓	✓	✓	✓	✓
03/BCC/2024 - 20th March 2024	✓	✓	✓	✓	✓	✓	✓	✓
04/BCC/2024 - 22nd April 2024	✓	✓	✓	✓	✓	✓	✓	✓
05/BCC/2024 - 20th May 2024	✓	✓	✓	✓	✓	✓	✓	✓
06/BCC/2024 - 24th June 2024	✓	✓	✓	✓	✓	✓	✓	✓
07/BCC/2024 - 22nd July 2024	✓	✓	✓	✓	✓	✓	✓	✓
08/BCC/2024 - 18th August 2024	✓	✓	✓	✓	✓	✓	✓	✓
09/BCC/2024 - 23rd September 2024	✓	✓	✓	✓	✓	✓	✓	✓
10/BCC/2024 - 21st October 2024	✓	✓	✓	✓	✓	✓	✓	✓
11/BCC/2024 - 19th November 2024	✓	✓	✓	✓	✓	✓	✓	✓
12/BCC/2024 - 16th December 2024	✓	✓	✓	✓	✓	✓	✓	✓

Appointments

No appointments were made to the Board of the Bank during the year 2024.



Remuneration / Director Fees paid for the financial year is as follows;

#	Names of KMP/CFM	Position Held	Nature of Directorship	Director Fees/ Remuneration paid (USD)	Director Fees/ Remuneration paid (MVR)
1	Mr. Ahmed Nazeer	Chairman	Non-Executive Director	15,300	235,926
2	Mr. Elmo Sooriyaarachchi	Managing Director	Executive Director	65,670	1,012,631
3	Mr. S C U Manatunge	Deputy Chairman	Non-Executive Director	12,900	198,918
4	Mr. S Prabagar	Director	Non-Executive Director	12,900	198,918
5	Mr. Isuru Tillakawardana	Director	Non-Executive Director	12,900	198,918
6	Dr. Ibrahim Vishan	Director	Non-Executive Director	12,900	198,918
7	Ms. Fareeha Shareef	Director	Independent Non-Executive Director	12,900	198,918
8	Ms. Aishath Zahira	Director	Independent Non-Executive Director	12,900	198,918
9	Mr. J. A. D. J. Christie Nanayakkara	Director	Independent Non-Executive Director	12,900	198,918
Total				171,270	2,640,979

Information on Directors interest in other companies;

Mr. Ahamed Nazeer

#	Name of The Company	Office Held
1	Crown Company Pvt Ltd	Director
2	Tree Top Investments Pvt Ltd	Managing Director
3	Fari Maldives Pvt Ltd	Director
4	Maagiri Investment Pvt Ltd	Director
5	Regent Maldives Pvt Ltd	Director
6	Nextgen Sports Pvt Ltd	Managing Director

Mr. S C U Manatunge

#	Name of The Company	Office Held
1	Commercial Bank of Ceylon PLC	Managing Director/ Chief Executive Officer
2	Commercial Development Company PLC	Director
3	Sri Lanka Bank's Association (Guarantee) Limited	Vice Chairperson
4	The Employer's Federation of Ceylon	Vice Chairperson
5	The Council for Business with Britain	Executive Member

Mr. Sellathurai Prabagar

#	Name of The Company	Office Held
1	Commercial Bank of Ceylon PLC	Executive Director/ Chief Operating Officer
2	CBC Myanmar Microfinance Company Limited	Non-Executive Director
3	Lanka Financial Services Bureau Ltd	Director



Mr. U I S Thilakawardena

#	Name of The Company	Office Held
1	Commercial Insurance Brokers (Pvt) Ltd	Director
2	Commercial Development Company PLC	Director

Dr. Ibrahim Vishan

#	Name of The Company	Office Held
1	Odysseus Investments Pvt Ltd	Chairman
2	Champa Brothers Maldives Pvt Ltd	Managing Director
3	Champa Gas & Oil Co., Pvt Ltd	Managing Director
4	Kuredu Holdings Pvt Ltd	Director
5	Komandoo Holdings Pvt Ltd	Director
6	Champalars Holdings Pvt Ltd	Director
7	Kagi Development Ltd	Managing Director
8	Island Beverages Maldives Pvt Ltd	Director
9	Maldives Finance and Leasing Company	Director
10	Ocean Water Sports Pvt Ltd	Director
11	Tree Top Investments Pvt Ltd	Director
12	Crown & Champa Resorts Pvt Ltd	Director
13	Tree Top Health Pvt Ltd	Director
14	Koveli Travel Pvt Ltd	Managing Director
15	Kasa Holdings Pvt Ltd	Director

Ms. Fareeha Shareef

#	Name of The Company	Office Held
1	Nexia Maldives LLP (formally FJS Consulting Pvt Ltd)	Director
2	Nexia Maldives Assurance LLP (formally FJS Associates LLP)	Managing Partner
3	Constel Pvt Ltd	Director

Ms. Aishath Zahira, Mr. Elmo Sooriyaarachchi and Mr. Jayakody Arachchige Don Johny Christie Nanayakkara do not have any interest in other companies.



Major Decisions

The following major decisions were taken by the Board / Management during the year:

- Establish a correspondent banking relationship with Mashreq Bank to enhance remittance and trade transaction volumes.
- Introduce a Visa cross-border person-to-person (P2P) payment solution to improve international payment accessibility.
- Explore entry into the boat financing market, subject to the completion of a feasibility study and analysis of associated risks and benefits.
- Launch a retail digital banking application incorporating industry-leading features and a highly user-friendly interface.
- Establish a dedicated HR/Admin vertical to streamline and strengthen administrative and people management functions.
- Implement a comprehensive Recovery and Resolution Plan outlining key actions to prevent potential failures and restore liquidity, capital, and operational continuity.
- Introduce an integrated Human Resource Information System (HRIS) to enhance the efficiency of HR operations.
- Promote eligible staff members to the Executive Officer grade to support career development and succession planning.
- Review and update the charters of Board sub-committees and key management committees to reflect current governance standards.
- Review of counterparty limits to better manage the Bank's exposure and concentration risks with local and foreign financial institutions.
- Formulate and implement a comprehensive Procurement Policy to ensure transparency, efficiency, and compliance in procurement practices.
- Review and revise individual dealer limits to align with current risk appetite and trading activities.
- Update limits on overall foreign currency exposure, single currency exposure, and intraday foreign currency positions in line with market dynamics and regulatory expectations.
- Approval for the following reviewed policies:
 - Related Party Transactions Policy
 - Anti-Money Laundering and Counter Financing Terrorism Policy
 - Money Laundering & Terrorist Financing Risk Assessment Policy
 - Fraud Risk Management Policy
 - Business Continuity Management Policy
 - Human Resources Policy
 - Information Security Policy
 - Record Retention Policy
 - Risk Management Policy
 - Operational Risk Management Policy



Overview of the Industry, the Environment and Key Challenges that Impacted the Business during the Year

- The Banking sector consists of seven commercial Banks; three locally incorporated Banks, three branches of foreign Banks and one subsidiary of a foreign Bank.
- Domestically, the banking sector experienced heightened regulatory oversight and evolving compliance expectations, particularly in relation to risk management, anti-money laundering (AML) measures, and foreign currency liquidity. Concurrently, fiscal and budgetary pressures—which contributed to changes in the sovereign credit rating—prompted greater prudence in investment and lending decisions. These regulatory and macroeconomic headwinds presented notable challenges to both operational execution and strategic financial planning for banks operating within the country.
- In 2024, the Maldives experienced notable fluctuations in its official reserve assets, reflecting both external financial pressures and strategic interventions. By December 2024, the Maldives' official reserve assets reached USD 673 Mn, marking a 14% increase compared to the previous year. However, the usable reserves—funds readily available for immediate obligations—stood at USD 63 Mn at the end of 2024. The government's initiatives to bolster reserves, such as the currency swap agreement and foreign currency regulations were implemented.
- Total claims on the private sector by financial institutions in Maldives were recorded at MVR 38.8 Bn, showing a growth of MVR 3.0 Bn or 6% compared to December 2023.
- Total claims on the central government by financial institutions in Maldives were recorded at MVR 62.2 Bn, reflecting a growth of MVR 4.4 Bn or 8% compared to December 2023.
- Total Deposits by financial institutions in Maldives were recorded at MVR 53.0 Bn, indicating a 2% decline of MVR 0.8 Bn compared to December 2023.

Future Plans and Outlook

- Enhance overall market position by strengthening profitability, expanding business volumes, and increasing asset base through a balanced and sustainable growth strategy.
- Reinforce risk management and compliance frameworks to support long-term stability and improve capital utilization across all business segments.
- Drive digital transformation to become a leading provider of technologically advanced financial services, delivering a seamless and enriched customer experience across all touchpoints.
- Position the institution as an employer of choice by nurturing a high-performance culture, supported by transparent recognition and reward mechanisms, and a commitment to employee well-being and development.
- Develop future leadership by identifying high-potential internal talent and strategically recruiting experienced professionals, with structured plans to cultivate successors in line with Banks localization plans objectives.



- Establish a distinct Human Resources and Administration division to streamline HR functions, training, health and safety, and administrative support, with clearly defined roles and accountability.
- Achieve data-driven excellence across all levels of the organization by leveraging advanced analytics to enhance decision-making, operational efficiency, and customer satisfaction. Key initiatives include:
 - Digital onboarding of customers via a new retail app
 - Implementation of advanced data visualization tools
 - AI-supported customer outreach campaigns
- Drive process automation to enhance service delivery and cost efficiency through:
 - Automation of reconciliations and regulatory calculations
 - Comprehensive functionality within the digital app to support self-service features and integrations
 - Implementation of a modern HRIS and automated workflow systems
 - Launch of an intranet and digital platforms to monitor turnaround times and streamline internal processes
- Lead sustainability initiatives by minimizing environmental impact, improving resource efficiency, and contributing to positive social outcomes. Align with global sustainability frameworks and promote employee participation through innovative and engaging programs.

Declaration of Dividends

It was resolved by the Board that no dividends will be declared for the year although Bank made a profit after tax of MVR 65.39 Mn during the year. Bank needs to allocate, at least 25% of its net, after tax distributable profits until the reserve totals an amount equal to the bank's paid-up capital. With the allocations made in 2024, the bank has now built up 74% of its paid-up capital in capital reserves.

Non-Distributable Capital Reserve (NDCR)

As per Maldives Monetary Authority guideline on loan loss provisioning (CN-BSD/2018/8), if the provision determined using MMA is higher, the Bank requires to transfer difference between the provisions to a Non-Distributable Capital Reserve (NDCR).

In line with this requirement, we have already transferred MVR 2,381,015/- in December 2023. The current impairment provision, including the previously transferred reserve, exceeds the required MMA provision. Therefore, no additional transfer to the non-distributable reserve is necessary in 2024.



Financial Report

The Bank published its Annual Financial Statements for the year ended 31st December 2024, prepared in accordance with International Financial Reporting Standards (IFRS) as required by the Maldives Banking Act with comprehensive disclosure and transparency.

Responsibility Statement and Declaration by Board of Directors

Responsibility Statement by Board of Directors

The Board of Directors hereby certifies that:

- The relevant accounting policies were considered and followed all through the preparation of the Bank's annual accounts with proper explanations relating to material departures.
- Accounting policies selected were applied consistently and made judgements and estimates that are reasonable and prudent so as to give a fair and true view of the Bank's state of affairs.
- Proper and sufficient care were taken in terms of the maintenance of adequate accounting records in accordance with the provisions of Companies' Act of the Republic of Maldives (Law no. 10/96), Maldives Banking Act (Law no. 24/2010), Prudential Regulations issued by the MMA for safeguarding the assets of the Bank and preventing and detecting frauds and other irregularities.
- The Regulation on Corporate Governance for Banks, Insurance Companies and Finance Companies (Regulation No: 2020/R-59) by MMA were followed.
- All statements and accounts were prepared on going concern basis. There were no unexpired service contracts within one year without payment of compensation of any director proposed for election.
- There are no other interests of the Directors of the Bank except those disclosed in this report and the financial statements.
- No major events have occurred since the balance sheet date which would require adjustments to, or disclosure, in the financial statements.
- Controlling shareholders have no shares pledged.

The Board continues to strengthen its oversight responsibilities regarding the affairs of the Bank to ensure compliance with the Bank's statutory, fiduciary, and regulatory responsibilities and to ensure adherence to the highest ethical standards of Corporate Governance. The Bank met the overall Mandatory Reserve Requirement for the same period. Furthermore, the Bank has materially complied with all other applicable regulatory requirements and best practices, maintaining its position as a compliant Bank in the Maldives.

The borrowings of the Bank as at 31st December 2024 : MVR 150 Mn

The Bank's total liabilities as at 31st December 2024 : MVR 3,427 Mn



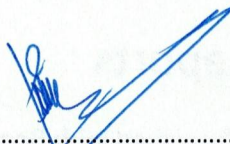
Declaration by The Board of Directors

- The Board of Directors declare that to the best of our knowledge and belief, the information presented in this Annual Report is true and accurate and that there are no other facts, the omission of which would make any statement herein misleading or inaccurate.
- The Board of Directors declare that this report has been prepared in compliance with the Companies Act of the Republic of Maldives (Law No.: 10/96), Maldives Banking Act (Law No.: 24/2010), prudential Regulation issued by the MMA, the MMA's Regulation on Corporate Governance for Banks, Insurance Companies and Finance Companies (Regulation No: 2020/R-59)
- The Board of Directors declare that relevant mechanisms have been implemented to identify both financial and operating risks of the Bank and that Board approved policies are adopted to cover such risks.
- In addition, the Board of Directors declare that prompt action was taken to implement necessary systems and procedures to effectively manage the risks faced by the Bank.
- While performing the duties and responsibilities of the Company, the Board of Directors has practiced transparency, fairness, and diligence by giving our utmost devotion to safeguard the interest of the shareholders and worked towards creating the best value for our shareholders.
- The Board further confirm that the Bank has materially complied, in fact and in principle, with the Act and all regulations and directives issued by the MMA and identified the financial and operating risks of the bank and the board of directors has adopted adequate policies covering such risks; and implemented the necessary systems and procedures to manage the risks.
- Additionally, the Bank and its Board of Directors confirm that there are no actual or possible conflicts of interest exist in respect of the independence of its auditor.

On behalf of the Board of Directors



Mr Ahmed Nazeer
Chairman



Mr Elmo Sooriyaarachchi
Managing Director/ Chief Executive Officer

Relationship with Auditors

The Bank has established appropriate relationship with external auditors in conducting the audit function of the Bank. In this regard, the directors monitor and assess the independence of the auditors throughout the year. Accordingly, there was no conflict of interest during the year ended December 31, 2024 and the independence of the auditor was ensured.



Risk Management and Internal Controls

The Board acknowledges its overall responsibility for maintaining a sound system of Risk Management and Internal Controls to safeguard shareholders' investments, Bank's assets, and the need to review the adequacy and integrity of those systems regularly. However, such a system is designed to manage the Bank's key areas of risk within an acceptable risk profile, rather than to eliminate the risk of failure to achieve business objectives of the Bank.

Accordingly, the system of internal controls can only provide reasonable but not absolute assurance against material misstatements of management and financial information and records or against financial losses or fraud. The Board has established an ongoing process for identifying, evaluating and managing the significant risks faced by the Bank and this process has been well in place since the inception of the Bank which includes enhancing the system of internal controls as and when there are changes to business environment or regulatory guidelines.

The process is regularly reviewed by the Board for compliance with the prevailing regulatory requirements. The Board is of the view that the system of internal controls in place over financial reporting is sound and adequate to provide reasonable assurance regarding the reliability of financial reporting, and that the preparation of Financial Statements for external purposes is in accordance with relevant accounting principles and regulatory requirements. The management assists the Board in the implementation of the Board's policies and procedures on risks and controls by identifying and assessing the risks faced, and in the design, operation and monitoring of suitable internal controls to mitigate and control these risks.

Based on the processes in place at the Bank, the Board of Directors confirms that the financial reporting system of the Bank has been designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Financial Statements for external purposes has been done in accordance with the relevant Accounting Standards and regulatory requirements.

Management Reports

Directors are adequately furnished with Board Papers itemised in the agenda for review/approval or ratification. The monthly Management Accounts are imparted to all Directors for review prior to Board Meetings which provide a comprehensive review and analysis of the operations and financial health of the Bank.



Auditors

M/s KPMG was appointed as the statutory auditors of the Bank for the financial year ended 31st December 2024, marking their first year of audit following the completion of M/s Ernst & Young's four-year term, which concluded with the audit for the year ended 31st December 2023.

The Bank proposed the appointment of M/s KPMG as external auditors for the financial year 2024 at an audit fee of USD 16,925/-, subject to the approval of the shareholders. This fee is exclusive of applicable GST at 8% and reimbursable out-of-pocket expenses, which are capped at a maximum of 5%.

Director's Annual Declaration as per the Companies Act (Law No. 7/2023)

This declaration is made pursuant to Private Companies' Regulation 2024 by the directors of Commercial Bank of Maldives Pvt Ltd for the financial year ending 31st December 2024.

Responsibility for Compliance

We, the Directors, acknowledge our responsibility for securing the company's compliance with Companies Act (Law no. 7/2023) and Regulations throughout the financial year. These relevant obligations include:

- Confirmation of accuracy of information recorded with the Registrar of Companies on the date of submission of this declaration;
- Confirmation of the Memorandum of Association and Articles of Association recorded with the Registrar of Companies;
- Confirmation of the information provided in the financial reports of the Company (or Audited Financial Statement);
- Confirmation that the Directors remain fit and proper and not in breach of Section 115 of Companies Act.

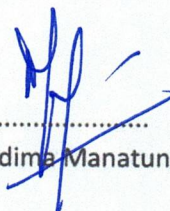
Declaration

We confirm that the Company has put in place appropriate structures and processes to achieve material compliance with the relevant obligations under Companies Act and Regulations. We have reviewed the information recorded with the Registrar of Companies and we hereby confirm that the records are accurate as of the date of this declaration.

Signed on this date 27th April, 2025.



Mr. Ahmed Nazeer, Chairman



Mr. Sanath Chandima Manatunge, Director





Mr. Udul Isuru Sri Tillakawardana, Director



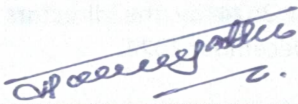
Dr. Ibrahim Vishan, Director



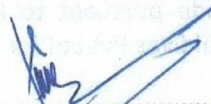
Mr. Sellathurai Prabagar, Director



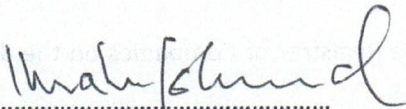
Ms. Aishath Zahira, Independent Director



Mr. Jayakody Arachchige Don Johney
Christie Nanayakkara, Independent Director



Mr. Elmo Sooriyaarachchi,
Managing Director/Chief Executive Officer



Mr. Ibrahim Mohamed, Independent Director

