

Report for the month of May 2011

Besides regular discussions with various corporate entities on credit rating of their proposed debt funding plans, officials from Credit Analysis and Research Ltd., (CARE Ratings Maldives), participated in joint discussion with a visiting consultant Mr. Almir Colan, on May 12, 2011, appointed by Capital Market Development Authority (CMDA) to develop SUKUK Bond market in Maldives. Other participant in the discussion included Maldives Islamic Bank. Current market short comings for investors to invest in SUKUK instruments, rating agency's perspective and methodology in analyzing such instruments were highlighted during the discussion.

On May 24, 2011, CARE Ratings Maldives met with consultants of Asian Development Bank (ADB) assigned to develop Micro, Small and Medium Enterprises (MSME) Market in Maldives. Meeting was organized by Ministry of Economic Development, Maldives. The issues discussed includes the constraints faced by the MSME in getting access to funding, how ratings can help MSME organizations to approach banks for funding, the impact of newly introduced business profit tax and the key potential sectors in MSME.

CARE Ratings Maldives participated in Transparency & Governance in Financial Reporting forum on May 30, 2011 jointly organized by CMDA and Ernst & Young. The main objective was to create awareness among organizations in corporate governance (CG) and implementing International Financial Reporting Standards (IFRS) to improve the transparency in financial reporting. The key discussions are about the best practices in CG, roles and responsibilities of various personnel and functions in an organization like board of directors, audit committee, Chief Financial Officer, finance department etc towards transparency and governance within their organizations.

Further, Corporate Governance codes applicable to CARE Ratings operations in Maldives under the license conditions were discussed with the Corporate Governance division of CMDA on May 31, 2011.

CARE Ratings Maldives has proposed to CMDA and Maldives Stock Exchange to jointly conduct a one day seminar as an initiative to develop financial market in Maldives.