

MALDIVES MONETARY AUTHORITY

**PRUDENTIAL REGULATION**

**No. 08-2009**

**PUBLICATION and DISCLOSURE**

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APPENDIX

**PART I: PRELIMINARY**

- 1: **Short Title** – Publication and disclosure.
- 2: **Authorization** – The Maldives Monetary Authority (MMA) is authorized to issue regulations under Art. 36 read with Art. 29-34 of the MMA Act 1981 (MMA Act) in relation to prudential matters to be complied with by all banks and deposit-taking institutions (collectively 'banks'), or other persons as the regulation may specify.
- 3: **Application** – This regulation applies to all banks and deposit-taking institutions licensed by the MMA to conduct banking business in the Maldives.
- 4: **Definitions** – Terms used within this regulation are as defined in the Act, as defined below, or as reasonably implied by contextual usage:
  - (1) **"bank"** – means all banks and deposit-taking institutions licensed by the MMA to conduct banking business in the Maldives.
  - (2) **"financial information"** – means the statement of condition (balance sheet) and the income statement (profit-and-loss statement) showing audited financial data, and any other information that the MMA may specify.

**PART II: STATEMENT OF POLICY**

- 1: **Purpose** – This regulation specifies the timing, form and content of information that banks must publish and disclose so that the condition and operations of banks are more transparent and the public and banking clients are better able to understand and make informed decisions in regard to providers of banking services.
- 2: **Scope** – This regulation applies to financial information that must be published by each domestic bank and each branch or subsidiary of a foreign bank in the form and frequency as the MMA may specify.
- 3: **Responsibility** – It is the responsibility of the board of directors of a domestic bank and a domestic subsidiary of a foreign bank, and the responsibility of the branch manager and the branch accounting manager of a branch of a foreign bank, to prepare and publicly disclose basic financial information about their bank or branch so that the public and banking clients can make more informed decisions about providers of banking services.

**PART III: IMPLEMENTATION AND SPECIFIC REQUIREMENTS**

- 1: **Annual statements** – Each bank shall prepare annually financial information based on audited financial data in the form and content shown in the Appendix.
  - (a) **For domestic banks**: the financial information shall include a balance sheet and a statement of income prepared using audited financial data.
  - (b) **For branches or subsidiaries of foreign banks**: financial information shall include a consolidated balance sheet and statement of income for the entire foreign bank, and also a balance sheet and statement of income for the Maldives branch or subsidiary on a stand-alone basis.

- (c) As of date: the statement/s required in (a) and (b) above shall be prepared using audited data as of close of business December 31<sup>st</sup> of each year and shall be published as provided below by not later than May 1<sup>st</sup> immediately following.
- 2: Submission** – Each domestic bank, and each branch or subsidiary of a foreign bank, shall submit to the MMA certified copies of the financial information required above by not later than May 1<sup>st</sup> immediately following the December 31<sup>st</sup> statement date.
- 3: Publishing** – Each domestic bank, and each branch or subsidiary of a foreign bank, shall publish the financial information required above in a newspaper of general circulation in Maldives, and shall ensure that the required statements are published by not later than May 1<sup>st</sup> immediately following the December 31<sup>st</sup> statement date.
- 4: Posting** – Each domestic bank, and each branch or subsidiary of a foreign bank, shall post the financial information required above in the lobby of the bank's head office in Maldives and also in the lobby of any location in Maldives where the bank provides banking services. The statement/s shall be posted by not later than May 1<sup>st</sup> immediately following the December 31<sup>st</sup> statement date and shall be prominently displayed in a manner readily accessible to the public.

#### **PART IV: CORRECTIVE MEASURES**

- 1: Remedial measures and sanctions** – If a bank, its directors or managers violate any provision of this regulation in a willful, negligent or flagrant manner which results, or threatens to result, in an unsafe or unsound condition of the bank or that threatens the interests of depositors, creditors or the general public, or if the bank, its directors or managers fail to comply with the instructions and reporting requirements in this regulation, the MMA may take any one or more of the corrective measures or impose any administrative penalties as provided in the MMA Act. Such measures and penalties may include, but are not limited to, any or all following –
- (a) Issue a warning to the bank;
  - (b) Enter into an informal agreement with the bank for correcting violations and any unsafe and unsound practices and conditions;
  - (c) Issue an order to the bank requiring it to cease and desist from particular actions and further to take affirmative actions to correct violations and any unsafe & unsound practices and conditions;
  - (d) Require the board of directors to inject additional capital funds;
  - (e) Restrict the scope of activities of the bank including imposing limitations on any foreign exchange activities, granting of credit, making of investments, acceptance of deposits, borrowing of money, or other activities as the MMA may deem appropriate;
  - (f) Suspend access to the credit facilities of the MMA;
  - (g) Suspend or require the removal of any directors, executive officers or managers;
  - (h) Appoint an advisor or a conservator;
  - (i) Impose an administrative penalty on the bank or any of its directors, executive officers or managers; or
  - (j) Hold personally liable and seek restitution from, as the law allows, any directors, executive officers or major shareholders of the bank; or
  - (k) Suspend or revoke the bank's license.

**PART V: EFFECTIVE DATE**

**1: Effective date** – This regulation shall come into effect on 18<sup>th</sup> May 2009

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**Questions relating to this regulation should be addressed to the Senior Executive Director, Financial Sector Division, Maldives Monetary Authority.**

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## APPENDIX

**CONSOLIDATED STATEMENT OF CONDITION**  
(for domestic or foreign bank, and subsidiary of foreign bank)  
(as of December 31<sup>st</sup>, 200x; in Rf 000's)

Assets		Liabilities and Equity	
Cash and due from banks		Deposits:	
Interest-bearing deposits in other banks		Non-interest bearing	
Excess funds sold, net		Interest bearing	
Investment securities		Total deposits	
Loans		Accrued interest payable	
Less: allowance for loan losses		Borrowed money	
Net loans		Other liabilities	
Accrued interest receivable			
Premises and equipment, net		<b>Total Liabilities</b>	
Other assets		Capital Accounts:	
		Paid-in capital	
		Retained earnings	
		<b>Total Capital Accounts</b>	
<b>Total Assets</b>		<b>Total Liabilities and Equity</b>	

**CONSOLIDATED STATEMENT OF INCOME**  
(for domestic or foreign bank, and subsidiary of foreign bank)  
(for the year-ended December 31<sup>st</sup>, 200x; in Rf 000's)

<b>Interest and Fee Income:</b>	
Interest and fees on loans	
Interest on deposits in other banks	
Interest on investment securities	
Interest on Excess Funds sold	
Total Interest Income	
<b>Interest Expense:</b>	
Checking deposits	
Savings deposits	
Time deposits	
Borrowed money	
Total Interest Expense	
<b>Net Interest Income</b>	
Provisions for loan losses	
<b>Net interest income after provisions for loan losses</b>	
<b>Other Operating Income:</b>	
Services charges and fees on deposits	
Other income	
<b>Other Operating Expenses:</b>	
Salaries and employee benefits	
Occupancy expenses	
General, administrative and other expenses	
Net Income before taxation	
Less: Income taxes	
<b>Net Income</b>	
Less: Dividends	
Other additions (reductions) to capital accounts	
<b>Net Change in Capital Accounts for Period</b>	

**BRANCH STATEMENT OF CONDITION**(as of December 31<sup>st</sup>, 200x; in Rf 000's)

<b>Assets</b>		<b>Liabilities and Equity</b>	
Cash and due from banks		Deposits:	
Interest-bearing deposits in other banks		Non-interest bearing	
Investment securities		Interest bearing	
Loans		Total deposits	
Less: allowance for loan losses		Accrued interest payable	
Net loans		Borrowed money – Head Office	
Accrued interest receivable		Borrowed money – Other	
Premises and equipment, net		Other liabilities	
Other assets		<b>Total Liabilities</b>	
		Assigned capital	
Due from Head Office or Affiliated Branches		Due to Head Office	
		<b>Total Home Office Equity</b>	
<b>Total Assets</b>		<b>Total Liabilities and Equity</b>	

**BRANCH STATEMENT OF INCOME**(for the year-ended December 31<sup>st</sup>, 200x; in 000's US Dollars)

<b>Interest and Fee Income:</b>	
Interest and fees on loans	
Interest on deposits in other banks	
Interest on investment securities	
Total Interest Income	
<b>Interest Expense:</b>	
Checking deposits	
Savings deposits	
Time deposits	
Borrowed money – head office	
Other borrowed money	
Total Interest Expense	
<b>Net Interest Income</b>	
Provisions for loan losses	
<b>Net interest income after provisions for loan losses</b>	
<b>Other Operating Income:</b>	
Services charges and fees on deposits	
Other income	
<b>Other Operating Expenses:</b>	
Salaries and employee benefits	
Occupancy expenses	
General, administrative and other expenses	
Net Income before taxation	
Less: Income taxes	
<b>Net Income</b>	
Less: Transfers to Head Office	
Other additions (reductions) to capital accounts	
<b>Net Change in Capital Accounts for Period</b>	