





**PRUDENTIAL REGULATION**

**REGULATION ON PUBLICATION and DISCLOSURE**

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## **PART I: PRELIMINARY**

**1: Introduction** – This Regulation is issued pursuant to Section 66 of Law No. 24/2010 (Maldives Banking Act).

**2: Title** – This Regulation shall be cited as "Regulation on Publication and Disclosure."

**3: Application** – This Regulation applies to all Banks licensed under the Maldives Banking Act (Law no. 24/2010).

**4: Commencement** – This regulation shall come into effect on 25 August 2015.

**5: Definitions** – The terms and expressions used in this Regulation shall, except where expressly defined below in this Regulation or where the context otherwise requires, have the same respective meaning as in the Maldives Banking Act (Law no. 24/2010):

(1) "**Act**" – means the Maldives Banking Act (Law no. 24/2010).

(2) "**bank**" – means a party holding a license or permit under the Act, to engage in the banking business; all or part of the banking activities listed in Section 25 of the Act.

(3) "**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.

(4) "**MMA**" – means the Maldives Monetary Authority established under the Law no. 6/81 (Maldives Monetary Authority Act).

## **PART II: STATEMENT OF POLICY**

**1: Purpose** – The purpose of this regulation is to specify 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: 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 customers 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 31st of each year and shall be published as provided below by not later than 4 (four) months after the end of the financial year.

**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 in Part (1) above by not later than 4 (four) months following the December 31st statement date.

**3: Publishing** – Not later than 4 (four) months following the December 31st statement date, each domestic bank, and each branch or subsidiary of a foreign bank shall comply with the following requirements with respect to the financial information required in Paragraph (1) above:

(a) publish the financial information in a newspaper of general circulation in Maldives; and

(b) display or make available the financial information 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, in prominent manner or in a manner readily accessible to the public; or

(c) have the financial information made available on its local website.

## **PART IV: CORRECTIVE MEASURES**

**1: Remedial measures and sanctions** – If a bank, its administrators, or any other person associated with the bank violates any provision of this regulation, or fails 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 Act. Such measures and penalties may include, any or all of the 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 and 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) Require the suspension or removal of any directors or executive officers;
- (h) Appoint an advisor or a conservator;
- (i) Impose an administrative penalty on the bank or any of its directors, executive officers or managers;
- (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.

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**Questions relating to this regulation should be addressed to the Head of Financial Stability, Maldives Monetary Authority.**

**CONSOLIDATED STATEMENT OF CONDITION**  
(for domestic or foreign bank, and subsidiary of foreign bank)  
(as of December 31<sup>st</sup>, 20xx; in MVR 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                |  |
| 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)  
(as of December 31<sup>st</sup>, 20xx; in MVR 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>, 20xx; in MVR 000's )

| Assets                                         |  | Liabilities and Equity              |  |
|------------------------------------------------|--|-------------------------------------|--|
| 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<br>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

(as of December 31<sup>st</sup>, 20xx; in MVR 000's )

|                                                             |  |
|-------------------------------------------------------------|--|
| <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>            |  |