

State Bank of India: Maldives Operations
Report on Compliance to applicable legislative & Regulatory Requirements
Under section 19(b)(1) of Corporate Governance Regulation (2020/R-59)

All local regulations relating to the conduct of banking business, as applicable, are being followed. All the activities of the Branches are conducted as per the terms of the license issued and a documented system of internal controls are in place to ensure compliance with the above on an ongoing basis.

All Periodic Reports which are to be furnished to the Local Regulators are accurately compiled and submitted on time.

The Status of compliance with local regulatory requirements/ norms viz. minimum capital, statutory ratios, provisioning requirements, etc. as on 31.12.2023 is as under:

Sr.	Regulations	Regulatory requirement	Status of Compliance
1.	Minimum Capital Requirement (Section 12 of the Maldives Banking Act Law No. 24/2010.	A Tier I domestic bank must maintain unimpaired paid-up capital at all times of not less than Rufiyaa 150 million and Statutory reserves of Rufiyaa 150 million.	Complied with. The paid-up capital (Assigned capital) of MVR 150 million (Eqv. USD 9.75 mio) and Statutory Reserves of MVR 150 million (Eqv. USD 9.75 mio) has been maintained.
2.	Monetary Policy of MMA Maldives	The Minimum Reserve Requirement (MRR) of 10% on demand and time deposits, excluding interbank deposits from other Maldives banks and LC margin deposits should be maintained.	Complied with.
3.	Regulation on Capital Adequacy (2015/R-166 dated 25.08.2015)	Capital Adequacy Ratio: The minimum acceptable Total Risk-Based Capital ratio is 12.0%. Leverage Capital Ratio: The minimum acceptable leverage capital ratio is 5.0%. Tier 1 Risk-Based Capital Ratio: The minimum acceptable Tier 1 Risk-Based Capital ratio is 6.0%.	Complied with. The total Risk Based Capital Ratio as of 31.12.2023 is 84.57%.



4.	Regulation on Asset Classification, Provisioning and Suspension of Interest (2015/R-168 25.08.2015)	IRAC Norms And Provisioning of MMA	Complied with.
5.	Regulation on single borrower and large borrower exposure limits (2015/r-150 14.07.2015)	<p>Single person: the total exposures outstanding at any time, including both funded and unfunded exposures, to a single person, or to a group of closely related persons treated as a single person, shall not at any time exceed 15% of the bank's capital base.</p> <p>A bank may lend up to 30% of its capital base to a single borrower on the security of immovable property provided that the net realizable value of the immovable property is, at all times, at least 150% of the exposures.</p> <p>Borrowing group: The total exposures, funded and unfunded, outstanding at any time to a borrowing group shall not exceed 40% of the bank's capital base, provided that no one member of the group shall exceed 15% of the bank's capital base.</p>	Complied with.
6.	Regulation on Foreign Currency Exposure (2015/R-167 25.08.2015)	NOP (Long position) as a percent of capital funds for a single foreign currency (FC) cannot exceed 25% and all foreign currencies put together cannot exceed 40%.	Complied with. As on 31.12.2023, our NOP as % of Capital Funds for single currency is 23% and for all the currencies put together is 24%



7.	Regulation on Limits on the Inter Bank Exposures (2015/R-165 25.08.2015)	Any Inter-bank exposure having a term or settlement period more than 7 calendar days shall not exceed 30% of a bank's capital base. Further, any amount of such exposure that exceeds 15% of a bank's base must be fully secured at all times.	Branch do not have any Interbank exposure limits.
8.	Regulation on Corporate Governance for Banks, Insurance Companies and Finance Companies (2020/R-59 21.07.2020)	The purpose of this regulation is to promote sound corporate governance in Financial Institutions by stipulating a minimum standard of corporate governance principles and practices that are applicable to the Financial Institutions.	Complied with.
9.	Regulation on External Audits (2015/R-171: 25.08.2015)	<p>The following minimum requirements apply in respect of External Audits:</p> <ul style="list-style-type: none"> ➤ Each bank shall cause an audit of its accounts to be made by an external auditor each year as of the date of each bank's financial year end. ➤ The audit report along with the auditor's letter to management shall be submitted to the MMA not later than 30 days after it becomes available, and in no event not later than 4 months after the end of the financial year. <p>A bank shall notify the MMA inwriting, within 14 days of any change in its external auditor</p>	Complied with.
10.	Regulation on Publication and Disclosure (2015/R-172: 25.08.2015)	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.	Complied with. Branch is submitting financials to the local regulator MMA before the stipulated timeline, 30 th April every year and publishing the same in the local newspapers.

11.	Regulation on Fit & Proper requirements (2015/R-178: 08.09.2015)	The purpose of this regulation is to ensure that all persons who are, or will be, administrators or major shareholders of a bank are "fit and proper" persons based on prudent and objective criteria.	Complied with
12.	Record Retention (2018/52: 15.05.2018)	The purpose of this Regulation is to stipulate the minimum record retention periods for different types of records held by the banks, and to prescribe minimum requirements that the banks must comply with in retaining such records.	Complied with. Branch is having Record Retention Policy in place and in line with both the Home country & Host Country regulations (stringent of the two)
13.	Regulation on Deposit Insurance Scheme (2015/R-163 24.08.2015)	Insured deposits of member banks shall consist of current, time and savings deposit liabilities up to Rufiyaa 30,000 (thirty thousand) or its equivalent in foreign currency deposits per depositor out of his total deposits at each member bank. <ul style="list-style-type: none"> ➤ If the total capital adequacy ratio of the bank is 15 percent and above, the annual premium contribution is 0.100 percent of its insurable deposits. ➤ If the total capital adequacy ratio of the bank is below 15 percent, the annual premium contribution is 0.125 percent of insurable deposits. 	Complied with

We are ensuring full compliance of all the legislative and regulatory requirements/regulations issued by the regulators from time to time.

Authorized Signatories,



Country Head & Chief Executive Officer

April 30, 2024




Senior Vice President (Compliance)

April 30, 2024