



# CENTRAL BANK of SOLOMON ISLANDS

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## **Central Bank Announces Short Term Borrowing Facility for Licensed Financial Institutions**

The Central Bank of Solomon Islands (CBSI) announces the introduction of a short term liquidity facility available to the licensed financial institutions.

CBSI says the facility known as the Secured Advance Facility (SAF) will allow the financial institutions to borrow from the CBSI to fund any short-fall in their liquidity requirements in the event of a temporary mismatch between their assets and liabilities.

CBSI says the facility requires financial assets as collateral, with maturity terms of one (1) to seven (7) days.

The SAF came into effect as of Thursday 27<sup>th</sup> November 2008.

The CBSI says that while it encourages commercial banks to raise funds through deposits in the market, SAF is available should they need it.

Central Bank of Solomon Islands