

....

**CENTRAL BANK OF SOLOMON ISLANDS**  
**FINANCIAL MARKET SUPERVISION DEPARTMENT**



**INSTRUCTIONS FOR THE PREPARATION OF  
PRUDENTIAL RETURNS**

## GENERAL INFORMATION AND INSTRUCTIONS

### 1. Purpose of Returns

The purpose of the CBSI Financial Institutions Prudential Return (the "Return") is to collect statistical and prudential information from financial institutions in order for the Central Bank of Solomon Islands (CBSI) to fulfill its supervisory responsibilities.

In reporting transactions not covered in principle by the instructions contained herein, a financial institution may follow advice obtained from a qualified accountant; however, in all such instances the financial institution shall make a written request for clarification and approval of the reporting treatment to the Chief Manager, Financial Market Supervision Department, CBSI, Honiara.

### 2. Who Must Report, When and How

Every financial institution licensed by the CBSI shall **complete, in accordance with the instructions outlined herein**, and file no later than twenty (20) calendar days following the end of each calendar month Form 1 and its supporting schedules and no later than thirty (30) calendar days following the end of each calendar quarter Forms 1, 2, 3 and all supporting schedules to the Chief Manager, Financial Market Supervision Department, CBSI.

Returns, including any Form or supporting schedule, which contain an "ERROR" will not be accepted by the CBSI and will not be considered as having been filed with the CBSI.

Banks organized in other jurisdictions which have been licensed by the CBSI to operate a branch in the Solomon Islands shall complete the Return in accordance with the instructions outlined herein to the extent of the foreign bank's branch operations and activities in the Solomon Islands.

### 3. Certificate of Accuracy

The financial institution shall cause to be delivered to the Chief Manager, Financial Market Supervision Department, CBSI, a "Certificate of Accuracy" included with these instructions certifying the accuracy and completeness of the Return. The Certificate of Accuracy shall be attested by the Chief Executive Officer of the financial institution, or such other person by whatever title with responsibility for the overall daily management of the affairs of the institution and the implementation of policies by the institution's board of directors, and the Chief Accountant of the financial institution, or such other person by whatever title with responsibility for maintaining the books, ledgers and accounts of the institution on a day-to-day basis.

For financial institutions organized in the Solomon Islands, each Return submitted to the CBSI shall be reviewed and approved by the financial institution's Board of Directors at the next regularly scheduled meeting of the board following the submission of the Return. The Board of Directors review and approval of the Return shall be detailed in minutes of the appropriate Board meeting.

### 4. Preparation of the Returns

It is the intention of the CBSI to follow International Accounting Standards (IAS) and practices wherever appropriate; however, the Return is a supervisory report and regulatory document and is not primarily an accounting document. Because of the special supervisory, regulatory, and economic policy needs served by the Return, the instructions for the preparation of the Return may not in all cases follow international accounting standards and practices.

The format of this Return is designed to capture information about the condition, operations and compliance of each financial institution. Each financial institution may establish accounts and records for its own needs, however, **all financial institutions must report the required information in the form and content of this Return. No exceptions or changes to the forms are or will be allowed.** The forms are in Microsoft Excel and are in a protected format, i.e., data can be entered into selected cells, cells outlined in blue, but most cells are "locked" so that many calculations are automatic and the form cannot be changed. All numbers should be in thousands of SBD (i.e. SBD 000s). Only whole numbers should be reported.

For financial institutions organized in the Solomon Islands, Returns shall be prepared on a consolidated basis and include:

1. the financial institution's head office;

2. all branches of the financial institution (domestic and foreign); and
3. subsidiaries and associates in accordance with IAS 27 and IAS 28. Reporting financial institutions must use the equity method of accounting, as prescribed in IAS standards, to account for investments in unconsolidated subsidiaries and associates. Unconsolidated subsidiaries and associates are to be accounted for using the equity method of accounting as prescribed in IAS standards and are to be reported in the appropriate Lines 1.12, Other Assets.

All financial institutions must report the following items as contained in the Return on a full accrual accounting basis:

1. accrued interest receivable on loans and advances;
2. amortization of premiums and accretion of discounts paid or earned on debt securities;
3. balances due to and from depository institutions (i.e. Nostro and Vostro accounts);
4. income taxes;
5. depreciation on premises and equipment;
6. specific and general provisions for losses;
7. accrued but unpaid interest on all categories of deposit liabilities and borrowings.

Balances reported in the Returns are to be prepared as of the end of each calendar month or calendar quarter as appropriate (hereinafter referred to as the "Reporting Date"). Balances on the books of the reporting financial institution as of the Reporting Date that are denominated in Solomon Island Dollars (SBDs) are to be reported in the column (b), "In National Currency." Balances denominated in currencies other than SBDs must be converted into a SBD equivalent using the spot mid-rate for the particular foreign currency as of the Reporting Date and reported in the column (c), "In Foreign Currency." The reporting financial institution must maintain appropriate written documentation detailing the spot mid-rate used to convert balances denominated in foreign currencies into the SBD equivalent and the source of the spot mid-rate for each foreign currency used by the reporting financial institution. This documentation must be retained by the reporting financial institution and made available to examiners of the CBSI upon request.

Assets and liabilities are to be reported in the Return on a gross basis unless otherwise instructed in the Line Item instructions. Reporting balances on a "net" basis after offsetting liabilities against assets or vice versa is not permitted.

Assets and liabilities reported in the Return are to be categorized based on the sectoral classification and residency status of the underlying counterparties/customers as defined below:

Domestic or Resident - includes Solomon Islanders, foreign nationals physically residing in the Solomon Islands for one year or more, and all other legal entities (corporations, partnerships, joint ventures, etc.) with physical operations in the Solomon Islands. All other persons shall be considered "Non-Residents" or "Abroad" for purposes of completing these Returns.

Depository Institutions - includes those institutions licensed, among other things, to accept deposits which can be withdrawn or are transferable on demand and without notice at face value and without penalty or other restriction by check, draft, direct debit/credit, automatic teller machine, and other direct payment facilities. Demand deposits may or may not be interest bearing.

Depository Institutions Domestic includes:

1. the CBSI; and
2. other depository institutions, including:
  - a. ANZ Solomon Islands Branch;
  - b. Bank South Pacific Solomon Islands Branch;
  - c. Westpac Solomon Islands Branch; and
  - g. other depository institutions as may be hereafter licensed by the CBSI.

Other Financial Corporations - includes those institutions engaged in financial intermediation but excluding Depository Institutions. Other Financial Corporations include:

- credit corporations;
- insurance companies;
- pension funds;

- finance leasing companies;
- other institutions which engage in activities closely related to financial intermediation but do not act as intermediaries, such as:
  - i. brokers and agents that arrange, execute or otherwise facilitate client transactions in financial assets; and
  - iii. other types of institutions as may be hereafter instructed by the CBSI.

Domestic Other Financial Corporations are divided into three sub-categories:

1. Development Financing Corporations – which include institutions established to support specific economic development initiatives. Development Financing Corporations include:
  - i. the Development Bank of Solomon Islands;
  - ii. other corporations as hereafter instructed by the CBSI;
2. Statutory Non-Bank Financial Corporations – include state-owned enterprises engaged in financial intermediation but which are not depository institutions. Statutory Non-Bank Financial Corporations include:
  - i. Solomon Islands Provident Fund
  - ii. Investment Corporation of Solomon Islands;
  - iii. Solomon Island Home Finance Corporation;
  - iv. other institutions as may be hereafter instructed by the CBSI.
3. Private Non-Bank Financial Corporations – includes privately owned and controlled corporations engaged in financial intermediation but which are not depository institutions.

Non-Financial Corporations -

includes corporations, partnerships, joint ventures, quasi-corporations and other legal entities which are not engaged in financial intermediation activities as defined above and not required to be categorized as a Depository Institution or an Other Financial Corporation. Non-financial corporations are to be reported based on the ownership/control of the enterprise.

“Statutory Non-Financial Corporations” include state-owned or controlled enterprises which are not engaged in financial intermediation activities. Public Non-Financial Corporations include:

- i. Solomon Island Electricity Authority;
- ii. Livestock Development Authority;
- iii. Solomon Islands Ports Authority;
- iv. Commodities Export Marketing Authority;
- v. Solomon Islands Broadcasting Corporation;
- vi. Solomon Islands Visitors Bureau;
- vii. Solomon Islands Water Authority;
- viii. Solomon Postal Corporation;
- ix. Solomon Airlines
- x. other corporations as may be hereafter instructed by the CBSI.

“Private Non-Financial Corporations” include those enterprises which are privately owned or controlled and are not engaged in financial intermediation.

Quasi-corporations are unincorporated enterprises (i.e. sole proprietorships) that function as corporations. For a quasi-corporation to exist, it must be possible to develop a full set of account, including balance sheet assets, to distinguish the quasi-corporation from its owners.

Central Government -

includes the national government of the Solomon Islands and any of its departments, branches or agencies.

Provincial Assemblies & Local Governments -	include provincial assemblies and local governments of the Solomon Islands and any of its departments, branches and agencies.
Individuals -	includes individuals and households consisting of a small group of individuals who share the same living accommodation, pool some or all of their income and wealth, and consume certain types of goods and services (mainly housing and food).
Non-profit Institutions Serving Households -	<p>Nonprofit institutions include legal and social entities created for the purpose of producing goods and services whose status does not permit them to be a source of income, profit, or other financial gain for the units that establish, control or finance them.</p> <p>Nonprofit institutions that are controlled and mainly financed by the Solomon Islands Government are to be classified/reported under Central Government in the Return.</p> <p>Nonprofit institutions providing nonmarket goods and services to households which are financed mainly by foreign governments and nongovernmental sources (i.e., households, corporations or nonresidents) are to be reported under this category in the Report. Nonprofit institutions serving households include, but are not limited to:</p> <ul style="list-style-type: none"> <li>• Save the Children Foundation;</li> <li>• OXFAM International Australia;</li> <li>• Solomon Islands Red Cross</li> <li>• United Nations Development Programme</li> <li>• European Union Rural Projects</li> <li>• United Nations Children Fund</li> <li>• World Health Organization</li> <li>• Solomon Islands Development Trust</li> <li>• Solomon Islands Planned Parent-hood Association</li> <li>• World Vision South Pacific (SI)</li> <li>• World Wide Fund for Nature (WWF)</li> <li>• Young Women’s Christian Association (YWCA).</li> </ul>

**5. Amended Returns and Verification of Records**

- 5.1 The CBSI may require a financial institution to amend a Return found to contain material errors, mis-categorized, incorrect or omitted data. An error will be considered material if: (i) the nature of the error, mis-categorization, incorrect or omitted data would change or influence the judgment of a reasonable person relying on the Return, or (ii) the errors, mis-categorization, incorrect or omitted data, individually or collectively, would result in a change to any line item category in the Balance Sheet, of SBD100,000.
- 5.2 Before a Return is submitted to the CBSI, all amounts should be compared with the corresponding amounts submitted in the previous Return. If there are any unusual changes from previously submitted Return, a brief written explanation of the changes should be attached to the Certification Page of the applicable Return.
- 5.3 Every financial institution should maintain a daily ledger and other books of account in such manner and scope as necessary to ensure that the Return can be prepared and filed in accordance with the instructions outlined herein. Books of account, ledgers, and subsidiary records should also be maintained in such manner to ensure that a fair presentation of the financial institution’s financial condition and operating performance are presented.

**6. Negative Entries**

Negative entries are generally not appropriate in the Return and should not appear except where indicated by “( )”. Negative entries should be entered with a minus sign, i.e., “-100”.

**Form 1 - Balance Sheet**

<b>Line Code</b>	<b>Line Item</b>	<b>Instructions</b>
<b>1</b>	<b>TOTAL ASSETS</b>	Total is shown automatically.
<b>1.1</b>	<b>CASH</b>	Report in the appropriate column the total amount of all notes and coins: <ul style="list-style-type: none"> <li>• owned and held in all offices, including ATMs, of the reporting financial institution;</li> <li>• in transit to a depository institution for which the reporting financial institution has not yet received credit;</li> <li>• in transit from a depository institution for which the reporting financial institution's account has been charged as of the reporting date.</li> </ul>
<b>1.2</b>	<b>BALANCES WITH DEPOSITORY INSTITUTIONS</b>	Total is shown automatically. Depository institutions means financial institutions licensed, among other things, to accept deposits withdrawable or repayable on demand. If a balance due from another depository institution is overdrawn on the books of the reporting financial institution (i.e. a credit balance) as of the reporting date, report the overdrawn balance in the appropriate Line 2.3, Borrowings. Balances due from non-depository institutions, such as credit corporations, are to be reported in the appropriate Line 1.3, Debt Securities. Balances due from depository institutions are to be reported net of accrued interest receivable, which is to be reported separately in Lines 1.6.1.
1.2.1	Demand Balances Due From:	Subtotal is shown automatically. Report in the appropriate Lines 1.2.1 and columns balances maintained in a "demand deposit account" with a depository institution, i.e. Nostro, due from correspondent account. Balances in demand deposit accounts can be withdrawn without prior notice to the account holding depository institution or other restriction or penalty by check, direct debit/credit or other direct payment facilities. Also include as demand deposits overnight and short-term (original term to maturity of 7 days or less) placements with depository institutions.
1.2.1.1.1.	CBSI	Subtotal is shown automatically.
1.2.1.1.1.1	Required Reserves	Report in the appropriate column the amount of demand deposits placed with the CBSI necessary to comply with the "minimum liquid asset requirement" of the CBSI. Any amount maintained by the reporting financial institution in excess of the minimum required liquid asset requirement should be reported in the appropriate column of Line 1.2.1.1.1.2, CBSI, Other.
1.2.1.1.1.2	Other	Report in the appropriate column the amount of demand deposits placed with the CBSI in excess of the minimum liquid asset requirement.
1.2.2	Savings	Subtotal is shown automatically. Report in the appropriate Lines 1.2.2 and columns balances maintained in a "savings deposit account" with another depository institution. Balances in savings accounts can generally be withdrawn on demand or with very little prior notice to the account holding

**Form 1 - Balance Sheet**

Line Code	Line Item	Instructions
		depository institution.
1.2.3	Time Balances Due From	<p>Subtotal is shown automatically.</p> <p>Report in the appropriate Lines 1.2.3 and columns the balance of deposits placed in depository institutions for a fixed term, with or without interest, and which cannot be withdrawn prior to expiry of the term without incurring a penalty.</p> <p>Matured time deposits are to be reported in Line 1.2.1, Demand Balances.</p>
1.3	<b>DEBT SECURITIES ISSUED BY</b>	<p>Total is shown automatically.</p> <p>Debt securities include any security representing money loaned that must be repaid to the lender/investor at a future date. Debt securities include, but are not limited to, bonds, notes, and (treasury) bills issued by the Government of Solomon Islands; bills issued by the CBSI; certificates of deposit issued by credit corporations and other similar debt instruments issued by home financing companies; commercial paper; redeemable preferred stock, subordinated notes and debentures, and similar debt instruments.</p> <p>Debt securities are to be categorized in the books of the reporting financial institution as either "Trading" or "Other Than Trading". Debt securities acquired principally for the purpose of selling in the near term in order to profit from short-term price movements or acquired as an accommodation to customers are to be categorized as "Trading" and reported at their current fair market value.</p> <p>Unrealized changes in the current fair market value of debt securities categorized as "Trading" are to be recorded in Line 2.12.5, Asset Valuation Reserves.</p> <p>Debt securities held for "Other Than Trading" are to be reported at amortized cost. Amortized cost is the purchase price of a security adjusted for amortization of premium or accretion of discount. Accrued interest on debt securities is to be reported separately in appropriate Lines 1.6.4., Accrued Interest Receivable, Debt Securities.</p> <p>Report in the appropriate Lines 1.3 and columns the current fair market value of debt securities categorized as "Trading" and the amortized cost of debt securities categorized as "Other Than Trading."</p> <p>Debt securities are to be reported net of accrued interest receivable, which is to be reported separately in appropriate Lines 1.6.4.</p>
1.4	<b>LOANS AND ADVANCES</b>	<p>Total is shown automatically.</p> <p>Loans and Advances (loans) include all advances of funds by the reporting financial institution that are conditioned on the obligation of the person to repay the funds. The term includes short, medium and long-term loans; overdrafts (planned and unplanned), credit card receivables and other revolving-type credit facilities; bills receivable, banker's acceptances (both own bank and those of other banks acquired through subsequent discounting), and hire purchase, installment and lease rentals.</p> <p>Do not include undiscounted bankers acceptances, which are to be reported separately in Lines 1.10, Customers'</p>

**Form 1 - Balance Sheet**

Line Code	Line Item	Instructions
		<p>Liability To This Bank On Acceptances Outstanding, and Lines 2.8, Bank's Liability On Acceptances Executed and Outstanding.</p> <p>A banker's acceptance, for purposes of these Returns includes drafts and bills of exchange that have been drawn on and accepted by the reporting bank (the "accepting bank") or its agent for payment by that institution at a future date that is specified in the instrument.</p> <p>Do not deduct from any loan a participation sold in which (i) the maturity date of the participation sold exceeds that of the loan contract between the reporting financial institution and the borrower, (ii) the interest rate being paid on the part of the loan sold under the participation is more than the interest rate in the loan contract between the reporting financial institution and the borrower, or (iii) any loan participation which does not provide for the pro rate sharing of payment and recoveries in the event of default by the borrower. Such loan participations sold are to be reported in the appropriate Line 2.3, Borrowings, according to the counterparty which the participation was sold.</p> <p>Report in the appropriate Lines 1.4 and columns the gross outstanding balance of loans, i.e., the outstanding principal balance owing.</p> <p>Specific and general provisions for losses on loans are to be reported separately in lines 2.10.1 and 2.10.3, respectively. Accrued but uncollected interest is to be reported separately in appropriate Lines 1.6.5.</p> <p>Loans and Advances are to be reported net of accrued interest receivable, which is to be reported separately in appropriate Lines 1.6.5.</p>
1.5	<p><b>INTERBANK FUNDS SOLD AND SECURITIES PURCHASED UNDER AGREEMENT TO RESELL</b></p>	<p>Sub-total is shown automatically.</p> <p>For purposes of this Return, "interbank funds" transactions involve the reporting financial institution's lending (interbank funds sold) or borrowing (interbank funds purchased) of immediately available funds for one business day but not more than seven (7) days, regardless of the nature of the contract or of the collateral, if any. However, borrowings from the CBSI are excluded and are to be reported in Line 2.3.1.1.</p> <p>Immediately available funds are funds that the purchasing financial institution can either use or dispose of on the same business day that the transaction giving rise to the receipt or disposal of the funds is executed.</p> <p>The borrowing and lending of immediately available funds is for one business day if the funds borrowed on one business day are to be repaid or the transaction reversed on the next business day, that is, if immediately available funds borrowed today are to be repaid tomorrow (in tomorrow's immediately available funds). Such transactions include those made on a Friday to mature or be reversed the following Monday and those made on the last business day prior to a holiday (for either or both of the parties to the transaction) to mature or be reversed on the first business day following the holiday.</p> <p>Interbank funds include only those exchanges of immediately available funds with a maturity of not more than seven (7) days.</p>

## Form 1 - Balance Sheet

Line Code	Line Item	Instructions
		<p>Interbank funds may take the form of:</p> <ol style="list-style-type: none"> <li>1. unsecured interbank funds transactions;</li> <li>2. purchases (sales) of securities under agreements to resell (repurchase) and similar transactions, regardless of the terminology used, where a feature of the transaction is the resale (repurchase) of identical or substantially similar securities;</li> <li>3. purchases (sales) of loans or other assets under agreements to resell (repurchase).</li> </ol> <p><b>Any borrowing or lending of immediately available funds that matures in more than seven (7) days is to be reported as a Borrowing or as a Loan, not as a Interbank Funds transactions.</b></p> <p>Report the appropriate Line and Column the amount of outstanding funds lent in the of the form of:</p> <ol style="list-style-type: none"> <li>1. Interbank funds sold, i.e., immediately available funds lent under agreements or contracts with an original maturity of not more than seven (7) days, regardless of the nature of the transaction or the collateral involved (i.e., whether unsecured, secured, or involving a resale agreement in securities, loans, or any other instruments);</li> <li>2. Security resale agreements that report the reporting financial institution to resell the identical or substantially similar security purchased.</li> </ol> <p>Report interbank funds sold and securities purchased under agreements to resell on a gross basis, do not net them against interbank funds purchased and securities sold under agreement to repurchase.</p> <p>Interbank funds sold and securities purchased under agreement to resell are to be reported net of accrued interest receivable, which is to be reported separately in appropriate Lines 1.6.6.</p>
1.6	<b>ACCRUED INTEREST RECEIVABLE</b>	<p>Total is shown automatically.</p> <p>Report the amount of interest earned or accrued on earning assets and applicable to current or prior periods showing on the books of the reporting financial institution that has not yet been collected.</p>
1.6.1	Demand Balances Due From:	<p>Subtotal is shown automatically.</p> <p>Report in the appropriate Lines 1.6.1 and columns the amount of accrued but uncollected interest receivable showing on the books of the reporting financial institution on demand deposits reported in Lines 1.2.1.</p>
1.6.2	Savings Balances Due From:	<p>Subtotal is shown automatically.</p> <p>Report in the appropriate Lines 1.6.2 and columns the amount of accrued but uncollected interest receivable showing on the books of the reporting financial institution on savings deposits reported in Lines 1.2.2</p>
1.6.3	Time Deposits Due From	<p>Subtotal is shown automatically.</p> <p>Report in the appropriate Lines 1.6.3 and columns the amount of accrued but uncollected interest receivable showing on the books of the reporting financial institution on time deposits reported in Lines 1.2.3.</p>
1.6.4	Debt Securities Issued By:	<p>Subtotal is shown automatically.</p> <p>Report in the appropriate Lines 1.6.4 and columns the</p>

**Form 1 - Balance Sheet**

Line Code	Line Item	Instructions
		amount of accrued but uncollected interest receivable, adjusted for amortization of any premium or accretion of any discount, showing on the books of the reporting financial institution on debt securities reported in Lines 1.3.
1.6.5	Loans and Advances	Subtotal is shown automatically. Report in the appropriate Lines 1.6.5 and columns the amount of accrued but uncollected interest receivable showing on the books of the reporting financial institution on loans and advances reported in Lines 1.4.
1.6.6	Interbank Funds Sold & Securities Purchased Under Agreement to Resell	Subtotal is shown automatically. Report in the appropriate Lines 1.6.6 and columns the amount of accrued but uncollected interest receivable showing on the books of the reporting financial institution for interbank funds sold and securities purchased under agreement to resell reported in Lines 1.5.
1.7	<b>SHARES &amp; OTHER EQUITY INVESTMENTS</b>	Total is shown automatically. Shares and other equity investments (shares) include investments in mutual funds, shares and other equity investments ("investments") evidenced by shares, stocks, participations or similar documents. Exclude investments in preferred stock that by its terms either must be redeemed by the issuing enterprise or is redeemable at the option of the investor/holder/owner (report in the appropriate Line 1.3, Debt Securities Issued By). Shares are to be categorized in the books of the reporting financial institution as either "Trading" or "Other Than Trading." Shares acquired principally for the purpose of selling in the near term in order to profit from short-term price movements or acquired as an accommodation to customers are to be categorized as "Trading" and reported at their current fair market value. Shares categorized as "Other Than Trading" are to be reported at cost. Shares in unconsolidated subsidiaries are to be accounted for according to the equity method of accounting. Under the equity method of accounting, investments in the common stock or other equity investment of subsidiaries and associated enterprises (investee's) are to be originally recorded at cost but adjusted periodically to record as income the reporting financial institution's proportionate share of the investee's earnings or losses, decreased by the amount of any cash dividends received from the investee Unrealized changes in the fair market value of Shares categorized as "Trading" are to be recorded in Line 2.12.5, Valuation Adjustment. Shares held for "Other Than Trading" are to be reported at cost less any write-offs taken to reflect a permanent reduction in value. Provisions for losses on Shares, either "Trading" or "Other Than Trading" are to be reported separately in Line 2.10.2., Specific Provisions for Other Losses.
1.7.1	Marketable	Sub-total is shown automatically. Report in the appropriate Lines 1.7.1 and columns "marketable" investments on the books of the reporting financial institution.

**Form 1 - Balance Sheet**

Line Code	Line Item	Instructions
		<p>Shares and other equity investments are “marketable” if there are sales or bid-and-asked quotations currently available on a recognized public securities exchange/board or an over-the-counter market, provided that those prices or quotations publicly reported or otherwise available to the general public on a regular basis.</p> <p>Exclude and report in the appropriate Lines 1.7.2 and column:</p> <ul style="list-style-type: none"> <li>• marketable shares and other equity investment in which the sale is restricted by governmental or contractual requirements (other than in connection with being pledged as collateral), except if the restriction terminates within one year of the Reporting Date.</li> <li>• holdings of capital stock and investments in unconsolidated subsidiaries and associated companies.</li> </ul> <p>Report in the appropriate lines and columns the fair market value of marketable shares categorized as “Trading” and the amortized cost of Shares categorized as “Other Than Trading.”</p>
1.7.2	Non-marketable	<p>Sub-total is shown automatically.</p> <p>Report in the appropriate Lines 1.7.2 and columns the amortized cost of shares on the books of the reporting financial institution which are not otherwise required to be reported in Lines 1.7.1.</p> <p>The carrying values of non-marketable shares are to be written down where a permanent reduction in the value of the investment is evident.</p>
1.8	<b>DIVIDENDS RECEIVABLE</b>	<p>Total is shown automatically.</p> <p>Report in the appropriate Lines 1.8 and columns the reporting financial institutions proportionate share of dividends which have been declared by the board of directors (or other similar body having similar duties and responsibilities) of corporate/ business entities in which it owns shares or holds other equity investments.</p> <p>Dividends on shares and other equity investments should be recorded and taken to income at the time the dividend is declared. Upon receipt of the dividend payment, the reporting financial institution should credit the amount of the Dividend Receivable account for the amount of the payment with an offsetting debit entry normally to balances due from depository institutions.</p>
1.9	<b>ITEMS IN TRANSIT</b>	<p>Total is shown automatically.</p> <p>Items in the process of collection include checks or other types of transferable items (i.e., money orders, postal orders, travelers’ checks, etc.) that have been posted directly to depositors’ accounts but have not been cleared through the CBSI or other clearing organization.</p> <p>Report the in the appropriate Lines 1.9 and columns the balance of items in process of collection based on the residency of the payer financial institution.</p>
1.10	<b>CUSTOMERS’ LIABILITY TO THIS BANK ON ACCEPTANCES OUTSTANDING</b>	<p>Total is shown automatically.</p> <p>Report in the appropriate Lines 1.10 and columns the <i>full</i> amount of customers' liability to the reporting bank on drafts and bills of exchange that have been accepted by the</p>

**Form 1 - Balance Sheet**

Line Code	Line Item	Instructions
		<p>reporting bank, or by others for its account, and are outstanding.</p> <p>The amount of customers' liability to the reporting bank on its acceptances that have not yet matured should be reduced only when:</p> <p>(1) the customer anticipates its liability to the reporting bank on an outstanding acceptance by making a payment to the bank in advance of the acceptance's maturity that immediately reduces the customer's indebtedness to the bank on such an acceptance; or</p> <p>(2) the reporting bank acquires and holds its own acceptance, in which case such acceptance is to be reported in the appropriate Lines 1.4 and columns, Loans.</p>
1.11	<b>NON-FINANCIAL ASSETS</b>	<p>Total is shown automatically.</p> <p>Non-financial assets are those assets over which the reporting financial institution has ownership rights and from which economic benefits may be derived over a period of time such as premises, furnishing and office equipments and unamortized amount of goodwill and other intangible assets.</p>
1.11.1	Premises & Equipment	<p>Report in the appropriate column the purchase price of all fixed assets purchased or acquired by means of a finance lease. Do not deduct the amount of accumulated depreciation on fixed assets, which is to be reported separately in Lines 2.11.1.</p> <p>Note: Column (c) should only be used by domestic banks to record the investment in premises and equipment of branches located outside the Solomon Islands.</p> <p>Fixed Assets include:</p> <ul style="list-style-type: none"> <li>• Buildings and land that are actually owned and occupied (or to be occupied, if under construction (by the reporting financial institution, its branches, or its consolidated subsidiaries);</li> <li>• Leasehold improvements, vaults/safes, and fixed machinery and equipment.</li> <li>• Remodeling costs to existing premises.</li> <li>• Land acquired and intended to be used for future expansion.</li> <li>• Parking lots that are used by customers or employees of the bank, its branches, and its consolidated subsidiaries.</li> <li>• Furniture, fixtures, and movable equipment of the financial institution, its branches, and its consolidated subsidiaries.</li> <li>• Automobiles, motorcycles, boats, airplanes, and other vehicles owned by the reporting financial institution and used in the conduct of its business.</li> <li>• The amount of a finance lease used to acquire premises, furniture, fixtures, and equipment. The reporting financial institutions obligation under a finance lease is to be reported in the appropriate Line 2.3, Borrowings.</li> </ul> <p>A lease is an agreement that transfer the right to use land, buildings, or equipment for a specified period of time. This financing device is essentially an extension of credit evidenced by an obligation between the lessee and the lessor.</p> <p>Any lease entered into by a lessee financial institution</p>

## Form 1 - Balance Sheet

Line Code	Line Item	Instructions
		<p>that meets the criteria as defined below shall be accounted for as a property acquisition financed with a debt obligation (i.e., a finance lease)</p> <ol style="list-style-type: none"> <li>i. the lease transfers ownership of the asset to the lessee by the end of the lease term;</li> <li>ii. the lessee has the option to purchase the asset at a price which is expected to be sufficiently lower than fair value at the date the option becomes exercisable that , at the inception of the lease, it is reasonably certain that the option will be exercised;</li> <li>iii. the lease is for the major part of the economic life the asset, even if title is not transferred;</li> <li>iv. at the inception of the lease, the present value of the minimum lease payments amounts substantially equals the value of the leased assets;</li> <li>v. the lease assets are of a specialized nature such that only the lessee can use them without major modifications being made.</li> </ol> <p>Other situations that might also lead to classification of a lease as a finance lease are:</p> <ol style="list-style-type: none"> <li>i. if the lessee is entitled to cancel the lease, the lessor's losses associated with the cancellation are borne by the lessee;</li> <li>ii. gains or losses from fluctuations in the fair value of the residual fall to the lessee (for example, by means of a rebate of lease payments); or</li> <li>iii. the lessee has the ability to continue to lease for a secondary period at a rent that is substantially lower than market rent.</li> </ol> <p>If none of the above criteria is met, the lease should be accounted for as an "operating" lease." Rental payments should be charged to expense over the term of the operating lease as they become payable.</p> <ul style="list-style-type: none"> <li>• Original paintings, antiques, and similar valuable objects.</li> </ul>
1.11.2	Inventories	<p>Report in the appropriate column the unamortized cost of unused stationary and other office supplies held by the reporting financial institution.</p> <p>Note: Column (c) should only be used by domestic banks to record the investment in inventories of branches located outside the Solomon Islands.</p>
1.11.3	Goodwill & Other Intangibles	<p>Report the unamortized purchase of goodwill shown on the books.</p> <p>Goodwill represents the excess of the cost of a company over the sum of the fair values of the tangible and identifiable intangible assets acquired less the fair value of liabilities assumed in a business combination accounted for as a purchase.</p> <p>Goodwill and similar intangible assets ordinarily cannot be disposed of apart from an institution as a whole. Accordingly, the reporting financial institution may not remove goodwill from its balance sheet by "selling" or "dividending" this asset to its parent holding company or another affiliate.</p> <p>Other intangibles include, but are not limited to, (i) capitalized establishment and organizational costs (ii) future income tax benefits.</p>

**Form 1 - Balance Sheet**

Line Code	Line Item	Instructions
		<p>Establishment and organizational costs include fees paid for independent legal and other professional services, including consultants and consultant studies and other expenses as may be approved by the CBSI. To be independent, the person providing the legal or other professional services can not be a proposed shareholder in the financial institution, or an employee, subsidiary or affiliate of a shareholder.</p> <p>Future income tax benefits generally arise as a result of timing differences.</p>
1.11.4	Other	<p>Report the amount of all other non-financial assets held by the reporting financial institution.</p> <p>Other non-financial assets, includes, but is not limited to, assets acquired by the reporting financial institution through repossession, foreclosure or in satisfaction of debts previously made in good faith.</p>
1.12	<b>OTHER ASSETS</b>	<p>Total is shown automatically.</p> <p>Miscellaneous asset items include all accounts not elsewhere classified in the reporting financial institution's balance sheet. Major types of miscellaneous asset items include suspense accounts, future income tax benefits.</p>
2.	<b>TOTAL LIABILITIES &amp; CAPITAL</b>	<p>Total is shown automatically.</p>
2.1	<b>DEPOSITS</b>	<p>Total is shown automatically.</p> <p>Deposits include the unpaid balance of money or its equivalent received or held by the reporting financial institution in the normal course of business and for which it has given or is obligated to give credit, either conditionally or unconditionally, to a checking, savings or time account.</p> <p>Report in Lines 2.1 the balance of deposit accounts with credit balances. Do not net overdrawn accounts, i.e., deposit accounts with debit balances. Deposit accounts carrying a debit balance are to be reported separately in Line 1.4, Loans.</p>
2.1.1	Demand Deposits	<p>Subtotal is shown automatically.</p> <p>Report in the appropriate Lines 2.1.1 and columns all deposits which can be withdrawn or are transferable on demand and without notice at face value and without penalty or other restriction by check, draft, direct debit/credit, automatic teller machine, or other direct payment facilities. Demand deposits may or may not be interest bearing.</p> <p>The most common forms of demand deposits include (i) traditional checking/current accounts and (ii) "savings accounts" against which checks, ATM withdrawals and other direct payment facilities are allowed.</p> <p>Demand deposits are to be reported net of accrued interest, which is to be reported separately in Lines 2.5.1, Accrued Interest Payable, Demand Deposits.</p>
2.1.2	Savings Deposits	<p>Subtotal is shown automatically.</p> <p>Report in the appropriate Lines 2.1.2 and columns all interest bearing deposits without a stated maturity, as opposed to a time deposit, which are <b>not transferable</b> by check, draft, direct debit/credit, automatic teller machine, or other direct payment facilities.</p>

**Form 1 - Balance Sheet**

Line Code	Line Item	Instructions
		<p>Savings deposit accounts which allow for automatic transfers of funds to a holder's demand deposit account to cover overdrafts are to be reported in the appropriate Line 2.1.1, Demand Deposits.</p> <p>Savings deposits are to be reported net of accrued interest, which is to be reported separately in Lines 2.5.2, Accrued Interest Payable, Savings Deposits.</p>
2.1.3	Time Deposits	<p>Subtotal is shown automatically.</p> <p>Report in the appropriate Lines 2.1.3 and columns all deposits on which interest is paid for a fixed period of time and which cannot be withdrawn before maturity without giving notice and incurring an early withdrawal penalty.</p> <p>Time deposits which have matured and are not subject to automatic renewal are to be reported in Lines 2.1.1, Demand Deposits.</p> <p>A time deposit is also sometimes known as an "investment account" or "time certificate of deposit."</p> <p>Time deposits are to be reported net of accrued interest payable, which is to be reported separately in Lines 2.5.3, Accrued Interest Payable, Time Deposits.</p> <p>Subtotal is shown automatically.</p>
2.2	<b>DEBT SECURITIES ISSUED TO</b>	<p>Sub-total is shown automatically.</p> <p>Report in the appropriate Lines 2.2 and columns funds borrowed through the issuance of subordinated notes and debentures (including mandatory convertible debt) and other similar debt instruments. Also include the amount of outstanding limited-life preferred stock including any amounts received in excess of its par or stated value.</p> <p>Debt securities issued are to be reported net of accrued interest, which is to be reported separately in Lines 2.5.4, Accrued Interest Payable, Debt Securities Issued.</p>
2.3	<b>BORROWINGS</b>	<p>Total is shown automatically.</p> <p>Report in the appropriate Lines 2.3 and columns all loans and advances to the reporting financial institution not otherwise required to be reported elsewhere. Borrowings include, but is not limited to:</p> <ul style="list-style-type: none"> <li>• Balances due from other financial institutions carrying a credit balance (see Line 1.2)</li> <li>• Loans and indebtedness over fixed assets, including obligations under finance leases;</li> <li>• Interbank funds purchased with an original maturity of more than seven (7) days.</li> </ul> <p>Borrowings are to be reported net of accrued interest, which is to be reported separately in Lines 2.5.5, Accrued Interest Payable, Borrowings.</p>
2.4	<b>INTERBANK FUNDS PURCHASED &amp; SECURITIES SOLD UNDER AGREEMENT TO REPURCHASE</b>	<p>Sub-total is shown automatically.</p> <p>Report in the appropriate Lines 2.4 and columns the gross amount of interbank funds purchased and securities <b>sold</b> by the reporting financial institution under agreement to repurchase, i.e. do not net against interbank funds sold and securities purchased under agreement to resell (which are to be reported separately in Lines 1.5). Refer to Line 1.5 for discussion of Interbank funds transactions and securities sold/purchased under agreement to resell.</p>

**Form 1 - Balance Sheet**

<b>Line Code</b>	<b>Line Item</b>	<b>Instructions</b>
		<p>Exclude interbank funds purchased with original maturities of more than seven (7) days, report in the appropriate Line 2.3, Borrowings and column.</p> <p>Amounts are to be reported net of accrued interest payable, which is to be reported separately in Lines 2.5.6, Accrued Interest Payable, Interbank Funds Purchased and Securities Sold Under Agreement To Repurchase.</p>
<b>2.5</b>	<b>ACCRUED INTEREST PAYABLE</b>	<p>Total is shown automatically.</p> <p>Report the amount of interest accrued on liabilities applicable to current or prior periods on the books of the reporting financial institution that has not yet been paid or otherwise credited to the customer's account.</p> <p>Report the amount of interest on deposits accrued through charges to expense during the current or prior periods, but not yet paid or credited to a deposit account (accrued interest payable).</p>
2.5.1	Demand Deposits	<p>Subtotal is shown automatically.</p> <p>Report in the appropriate lines and columns the amount of accrued interest payable on demand deposits reported in Lines 2.1.1.</p>
2.5.2	Savings Deposits	<p>Subtotal is shown automatically.</p> <p>Report in the appropriate lines and columns the amount of accrued interest payable on savings deposits reported in Lines 2.1.2.</p>
2.5.3	Time Deposits	<p>Subtotal is shown automatically.</p> <p>Report in the appropriate lines and columns the amount of accrued interest payable on time deposits reported in Lines 2.1.3.</p>
2.5.4	Debt Securities Issued To	<p>Sub-total is shown automatically.</p> <p>Report in the appropriate Lines 2.5.4 and columns the amount of accrued interest payable on debt securities issued by the reporting financial institution reported in Lines 2.2.</p>
2.5.5	Borrowings	<p>Subtotal is shown automatically.</p> <p>Report in the appropriate lines and columns the amount of accrued interest payable on borrowing reported in Lines 2.3.</p>
2.5.6	Interbank Funds Purchased & Securities Sold Under Agreement to Repurchase	<p>Sub-total is shown automatically.</p> <p>Report in the appropriate Lines 2.5.6 and columns the amount of accrued interest payable on interbank funds purchased and securities sold under agreement to repurchase reported in Lines 2.4.</p>
<b>2.6</b>	<b>DIVIDENDS PAYABLE</b>	<p>Total is shown automatically.</p> <p>Report in the appropriate Lines 2.6 and columns the amount of dividends declared by the board of directors before the Return date but not payable until after the Return date according to the residency of the payee (the shareholder receiving the dividend payment).</p> <p>A liability for dividends payable may not be accrued in advance of the formal declaration of the dividend by the board of directors.</p>
<b>2.7</b>	<b>INTEREST IN SUSPENSE ON LOANS &amp; ADVANCES</b>	<p>Report in the appropriate columns the amount of accrued but uncollected interest on non-performing loans and advances reported in Lines 1.6.5 which has been reversed out of</p>

**Form 1 - Balance Sheet**

<b>Line Code</b>	<b>Line Item</b>	<b>Instructions</b>
		interest income by the reporting financial institution.
<b>2.8</b>	<b>BANK'S LIABILITY ON ACCEPTANCES EXECUTED AND OUTSTANDING</b>	Total is shown automatically. Report the full amount (except as noted below) of the liability represented by drafts and bills of exchange that have been accepted by the reporting bank, or by others for its account, and that are outstanding. The bank's liability on acceptances executed and outstanding should be reduced prior to the maturity of such acceptances only when the reporting bank acquires and holds its own acceptances, i.e., only when the acceptances are not outstanding.
<b>2.9</b>	<b>MISCELLANEOUS LIABILITY ITEMS</b>	Total is shown automatically. Report in the appropriate Lines 2.9 and columns the balance of all other liabilities, including amounts held in suspense accounts, not otherwise required to be reported elsewhere.
<b>2.10</b>	<b>PROVISIONS FOR LOSSES</b>	Total is shown automatically. Provisions for Losses represent balance sheet accounts established through charges to the income statement for identified and latent losses. Report the net balance (total provisions less write-offs plus recoveries) of provision accounts.
2.10.1	Specific Provisions for Loan Losses	Subtotal is shown automatically. Report in the appropriate Lines 2.10.1 and columns the net balance of provisions raised through charges to Specific Provisions for identifiable losses against individual/specific loans and advances.
2.10.2	Specific Provisions for Other Losses	Report in the appropriate Lines 2.10.2 and columns the net balance of provisions raised through charges to Specific Provisions for losses on assets other than loans and advances.
2.10.3	General Loan Loss Provisions	Report the net balance of provisions raised through charges to General Loan Loss Provisions for latent losses on loans and advances. Latent losses are losses on individual loans and advances that have not been identified but are likely to be encountered in the future by virtue of the nature and risks of lending activities.
<b>2.11</b>	<b>ACCUMULATED DEPRECIATION</b>	Total is shown automatically. Balance sheet account established through charges to non-interest expense in the income statement used to expense the purchase cost of assets over the economic life of the asset.
2.11.1	Premises & Equipment	Report the balance of all depreciation taken on fixed assets reported in Line 1.11.1, Non-Financial Assets, Premises & Equipment.
2.11.2	Other	Report the balance of all other deprecation taken against assets other than fixed assets required to be reported separately in Lines 1.11.2 through 1.11.4., Non-Financial Assets.
<b>2.12</b>	<b>CAPITAL</b>	Total is shown automatically. Capital funds to be reported in Solomon Island Dollars,

## Form 1 - Balance Sheet

Line Code	Line Item	Instructions
		Column (b), In National Currency.
2.12.1	Paid-in Capital	Report the par value of issued and fully paid ordinary shares or common stock.
2.12.2	Paid-in Premium or Surplus	Report the balance of funds paid by shareholders over and above the stated par value of ordinary shares or common stock issued.
2.12.3	Assigned Capital	<b>For Use By Foreign Bank Branches ONLY.</b> Report the balance of capital funds assigned by the foreign bank's head office to support the operations of its Solomon Islands branch(es) as required by the Financial Institutions Act 1998 and Prudential Guidelines issued by the CBSI.
2.12.4	Retained Earnings (Losses)	Subtotal is shown automatically. Retained earnings are to be reported net of taxes and dividends (or in the case of foreign bank branches, distributions of profits payable to head office) declared by the board of directors.
2.12.4.1	Audited	Report the amount of retained earnings (losses) from prior years' operations which have been audited and finalized.
2.12.4.2	Unaudited	Subtotal is shown automatically.
2.12.4.2.1	Prior Years	Report the total of all retained earnings (losses) from prior years' operations which have not been audited and finalized.
2.12.4.2.2	Current Year-to-date	Report the net year-to-date profits or (losses).
2.12.5	Asset Revaluation Reserves	Report the net balance of unrealized profits and losses recorded on assets and liabilities. Unrealized profits and losses primarily relates to changes in the fair market value of debt securities and shares and other equity investments and premises when compared to the original historical cost of and/or investment in the assets.
2.12.6	Other	Report the balance of any other capital accounts or instruments held by the reporting financial institution <b>which have been approved by the CBSI.</b>

## Schedule 1 – Loans and Advances By Sector

Line Code	Line Item	Instructions
-----------	-----------	--------------

### General Instructions:

The lending classifications/sectors adopted for this schedule are based on the United Nations Standard Industrial Classification of Economic Activities.

Loans and advances (loans) are to be reported in this Schedule according to **the main economic activity for which the proceeds of the loan or advance were used.**

Only credit actually extended should be reported. Unused commitments to lend, whether on loans or other advances should not be included.

Loans and advances are to be categorized and reported into three main types:

1. Overdrafts – overdrafts include deposit accounts with planned and unplanned debit balances. Planned overdrafts include revolving type of credit facilities for which a formal written overdraft facility/authorization has been granted while an unplanned overdraft includes those deposit accounts with a debit balance for which no written revolving credit facility/letter has been previously granted by the reporting financial institution. Unplanned overdrafts are generally short term lending arrangements extended to well-established depositors who have demonstrated financial capacity.
2. Loans - includes the advance of funds which do not require regular and equal repayments, the term include “commercial” loans.
3. Lease Financing – includes loans for the purchase of equipment, vehicles and other consumables and generally requires equal monthly payment of principle and interest.

Report in Lines 1 the outstanding balance of Loans and Advances denominated in Solomon Island Dollars as reported in Form 1, Balance Sheet, Lines 1.4, Loans and Advances, Column (b), In National Currency according to the number of days which the loans are past due/in arrears as indicated in Columns (b) through (h).

Report in Lines 2 the outstanding balance of Loans and Advances denominated in currencies other than Solomon Island Dollars reported in Form 1, Balance Sheet, Lines 1.4, Loans and Advances, Column (c), In Foreign Currency according to the number of days which the loans are past due/in arrears as indicated in Columns (b) through (h).

### Column Instructions:

Columns (b) to (h),  
Payment Arrears:

Report in the appropriate Lines and Columns the total amount of loans past due/in arrears as indicated.

If any portion of principal or interest of a loan is past due/ in arrears, as measured based on the contractual repayment terms of the loan, then **the entire loan balance is past due/in arrears and must be shown in the most delinquent past due/arrears category.** For example, assume a loan is repayable in monthly installments of \$10,000 and has a current outstanding balance of \$1 million. If one installment is past due for three months (90 days), one installment is past due for two months (60 days), one installment is past due one month (30 days) and the remaining installments are not yet due, then the entire outstanding loan balance of \$1 million must be reported in Column (e), Payment Arrears, 90 – 179 days.

For unplanned overdrafts (demand deposit accounts with a debit balance for which no formal written overdraft facility has been previously granted by the reporting financial institution) the past due/arrears status is to be reported in the appropriate Columns (b) through (h) based on the **consecutive** number of days which the account has been overdrawn. For example, a demand deposit account overdrawn for 43 consecutive days with a current debit balance of \$45,000 would be reported in the appropriate Line 1.2, Overdrafts, Column (c), Payment Arrears, 30 – 59 days.

## Schedule 1 – Loans and Advances By Sector

Line Code	Line Item	Instructions
		<p>Overdrafts and other loans and advances which do not have pre-established repayment programs are considered past due when any of the following conditions exist:</p> <ul style="list-style-type: none"> <li>a) the debt exceeds the approved limit for 30 consecutive days or more;</li> <li>b) the borrowing line/overdraft facility has expired for 30 days or more;</li> <li>c) interest is due and unpaid for 30 days or more; or</li> <li>d) the account has been inactive for 30 days, or deposits have been insufficient to cover the interest capitalized during the period.</li> </ul>
	Column (i), Total:	<p>Amount is shown automatically as the total of amounts reported in Columns (b) through (h).</p> <p>The total reported in Line 1, In National Currency, which is the sum of all amounts calculated in Lines 1.1 through 1.4, must equal the amount reported in Form 1, Balance Sheet, Line 1.4, Column (b), Loans and Advances, In National Currency.</p> <p>The total reported in Line 2, In Foreign Currency, which is the sum of all amounts calculated in Lines 2.1 through 2.4, must equal the amount reported in Form 1, Balance Sheet, Line 1.4, Column (c), Loans and Advances, In Foreign Currency.</p>
	Column (j), Interest In Suspense:	<p>Report in the appropriate line the amount of suspended interest on loans reported in Columns (b) through (h).</p> <p>The total reported in Line 1 Column (j), Line 1, In National Currency, Total, must equal the amount reported in Form 1, Balance Sheet, Line 2.7, Interest in Suspense on Loans &amp; Advances, Column (b), In National Currency.</p> <p>The total reported in Column (j), Line 2, In Foreign Currency, Total, must equal the amount reported in Form 1, Balance Sheet, Line 2.7, Interest in Suspense on Loans &amp; Advances, Column (c), In Foreign Currency.</p>
	Column (k), Specific Provisions:	<p>Report in the appropriate line the amount of specific provisions raised against loans and advances reported in Columns (b) through (h).</p> <p>The total reported in Column (k), Line 1, In National Currency, Total, must equal the amount reported in Form 1, Balance Sheet, Line 2.10.1, Provisions for Losses, Specific Provisions on Loan, Column (b), In National Currency.</p> <p>The total reported in Line 2, In Foreign Currency, Total, must equal the amount reported in Schedule 1, Balance Sheet, Line 2.10.1, Provisions for Losses, Specific Provisions for Loan Losses, Column (c), In Foreign Currency.</p>
1.2.1 1.3.1 1.4.1 2.2.1 2.3.1 2.4.1	Manufacturing	Report in the appropriate Lines according to the currency in which the loans are denominated, all loans to individuals or businesses for the physical or chemical transformation of inorganic or organic products into new products irrespective of whether the work is done manually or mechanically.
1.2.1.1 1.3.1.1 1.4.1.1 2.2.1.1 2.3.1.1 2.4.1.1	Food & Non-Alcoholic Beverages	Report in the appropriate Lines according the currency in which the loans are denominated, all loans to individuals and businesses for the production of: <ul style="list-style-type: none"> <li>a. edible oils and facts;</li> <li>b. bakery and dairy products;</li> <li>c. jams, jellies and commodities;</li> <li>d. soft drinks and concentrates, colas, mineral waters, tonics, etc.;</li> <li>e. fruit juices, ect.;</li> <li>f. preparing and preserving poultry, fish and other animal products;</li> <li>h. all other food and non-alcoholic beverages.</li> </ul>
1.2.1.2	Alcoholic Beverages and	Report in the appropriate Lines according to the currency in

## Schedule 1 – Loans and Advances By Sector

Line Code	Line Item	Instructions
1.3.1.2 1.4.1.2 2.2.1.2 2.3.1.2 2.4.1.2	Tobacco	which the loans are denominated, all loans to individuals and businesses for the production of beverages containing alcoholic spirits; e.g., rum, falernum, beer, wines, etc.; also for the production of cigars, cigarettes, pipe tobacco and other tobacco products.
1.2.1.3 1.3.1.3 1.4.1.3 2.2.1.3 2.3.1.3 2.4.1.3	Building Materials and Metal Products	Report in the appropriate Lines according to the currency in which the loans are denominated, all loans to individuals and businesses for the production of: a. wrought iron fixtures, fittings and furniture; b. aluminum awnings, frames and fixtures; c. steel rods, frames and fittings, vehicle bodies; d. cement and cement products, decorative blocks, ceramics, marble, etc.; e. glass products used in construction; f. all other building materials and metal products.
1.2.1.4 1.3.1.4 1.4.1.4 2.2.1.4 2.3.1.4 2.4.1.4	Furniture and Other Wood Products	Report in the appropriate Lines, according to the currency in which the loans are denominated, all loans to individuals and businesses for the production of: a. all types of furniture, whether for home, commercial or industrial use; e.g. chairs, beds, tables, desks, cupboards, wardrobes, etc., all of wood or mostly of wood; b. other fixtures, paneled louvered doors, fitted cupboards and cabinets, and other wood products.
1.2.1.5 1.3.1.5 1.4.1.5 2.2.1.5 2.3.1.5 2.4.1.5	Shipbuilding	Report in the appropriate Lines, according to the currency in which the loans are denominated, all loans to individuals and businesses for the building of ships.
1.2.1.6 1.3.1.6 1.4.1.6 2.2.1.6 2.3.1.6 2.4.1.6	Textiles, Clothing and Accessories	Report in the appropriate Lines, according to the currency in which the loans are denominated, all loans to individuals and businesses for the manufacturing of fabrics and the making up of clothing, drapes and soft furnishings, etc. Accessories include products from precious, semi-precious and other metals and stones, and from shell, leather, etc. Include also lending to manufacturers of sporting equipment and leather products.
1.2.1.7 1.3.1.7 1.4.1.7 2.2.1.7 2.3.1.7 2.4.1.7	Petro-chemicals, Chemicals and Plastic Products	Report in the appropriate Lines, according to the currency in which the loans are denominated, all loans to individuals and businesses for the manufacturing of drugs and medicines, perfumes and cosmetics, industrial chemicals, chemical liquids and gaseous fuels, lubricants, plastic and plastic products, paints and enamels, soaps and detergents, and fertilizers. Do not include loans for oil exploration or production.
1.2.1.8 1.3.1.8 1.4.1.8 2.2.1.8 2.3.1.8 2.4.1.8	Other Manufacturing	Report in the appropriate Lines, according to the currency in which the loans are denominated, all loans to individuals and businesses for the manufacturing of all other products not classified under the above sub-heading.
1.2.2 1.3.2 1.4.2 2.2.2 2.3.2	Agriculture	Report in the appropriate Lines, according to the currency in which the loans are denominated, all loans to individuals and businesses for agricultural production, including livestock raising, should be included under this heading. Note: Further processing of primary commodities into a more

## Schedule 1 – Loans and Advances By Sector

Line Code	Line Item	Instructions
2.4.2		refined form constitutes manufacturing and should be classified in the appropriate Lines 1.2.1, 1.3.1, 1.4.1, 2.2.1, 2.3.1, 2.4.1
1.2.2.1 1.3.2.1 1.4.2.1 2.2.2.1 2.3.2.1 2.4.2.1	Copra	Report in the appropriate Lines, according to the currency in which the loans are denominated, all loans to individuals and businesses for the commercial cultivation, marketing or management of copra.
1.2.2.2 1.3.2.2 1.4.2.2 2.2.2.2 2.3.2.2 2.4.2.2	Cocoa	Report in the appropriate Lines, according to the currency in which the loans are denominated, all loans to individuals and businesses for the cultivation, marketing or management of cocoa.
1.2.2.3 1.3.2.3 1.4.2.3 2.2.2.3 2.3.2.3 2.4.2.3	Other Agriculture	Report in the appropriate Lines, according to the currency in which the loans are denominated, all loans to individuals and businesses for agricultural purposes which are not classified under the above sub-headings.
1.2.3 1.3.3 1.4.3 2.2.3 2.3.3 2.4.3	Forestry	Report in the appropriate Lines, according to the currency in which the loans are denominated, all loans to individuals and businesses for the commercial development, cultivation or management of timber.  Further processing of timber into a more refined form, such as lumber or lumber products, constitutes manufacturing and should be classified in the appropriate Lines 1.2.1, 1.3.1, 1.4.1, 2.2.1, 2.3.1, 2.4.1
1.2.4 1.3.4 1.4.4 2.2.4 2.3.4 2.4.4	Fisheries	Report in the appropriate Lines, according to the currency in which the loans are denominated, all loans to individuals and businesses for commercially harvesting (catching, taking or gathering) fish and other sea products  Note: Canning, preserving or processing of fish and other sea products into more refined forms constitutes manufacturing and should be classified in the appropriate Lines 1.2.1, 1.3.1, 1.4.1, 2.2.1, 2.3.1, 2.4.1
1.2.5 1.3.5 1.4.5 2.2.5 2.3.5 2.4.5	Mining & Quarrying	Report in the appropriate Lines, according to the currency in which the loans are denominated, all loans to individuals and businesses for extracting and dressing materials occurring naturally.  Include extraction from the earth of building and monumental stone, clays, sands, gravels and precious and semi-precious metals.
1.2.6 1.3.6 1.4.6 2.2.6 2.3.6 2.4.6	Construction	Includes loans to general and specific trade contractors primarily involved in contract construction. A construction operator may be engaged in building, altering, repairing or demolishing roads, bridges, sewers, drains, harbours, airports, houses, factories, hotels, etc.
1.2.6.1 1.3.6.1 1.4.6.1 2.2.6.1 2.3.6.1 2.4.6.1	Land Development	Report in the appropriate Lines, according to the currency in which the loans are denominated, all loans to individuals and businesses for the development of land for commercial, industrial or residential purposes.  Development includes the construction of basic requirements and facilities such as roads, bridges, drains, sewers, etc.

## Schedule 1 – Loans and Advances By Sector

Line Code	Line Item	Instructions
		also the laying of pipelines for water, gas telephone and electricity and all other basic facilities which the Town Planning Office determines from time to time.
1.2.6.2 1.3.6.2 1.4.6.2 2.2.6.2 2.3.6.2 2.4.6.2	Other Construction	Amount is shown automatically. Includes all lending for the construction of buildings and other structures above ground level whether of stone, steel or wood, as well as under-ground storages, parking or other facilities.
1.2.6.2.1 1.3.6.2.1 1.4.6.2.1 2.2.6.2.1 2.3.6.2.1 2.4.6.2.1	Private Residence	Report in the appropriate Lines, according to the currency in which the loans are denominated, all loans to building contractors for the building of homes for residential purposes.  Do not include loans to individuals to build a house, which are to be reported under the "Personal" loan category.
1.2.6.2.2 1.3.6.2.2 1.4.6.2.2 2.2.6.2.2 2.3.6.2.2 2.4.6.2.2	Commercial and Industrial	Report in the appropriate Lines, according to the currency in which the loans are denominated, all loans to promoters and building contractors for erecting/building structures for commercial or industrial activities, whether they are to be leased or subsequently re-sold to the owners of commercial and industrial enterprises.
1.2.7 1.3.7 1.4.7 2.2.7 2.3.7 2.4.7	Distribution	Include loans to individuals and businesses for the import or export of goods or for the local distribution of goods by commission agents, wholesalers, retailers and others.
1.2.7.1 1.3.7.1 1.4.7.1 2.2.7.1 2.3.7.1 2.4.7.1	Commission Agents	Report in the appropriate Lines, according to the currency in which the loans are denominated, all loans to individuals and businesses for the purpose of financing the purchase, shipping, insurance, freightage, and storage of goods on consignment to wholesalers.
1.2.7.2 1.3.7.2 1.4.7.2 2.2.7.2 2.3.7.2 2.4.7.2	Wholesale Trade	Report in the appropriate Lines, according to the currency in which the loans are denominated, all loans to individuals and businesses for the distribution of goods to other wholesalers or retail traders, as well as importers and exporters.
1.2.7.3 1.3.7.3 1.4.7.3 2.2.7.3 2.3.7.3 2.4.7.3	Retail Trade	Report in the appropriate Lines, according to the currency in which the loans are denominated, all loans to individuals and businesses for the selling of new or used goods to the general public, including but not limited to department stores, supermarkets, shops, petrol filling stations, motor vehicle dealers, and hawkers and peddlers.  Don not include loans to individuals and businesses for the operation of restaurants, cafes and other eating establishments, which should be reported under "Entertainment & Catering"
1.2.8 1.3.8 1.4.8 2.2.8 2.3.8	Tourism	Include loans to individuals and businesses for the operation of hotels, apartments, guest houses and other lodging places whether the credit is for financing the construction, equipment, furniture, food, etc.  Note: Restaurant facilities operated only in connection with

## Schedule 1 – Loans and Advances By Sector

Line Code	Line Item	Instructions
2.4.8		the provision of lodging are to be included in this category and not under "Entertainment & Catering."
1.2.8.1 1.3.8.1 1.4.8.1 2.2.8.1 2.3.8.1 2.4.8.1	Hotels	Report in the appropriate Lines, according to the currency in which the loans are denominated, all loans to individuals and businesses for the operation of large lodging establishments with single or double rooms, but with no elaborate lounging or cooking facilities attached to each room, i.e. there must be a common dining area.
1.2.8.2 1.3.8.2 1.4.8.2 2.2.8.2 2.3.8.2 2.4.8.2	Other	Report in the appropriate Lines, according to the currency in which the loans are denominated, all loans to individuals and businesses for the operation of smaller establishments, such as apartment-hotels, guest houses, etc.
1.2.9 1.3.9 1.4.9 2.2.9 2.3.9 2.4.9	Transport	Report in the appropriate Lines, according to the currency in which the loans are denominated, all loans to individuals and businesses for the operation of bus and taxi services, trucking and removal companies, vehicle rental agencies and companies engaged in shipping and air freightage or storage and warehousing.
1.2.10 1.3.10 1.4.10 2.2.10 2.3.10 2.4.10	Communications	Report in the appropriate Lines, according to the currency in which the loans are denominated, all loans to individuals and businesses for the operation of telecommunications services.
1.2.11 1.3.11 1.4.11 2.2.11 2.3.11 2.4.11	Entertainment & Catering	Report in the appropriate Lines, according to the currency in which the loans are denominated, all loans to individuals and businesses for the operation of cinemas, night clubs, yacht and sporting clubs, amusement parks, art galleries, museums, bowling alleys, restaurants and other eating and drinking establishments, and the renting of pleasure boats or motorcycles.
1.2.12 1.3.12 1.4.12 2.2.12 2.3.12 2.4.12	Central Government	Report in the appropriate Lines, according to the currency in which the loans are denominated, all loans granted directly to the Solomon Islands Government.
1.2.13 1.3.13 1.4.13 2.2.13 2.3.13 2.4.13	Provincial Assemblies & Local Government	Report in the appropriate Lines, according to the currency in which the loans are denominated, all loans granted directly to Solomon Island Provincial Assemblies and Local Government authorities.
1.2.14 1.3.14 1.4.14 2.2.14 2.3.14 2.4.14	Statutory Corporations	Amount is shown automatically.
1.2.14.1 1.3.14.1 1.4.14.1 2.2.14.1 2.3.14.1	Finance	Report in the appropriate Lines, according to the currency in which the loans are denominated, all loans granted directly to statutory financial corporations in the Solomon Islands.  Statutory financial corporations include, but is not limited to: 1. Development Bank of Solomon Islands;

## Schedule 1 – Loans and Advances By Sector

Line Code	Line Item	Instructions
2.4.14.1		<ol style="list-style-type: none"> <li>2. Solomon Islands National Provident Fund;</li> <li>3. Investment Corporation of Solomon Islands; and</li> <li>4. Solomon Islands Home Finance Corporation.</li> </ol>
1.2.14.2 1.3.14.2 1.4.14.2 2.2.14.2 2.3.14.2 2.4.14.2	Non-Finance	<p>Report in the appropriate Lines, according to the currency in which the loans are denominated, all loans granted directly to non-financial statutory corporations in the Solomon Islands.</p> <p>Non-financial corporations include corporations, partnerships, joint ventures, quasi-corporations and other legal entities which are not engaged in financial intermediation activities.</p> <p>Statutory non-financial corporations include, but is not limited to:</p> <ol style="list-style-type: none"> <li>1. Solomon Island Electricity Authority;</li> <li>2. Livestock Development Authority;</li> <li>3. Solomon Islands Ports Authority;</li> <li>4. Commodities Export Marketing Authority;</li> <li>5. Solomon Islands Broadcasting Corporation;</li> <li>6. Solomon Islands Visitors Bureau;</li> <li>7. Solomon Islands Water Authority;</li> <li>8. Solomon Postal Corporation;</li> <li>9. Solomon Airlines</li> </ol>
1.2.15 1.3.15 1.3.15 2.2.15 2.3.15 2.4.15	Private Financial Institutions	<p>Report in the appropriate Lines, according to the currency in which the loans are denominated, all loans granted to insurance companies, investment finance companies, mortgage finance companies, credit unions, thrift or friendly societies, stock brokers, hire purchase companies and other financial intermediaries.</p>
1.2.16 1.3.16 1.4.16 2.2.16 2.3.16 2.4.16	Professional & Other Services	<p>Report in the appropriate Lines, according to the currency in which the loans are denominated, all loans granted to individuals and businesses (firms) for conducting professional services.</p> <p>Professional and other services includes legal, accounting, auditing, consulting engineering, architectural, medical, dental, real estate agent, data processing, public relations, marketing, management consulting, laundering and cleaning, businesses engaged in repairs, and non-profit organizations such as churches.</p> <p>Include loans for the purchase of office space, equipment, working and/or other fixed capital.</p> <p>Care should be taken to ensure that loans reported under this caption are used in connection with the provision of professional services and NOT for the personal use of the individual service provider.</p>
1.2.17 1.3.17 1.4.17 2.2.17 2.3.17 2.4.17	Personal	<p>Include all loans to individuals for the benefit of themselves and/or their households that are for personal and not business use.</p>
1.2.17.1 1.3.17.1 1.4.17.1 2.2.17.1	Housing	<p>Report in the appropriate Lines, according to the currency in which the loans are denominated, all loans granted to individuals for the purpose of (i) repairing, (ii) extending/enlarging/adding on to, modernizing/remodeling, building or buying a house for owner-occupation.</p>

## Schedule 1 – Loans and Advances By Sector

Line Code	Line Item	Instructions
2.3.17.1 2.4.17.1		
1.2.17.2 1.3.17.2 1.4.17.2 2.2.17.2 2.3.17.2 2.4.17.2	Land Purchase	Report in the appropriate Lines, according to the currency in which the loans are denominated, all loans granted to individuals for the purchase of property for personal use.
1.2.17.3 1.3.17.3 1.4.17.3 2.2.17.3 2.3.17.3 2.4.17.3	Other	Report in the appropriate Lines, according to the currency in which the loans are denominated, all loans to individuals for personal use which are not classified under the above sub-headings.
1.2.18 1.3.18 1.4.18 2.2.18 2.3.18 2.4.18	Total Resident	Amount is automatically shown.
1.2.19 1.3.19 1.4.19 2.2.19 2.3.19 2.4.19	Total Non-Resident	Report in the appropriate Lines, according to the currency in which the loans are denominated, all loans to individuals and businesses, regardless of the purpose of the loan or the use of the loan proceeds, who are not residents of the Solomon Islands.  Refer to page 2 of the General Information and Instructions to this manual for a definition of "Domestic or Resident".

## Schedule 2 – Loan & Deposit Interest Rates

Line Code	Line Item	Instructions
-----------	-----------	--------------

Column Instructions:

General Instructions: Report all interest rates in Columns (c), (d), (e), (g), (h) and (i) to two decimal points, i.e., 7.75%.

Columns (c) and (g): Report in each line the **lowest interest rate** being (i) paid on Deposits reported in Form 1, Balance Sheet, Lines 1.4, Loans and Advances, or (ii) accrued on Loans and Advances, excluding Loans and Advances placed on non-accrual, reported in Form 1, Balance Sheet, Line 1.6.5, Accrued Interest Receivable, Loans and Advances.

Columns (d) and (h): Report in each line the **highest interest rate** being paid on Deposits or being accrued on Loans and Advances.

Columns (e) and (i): Report in each line the **weighted average interest rate** being paid on deposits or accruing on loans and advances.

The weighted average interest rate takes into account the proportional relevance of each component, rather than treating each component equally as in an arithmetic average.

For purposes of completing this Schedule, the weighted average interest rate is to be calculated by:

1. multiplying the outstanding balance of each deposit or loan by the current interest rate;
2. Totaling the results of all calculations made under Step 1; and
3. Dividing the total of the results by the total of all deposits or loans.

Example: To calculate the weighted average interest rate for Time Deposits reportable in Line 1.3.1, Column (e), Time deposits up to 3 months, In National Currency, list in Column (a) all time deposits with a remaining term to maturity up to 3 months from the reporting date, list in Column (b) the applicable interest rate for each time deposit and calculate in Column (c) the annual interest which each time deposit would accrue. Total the annual interest for each time deposit calculated in Column (c) and divide by the total of all time deposits listed in Column (a).

(a)	(b)	(c)
\$3,500	x .07 =	\$245
3,200	x .05 =	160
<u>5,500</u>	x .09 =	<u>495</u>
\$12,200		\$900

The weighted average interest rate for the above example would be 7.38%, calculated as:

$$\$900 \div \$12,200 = .07377 \text{ or } 7.38\%$$

1.	DEPOSITS	
1.1	Demand deposits	Amounts in Columns (b), In National Currency, Amount, and (f), In Foreign Currency, Amount, are automatically reported from Form 1, Balance Sheet, Line 2.1.1, Demand Deposits, Columns (b), In National Currency, and (c), In Foreign Currency, respectively.
1.2	Savings deposits	Amounts in Columns (b), In National Currency, Amount, and (f), In Foreign Currency, Amount, are automatically reported from Form 1, Balance Sheet, Line 2.1.2, Savings Deposits, Columns (b), In National Currency, and (c), In Foreign Currency, respectively.
1.3	Time deposits	Amounts in Line 1.3, Time Deposits, Columns (b), In National Currency, Amount, and (f), In Foreign Currency, Amount, are automatically reported as the total of Lines 1.3.1

## Schedule 2 – Loan & Deposit Interest Rates

Line Code	Line Item	Instructions
		<p>through 1.3.7.</p> <p>Report in the appropriate Lines 1.3.1 through 1.3.7, Column (b), In National Currency, the total amount of time deposits denominated in Solomon Island Dollars maturing within each of the specified time periods based on the remaining term to maturity of each time deposit as measured from the Return Date.</p> <p>Report in the appropriate Lines 1.3.1 through 1.3.7, in Column (f), In Foreign Currency, the total amount of time deposits denominated in foreign currencies maturing within each of the specified time periods based on the remaining term to maturity of each time deposit as measured from the Return Date.</p> <p>The sub-total reported in Column (b), In National Currency, Amount, must equal the amount reported in Form 1, Balance Sheet, Line 2.1.3, Time Deposits, Column (b), In National Currency.</p> <p>The sub-total reported in Column (f), In Foreign Currency, Amount, must equal the amount reported in Form 1, Balance Sheet, Line 2.1.3, Time Deposits, Column (c), In Foreign Currency.</p>
<b>2.</b>	<b>LOANS AND ADVANCES</b>	Amount is shown automatically.
2.1	Manufacturing	<p>Amount in Column (b), In National Currency, Amount, is shown automatically as the total of Lines 1.2.1 plus 1.3.1 plus 1.4.1, Column (i), Schedule 1, Loans &amp; Advances By Sector, In National Currency, Manufacturing, Total.</p> <p>Amount in Column (f), In Foreign Currency, Amount, is shown automatically as the total of Lines 2.2.1, plus 2.3.1 plus 2.4.1, Column (i), Schedule 1, Loans &amp; Advances By Sector, In Foreign Currency, Manufacturing, Total.</p>
2.2	Agriculture	<p>Amount in Column (b), In National Currency, Amount, is shown automatically as the total of Lines 1.2.2 plus 1.3.2 plus 1.4.2, Column (i), Schedule 1, Loans &amp; Advances By Sector, In National Currency, Agriculture, Total.</p> <p>Amount in Column (f), In Foreign Currency, Amount, is shown automatically as the total of Lines 2.2.2, plus 2.3.2 plus 2.4.2, Column (i), Schedule 1, Loans &amp; Advances By Sector, In Foreign Currency, Agriculture, Total.</p>
2.3	Forestry	<p>Amount in Column (b), In National Currency, Amount, is shown automatically as the total of Lines 1.2.3 plus 1.3.3 plus 1.4.3, Column (i), Schedule 1, Loans &amp; Advances By Sector, In National Currency, Forestry, Total.</p> <p>Amount in Column (f), In Foreign Currency, Amount, is shown automatically as the total of Lines 2.2.3, plus 2.3.3 plus 2.4.3, Column (i), Schedule 1, Loans &amp; Advances By Sector, In Foreign Currency, Forestry, Total.</p>
2.4	Fisheries	<p>Amount in Column (b), In National Currency, Amount, is shown automatically as the total of Lines 1.2.4 plus 1.3.4 plus 1.4.4, Column (i), Schedule 1, Loans &amp; Advances By Sector, In National Currency, Fisheries, Total.</p> <p>Amount in Column (f), In Foreign Currency, Amount, is shown automatically as the total of Lines 2.2.4, plus 2.3.4 plus 2.4.4, Column (i), Schedule 1, Loans &amp; Advances By Sector, In Foreign Currency, Fisheries, Total.</p>

## Schedule 2 – Loan & Deposit Interest Rates

Line Code	Line Item	Instructions
2.5	Mining & Quarrying	<p>Amount in Column (b), In National Currency, Amount, is shown automatically as the total of Lines 1.2.5 plus 1.3.5 plus 1.4.5, Column (i), Schedule 1, Loans &amp; Advances By Sector, In National Currency, Mining &amp; Quarrying, Total.</p> <p>Amount in Column (f), In Foreign Currency, Amount, is shown automatically as the total of Lines 2.2.5, plus 2.3.5 plus 2.4.5, Column (i), Schedule 1, Loans &amp; Advances By Sector, In Foreign Currency, Mining &amp; Quarrying, Total.</p>
2.6	Construction	<p>Amount in Column (b), In National Currency, Amount, is shown automatically as the total of Lines 1.2.6 plus 1.3.6 plus 1.4.6, Column (i), Schedule 1, Loans &amp; Advances By Sector, In National Currency, Construction, Total.</p> <p>Amount in Column (f), In Foreign Currency, Amount, is shown automatically as the total of Lines 2.2.6, plus 2.3.6 plus 2.4.6, Column (i), Schedule 1, Loans &amp; Advances By Sector, In Foreign Currency, Construction, Total.</p>
2.7	Distribution	<p>Amount in Column (b), In National Currency, Amount, is shown automatically as the total of Lines 1.2.7 plus 1.3.7 plus 1.4.7, Column (i), Schedule 1, Loans &amp; Advances By Sector, In National Currency, Distribution, Total.</p> <p>Amount in Column (f), In Foreign Currency, Amount, is shown automatically as the total of Lines 2.2.7, plus 2.3.7 plus 2.4.7, Column (i), Schedule 1, Loans &amp; Advances By Sector, In Foreign Currency, Distribution, Total.</p>
2.8	Tourism	<p>Amount in Column (b), In National Currency, Amount, is shown automatically as the total of Lines 1.2.8 plus 1.3.8 plus 1.4.8, Column (i), Schedule 1, Loans &amp; Advances By Sector, In National Currency, Tourism, Total.</p> <p>Amount in Column (f), In Foreign Currency, Amount, is shown automatically as the total of Lines 2.2.8, plus 2.3.8 plus 2.4.8, Column (i), Schedule 1, Loans &amp; Advances By Sector, In Foreign Currency, Tourism, Total.</p>
2.9	Transportation	<p>Amount in Column (b), In National Currency, Amount, is shown automatically as the total of Lines 1.2.9 plus 1.3.9 plus 1.4.9, Column (i), Schedule 1, Loans &amp; Advances By Sector, In National Currency, Transportation, Total.</p> <p>Amount in Column (f), In Foreign Currency, Amount, is shown automatically as the total of Lines 2.2.9, plus 2.3.9 plus 2.4.9, Column (i), Schedule 1, Loans &amp; Advances By Sector, In Foreign Currency, Transportation, Total.</p>
2.10	Communications	<p>Amount in Column (b), In National Currency, Amount, is shown automatically as the total of Lines 1.2.10 plus 1.3.10 plus 1.4.10, Column (i), Schedule 1, Loans &amp; Advances By Sector, In National Currency, Communications, Total.</p> <p>Amount in Column (f), In Foreign Currency, Amount, is shown automatically as the total of Lines 2.2.10, plus 2.3.10 plus 2.4.10, Column (i), Schedule 1, Loans &amp; Advances By Sector, In Foreign Currency, Communications, Total.</p>
2.11	Entertainment & Catering	<p>Amount in Column (b), In National Currency, Amount, is shown automatically as the total of Lines 1.2.11 plus 1.3.11 plus 1.4.11, Column (i), Schedule 1, Loans &amp; Advances By Sector, In National Currency, Entertainment &amp; Catering, Total.</p> <p>Amount in Column (f), In Foreign Currency, Amount, is</p>

## Schedule 2 – Loan & Deposit Interest Rates

Line Code	Line Item	Instructions
		shown automatically as the total of Lines 2.2.11, plus 2.3.11 plus 2.4.11, Column (i), Schedule 1, Loans & Advances By Sector, In Foreign Currency, Entertainment & Catering, Total.
2.12	Central Government	<p>Amount in Column (b), In National Currency, Amount, is shown automatically as the total of Lines 1.2.12 plus 1.3.12 plus 1.4.12, Column (i), Schedule 1, Loans &amp; Advances By Sector, In National Currency, Central Government, Total.</p> <p>Amount in Column (f), In Foreign Currency, Amount, is shown automatically as the total of Lines 2.2.12, plus 2.3.12 plus 2.4.12, Column (i), Schedule 1, Loans &amp; Advances By Sector, In Foreign Currency, Central Government, Total.</p>
2.13	Provincial Assemblies & Local Governments	<p>Amount in Column (b), In National Currency, Amount, is shown automatically as the total of Lines 1.2.13 plus 1.3.13 plus 1.4.13, Column (i), Schedule 1, Loans &amp; Advances By Sector, In National Currency, Provincial Assemblies &amp; Local Governments, Total.</p> <p>Amount in Column (f), In Foreign Currency, Amount, is shown automatically as the total of Lines 2.2.13, plus 2.3.13 plus 2.4.13, Column (i), Schedule 1, Loans &amp; Advances By Sector, In Foreign Currency, Provincial Assemblies &amp; Local Governments, Total.</p>
2.14	Statutory Corporations	<p>Amount in Column (b), In National Currency, Amount, is shown automatically as the total of Lines 1.2.14 plus 1.3.14 plus 1.4.14, Column (i), Schedule 1, Loans &amp; Advances By Sector, In National Currency, Statutory Corporations, Total.</p> <p>Amount in Column (f), In Foreign Currency, Amount, is shown automatically as the total of Lines 2.2.14, plus 2.3.14 plus 2.4.14, Column (i), Schedule 1, Loans &amp; Advances By Sector, In Foreign Currency, Statutory Corporations, Total.</p>
2.15	Private Financial Institutions	<p>Amount in Column (b), In National Currency, Amount, is shown automatically as the total of Lines 1.2.15 plus 1.3.15 plus 1.4.15, Column (i), Schedule 1, Loans &amp; Advances By Sector, In National Currency, Private Financial Institutions, Total.</p> <p>Amount in Column (f), In Foreign Currency, Amount, is shown automatically as the total of Lines 2.2.15, plus 2.3.15 plus 2.4.15, Column (i), Schedule 1, Loans &amp; Advances By Sector, In Foreign Currency, Private Financial Institutions, Total.</p>
2.16	Professional & Other Services	<p>Amount in Column (b), In National Currency, Amount, is shown automatically as the total of Lines 1.2.16 plus 1.3.16 plus 1.4.16, Column (i), Schedule 1, Loans &amp; Advances By Sector, In National Currency, Professional &amp; Other Services, Total.</p> <p>Amount in Column (f), In Foreign Currency, Amount, is shown automatically as the total of Lines 2.2.16, plus 2.3.16 plus 2.4.16, Column (i), Schedule 1, Loans &amp; Advances By Sector, In Foreign Currency, Professional &amp; Other Services, Total.</p>
2.17	Personal	<p>Amount in Column (b), In National Currency, Amount, is shown automatically as the total of Lines 1.2.17 plus 1.3.17 plus 1.4.17, Column (i), Schedule 1, Loans &amp; Advances By Sector, In National Currency, Personal, Total.</p> <p>Amount in Column (f), In Foreign Currency, Amount, is</p>

## Schedule 2 – Loan & Deposit Interest Rates

Line Code	Line Item	Instructions
		shown automatically as the total of Lines 2.2.17, plus 2.3.17 plus 2.4.17, Column (i), Schedule 1, Loans & Advances By Sector, In Foreign Currency, Personal, Total.
2.19	Non-Residents	<p>Amount in Column (b), In National Currency, Amount, is shown automatically as the total of Lines 1.2.19 plus 1.3.19 plus 1.4.19, Column (i), Schedule 1, Loans &amp; Advances By Sector, In National Currency, Non-Residents, Total.</p> <p>Amount in Column (f), In Foreign Currency, Amount, is shown automatically as the total of Lines 2.2.19, plus 2.3.19 plus 2.4.19, Column (i), Schedule 1, Loans &amp; Advances By Sector, In Foreign Currency, Non-Residents, Total.</p>
<b>3.</b>	<b>WEIGHTED AVERAGE INTEREST RATES</b>	
3.1	All Deposits	<p>Report in Column (b), the weighted average interest rate for all deposits denominated in National Currency as reported in Form 1, Balance Sheet, Line 2.1, Deposits, Column (b)</p> <p>Report in Column (c), the weighted average interest rate for all deposits denominated in Foreign Currency as reported in Form 1, Balance Sheet, Line 2.1, Deposits, Column (c)</p> <p>Report in Column (d), the weighted average interest rate for all deposits, regardless of currency of denomination, as reported in Form 1, Balance Sheet, Line 2.1, Deposits, Column (d) Total.</p>
3.2	All Loans and Advances	<p>Report in Column (b) the weighted average interest rate for all loans and advances denominated in National Currency as reported in Form 1, Balance Sheet, Line 1.4, Loans and Advances, Column (b)</p> <p>Report in Column (c), the weighted average interest rate for all loans and advances denominated in Foreign Currency as reported in Form 1, Balance Sheet, Line 1.4, Loans and Advances, Column (c)</p> <p>Report in Column (d) the weighted average interest rate for all loans and advances, regardless of currency of denomination, as reported in Form 1, Balance Sheet, Line 1.4, Loans and Advances, Column (d), Total.</p>

## Schedule 3 – Related Party Exposures

Line Code	Line Item	Instructions
1.	<b>Loans to Related Parties</b>	<p><b>General Instructions:</b></p> <p>Report in Lines 1.1 through 1.5, the total loans and advances outstanding to related parties as of the Return Date.</p> <p>A “related party” means any person, together with that person’s financially-dependent children and other relatives or business associates, who participates in policy-making functions of the reporting financial institution or has the authority to lend or invest assets of or cause the reporting financial institution to incur liabilities in the normal course of its operations. The term “related party” includes, but is not limited to:</p> <ul style="list-style-type: none"> <li>• <b>Large Shareholders</b> - which includes any person who owns or controls, directly or indirectly, 10% (ten percent) or more of the reporting financial institution’s voting shares of stock or the voting shares of stock of any holding company of which the reporting financial institution is a subsidiary;</li> <li>• <b>Directors</b> – which include each member of the board of directors of the reporting financial institution;</li> <li>• <b>Officers</b> – which include executive officers of the reporting financial institution, including but not limited to the president, managing director, every vice president, every deputy managing director, branch manager, the chief lending officer, the chief financial officer, the chief executive officer, the treasurer and every loan officer;</li> <li>• <b>Subsidiary</b> – includes any legal entity over which the reporting financial institution, directly or indirectly holds more than 50% (fifty percent) of the voting shares of the legal entity.</li> <li>• <b>Affiliate</b> – includes any legal entity over which the reporting financial institution, directly or indirectly: <ul style="list-style-type: none"> <li>(i) holds or has the power to vote at least 20% (twenty percent) but not more than 50% (fifty percent) of the outstanding voting shares of the legal entity or</li> <li>(ii) has the power or ability to exert influence over the policies of the legal entity.</li> </ul> </li> </ul>
Column (b)	Outstanding Balance, Direct	Report in each appropriate Line according to the indicated related party the total of all loans and advances granted by the reporting financial institution and outstanding as of the Return Date directly to the indicated related parties.
Column (c)	Outstanding Balance, Indirect	Report in each appropriate Line according to the indicated related party the total of all loans and advances outstanding as of the Return Date granted by the reporting financial institution to financially-dependent children, other financially-dependent relatives, subsidiaries and affiliates of the related party.
Column (d)	Arrears Amount	Report in each appropriate Line the outstanding balance as of the Return Date all loans and advances, whether direct or indirect, granted to the related party which are past due 30 (thirty) days or more for the payment of principal or interest.  Report the total amount of loans and advances past due and not just the amount of payments which are in arrears.
Column (e)	Off Balance Sheet	Report in each appropriate Line according to the indicated related party the total of all letters of credit, guarantees, performance bonds, shipping guarantees and other similar off-balance sheet items/instruments issued by the reporting

## Schedule 3 – Related Party Exposures

Line Code	Line Item	Instructions
		financial institution for the benefit of the indicated related parties or their related interests.
Column (f)	Total Exposure	Amount is shown automatically.
Column (g)	Percent of Capital	Amount is shown automatically.
Column (h)	Specific Provisions	Report in each Line according to the indicated related party the amount of <u>specific provisions</u> raised against loans, and advances to the indicated related parties and reported in Form 1, Balance Sheet, Lines 2.10.1.
Column (i)	Suspended Interest	Report in each line according to the indicated related party the total interest on loans and advances which have been suspended and reported in Form 1, Balance Sheet, Line 2.7, Column (d).
<b>2.</b>	<b>Investments in Marketable Shares and Other Equity Investments of Related Companies</b>	<p>Report in each line according to the indicated related party investments by the reporting financial institution in shares and other equity investments which are (i) a subsidiary of the reporting financial institution, (ii) an associate of the reporting financial institution or (iii) a direct or indirect related interests of the reporting financial institution's large shareholder(s), directors or officers.</p> <p>A company is a related interest of a large shareholder, director or officer if such persons directly or indirectly (i) holds 50% (fifty percent) or more of the voting shares of the company; or a qualifying holding that permits the person to exercise effective control over the management or policies of the company in which the holding exists; (ii) any company over which the principal shareholder, director or officer has the ability to exert significant influence. The term company includes any legal entity.</p> <p>Column (f) – report in each line according to the indicated related party the carrying value of investments in marketable shares and other equity investments in companies related to the reporting financial institution or its principal shareholder(s), directors or officers. Refer to instructions for Form 1, Balance Sheet, Line 1.7.1, for description of “marketable” shares and other equity investments.</p> <p>Column (h) – report in each line according to the indicated related party the amount of specific provisions for other losses raised by the reporting financial institution against listed shares and other equity investments in companies related to the reporting financial institution or its related parties.</p>
<b>3.</b>	<b>Investments in Non-Marketable Shares and Other Equity Investments of Related Companies</b>	<p>Column (f) – report in each line according to the indicated related party the carrying value of investments in shares and other equity investments in companies related to the reporting financial institution or its principal shareholder(s), directors or officers which do not have readily determinable fair values. Refer to instructions for Form 1, Balance Sheet, Line 1.7.1 for description of “marketable” shares and other equity investments and “readily determinable fair values.”</p> <p>Column (h) – report in each line according to the indicated related party the amount of specific provisions for other losses raised by the reporting financial institution against shares and other equity investments in companies related to the reporting financial institution or its related parties.</p>
<b>4.</b>	<b>Investments in Debt</b>	Report in each line according to the indicated related party

### Schedule 3 – Related Party Exposures

Line Code	Line Item	Instructions
	<b>Securities Issued by Related Companies</b>	<p>investments by the reporting financial institution in debt securities are (i) a subsidiary of the reporting financial institution, (ii) an associate of the reporting financial institution or (iii) a direct or indirect related interest of the reporting financial institution's large shareholder(s), directors or officers.</p> <p>Column (f) – report in each line according to the indicated related party the carrying value of investments in debt securities issued by companies related to the reporting financial institution or its principal shareholder(s), directors or officers.</p> <p>Column (h) – report in each line according to the indicated related party the amount of specific provisions for other losses raised by the reporting financial institution against debt securities issued by companies related to the reporting financial institution or its related parties.</p> <p>Column (i) – report in each line according to the indicated related party the total interest on debt securities issued by companies related to the reporting financial institutions or its related parties which have been suspended and reported in Form 1, Balance Sheet, Line 2.7, Column (d).</p>

## Schedule 4 - Foreign Currency Exposures

Line Code	Line Item	Instructions
<b>1.</b>	<b>ASSETS</b>	Amount is shown automatically as the total of Line 1.1, On-Balance Sheet Assets, plus Line 1.2, Off-Balance Sheet Purchases.
1.1	On-Balance Sheet Assets	Amount is shown automatically as the total of Lines 1.1.1 through 1.1.12.
1.1.1	Cash	Report in the appropriate column the SBD equivalent of notes and coins, as included in Form 1, Balance Sheet, Line 1.1, Cash, Column (c), In Foreign Currency, according to the foreign currency in which the notes and coins are denominated.  The amount reported in column (h), Total, must equal the amount reported in Form 1, Balance Sheet, Line 1.1., Cash, Column (c), In Foreign Currency.
1.1.2	Balances with Depository Institutions	Report in the appropriate column the SBD equivalent of balances placed with depository institutions, as included in Form 1, Balance Sheet, Line 1.2, Balances, Column (c), In Foreign Currency, according to the foreign currency in which the deposits are denominated.  The amount reported in column (h), Total, must equal the amount reported in Form 1, Balance Sheet, Line 1.2, Balances, Column (c), In Foreign Currency.
1.1.3	Debt Securities	Report in the appropriate column the SBD equivalent of debt securities, as included in Form 1, Balance Sheet, Line 1.3, Debt Securities Issued By, Column (c), In Foreign Currency, according to the foreign currency in which the debt securities are denominated.  The amount reported in column (h), Total, must equal the amount reported in Form 1, Balance Sheet, Line 1.3, Debt Securities Issued By, Column (c), In Foreign Currency.
1.1.4	Loans and Advances	Report in the appropriate column the SBD equivalent of loans and advances, as included in Form 1, Balance Sheet, Line 1.4, Loans and Advances, Column (c), In Foreign Currency, according to the foreign currency in which the loans and advances are denominated.  The amount reported in column (h), Total, must equal the amount reported in Form 1, Balance Sheet, Line 1.4, Loans and Advances, Column (c), In Foreign Currency.
1.1.5	Securities Purchased Under Agreement to Resell	Report in the appropriate column the SBD equivalent of securities purchased under agreement to resell as included in Form 1, Balance Sheet, Line 1.5, Column (c), In Foreign Currency, according to the foreign currency in which the securities purchased are denominated.  The amount reported in column (h), Total, must equal the amount reported in Form 1, Balance Sheet, Line 1.5, Securities Purchased Under Agreement to Resell, Column (c), In Foreign Currency.
1.1.6	Accrued Interest Receivable	Report in the appropriate column the SBD equivalent of accrued interest receivable, as included in Form 1, Balance Sheet, Line 1.6, Accrued Interest Receivable, Column (c), In Foreign Currency, according to the foreign currency in which the accrued interest receivable is denominated.  The amount reported in column (h), Total, must equal the amount reported in Form 1, Balance Sheet, Line 1.6, Accrued Interest Receivable, Column (c), In Foreign

## Schedule 4 - Foreign Currency Exposures

Line Code	Line Item	Instructions
		Currency.
1.1.7	Shares & Other Equity Investments	<p>Report in the appropriate column the SBD equivalent of shares and other equity investments as included in Form 1, Balance Sheet, Line 1.7, Shares &amp; Other Equity Investments, Column (c), In Foreign Currency.</p> <p>The amount reported in column (h), Total, must equal the amount reported in Form 1, Balance Sheet, Line 1.7, Shares &amp; Other Equity Investments, Column (c), In Foreign Currency.</p>
1.1.8	Dividends Receivable	<p>Report in the appropriate column the SBD equivalent of dividends receivable as included in Form 1, Balance Sheet, Line 1.8, Dividends Receivable, Column (c), In Foreign Currency.</p> <p>The amount reported in column (h), Total, must equal the amount reported in Form 1, Balance Sheet, Line 1.8, Dividends Receivable, Column (c), In Foreign Currency.</p>
1.1.9	Items in Transit	<p>Report in the appropriate columns the SBD equivalent of items in process of collection, as included in Form 1, Balance Sheet, Line 1.9, Items in Transit, Column (c), In Foreign Currency, according to the foreign currency in which the items in process of collection are denominated.</p> <p>The amount reported in column (h), Total, must equal the amount reported in Form 1, Balance Sheet, Line 1.9, Items in Transit, Column (c), In Foreign Currency.</p>
1.1.10	Customers' Liability To This Bank On Acceptances Outstanding	<p>Report in the appropriate columns the SBD equivalent of acceptances outstanding as included in Form 1, Balance Sheet, Line 1.10, Customers' Liability To This Bank On Acceptances Outstanding, Column (c), In Foreign Currency, according to the foreign currency in which the acceptances are denominated.</p> <p>The amount reported in column (h), Total, must equal the amount reported in Form 1, Balance Sheet, Line 1.10, Customers' Liability To This Bank On Acceptances Outstanding, Column (c), In Foreign Currency.</p>
1.1.11	Nonfinancial Assets	<p>Report in the appropriate columns the SBD equivalent of nonfinancial assets as included in Form 1, Balance Sheet, Line 1.11, Nonfinancial Assets, Column (c), In Foreign Currency, according to the foreign currency in which the nonfinancial assets.</p> <p>Only premises &amp; equipment and inventories maintained at overseas branches of a bank (branches outside the Solomon Islands) are to be reported here. Banks and branches of foreign banks operating in the Solomon Islands are to report on their books, including in Form 1, Balance Sheet, all premises &amp; equipment and inventories in SBD regardless of the currency in which the asset was purchased.</p>
2.2.1.8	Other Assets	<p>Report in the appropriate columns the SBD equivalent of miscellaneous assets, as included in Form 1, Balance Sheet, Line 1.12, Other Assets, Column (c), In Foreign Currency, according to the foreign currency in which the other assets are denominated.</p> <p>The amount reported in "Total Foreign Currency" must equal the amount reported in Form 1, Balance Sheet, Line 1.12, Other Assets, Column (c), In Foreign Currency.</p>

## Schedule 4 - Foreign Currency Exposures

Line Code	Line Item	Instructions
<b>1.2</b>	<b>Off-Balance Sheet Purchases</b>	Amount is automatically shown as the total of Line 1.2.1 plus Line 1.2.2.
1.2.1	Spot Purchases	Report in the appropriate columns the SBD equivalent of outstanding unsettled spot contracts for the purchase/receipt of foreign currency by the reporting financial institution according to the foreign currency in which the spot purchases are denominated.
1.2.2	Forward Purchases	Report in the appropriate columns the SBD equivalent of outstanding unsettled forward contracts for the purchase /receipt of foreign currency by the reporting financial institution according to the foreign currency in which the forward purchases are denominated.
<b>2</b>	<b>LIABILITIES</b>	Amount is automatically calculated as the total of Line 2.1, On-Balance Sheet Liabilities and Line 2.2, Off-Balance Sheet Sales.
<b>2.1</b>	<b>On-Balance Sheet Liabilities</b>	Amount is automatically calculated as the total of Lines 2.1.1 through 2.1.11.
2.1.1	Deposits	Report in the appropriate columns the SBD equivalent of deposits, as included in Form 1, Balance Sheet, Line 2.1, Deposits, Column (c), In Foreign Currency, according to the foreign currency in which the deposits are denominated.  The amount reported in Column (h), Total, must equal the amount reported in Form 1, Balance Sheet, Line 2.1, Deposits, Column (c), In Foreign Currency.
2.1.2	Debt Securities Issue To	Report in the appropriate columns the SBD equivalent of debt securities issued by the reporting financial institution, as included in Form 1, Balance Sheet, Line 2.2, Debt Securities Issued To, Column (c), In Foreign Currency, according to the foreign currency in which the debt securities are denominated.  The amount reported in Column (h), Total, must equal the amount reported in Form 1, Balance Sheet, Line 2.2, Column (c), In Foreign Currency.
2.1.3	Borrowings	Report in the appropriate columns the SBD equivalent of borrowings, as included in Form 1, Balance Sheet, Line 2.3, Borrowings, Column (c), In Foreign Currency, according to the foreign currency in which the borrowings are denominated.  The amount reported in Column (h), Total, must equal the amount reported in Form 1, Balance Sheet, Line 2.3, Borrowings, Column (c), In Foreign Currency.
2.1.4	Securities Sold Under Agreement to Repurchase	Report in the appropriate columns the SBD equivalent of securities sold by the reporting financial institution under agreement to repurchase, as included in Form 1, Balance Sheet, Line 2.4, Securities Sold Under Agreement to Repurchase, Column (c), In Foreign Currency.  The amount reported in Column (h), Total, must equal the amount reported in Form 1, Balance Sheet, Line 2.4, Securities Sold Under Agreement to Repurchase, Column (c), In Foreign Currency.
2.1.5	Accrued Interest Payable	Report in the appropriate columns the SBD equivalent of accrued interest payable, as included in Form 1, Balance Sheet, Line 2.5, Accrued Interest Payable, Column (c), In Foreign Currency, according to the foreign currency in which

## Schedule 4 - Foreign Currency Exposures

Line Code	Line Item	Instructions
		<p>the accrued interest payable is denominated.</p> <p>The amount reported in Column (h), Total, must equal the amount reported in Form 1, Balance Sheet, Line 2.5, Accrued Interest Payable, Column (c), In Foreign Currency.</p>
2.1.6	Dividends Payable	<p>Report in the appropriate column the SBD equivalent dividends or distributions payable, as included in Form 1, Balance Sheet, Line 2.6, Dividends Payable, Column (c), In Foreign Currency, according to the foreign currency in which the dividends payable are denominated.</p> <p>The amount reported in Column (h), Total, must equal the amount reported in Form 1, Balance Sheet, Line 2.6, Dividends Payable, Column (c), In Foreign Currency.</p>
2.1.7	Interest In Suspense On Loans & Advances	<p>Report in the appropriate column the SBD equivalent Interest In Suspense On Loans &amp; Advances, as included in Form 1, Balance Sheet, Line 2.7, Interest In Suspense On Loans &amp; Advances, Column (c), In Foreign Currency, according to the foreign currency in which the Interest in Suspense On Loans &amp; Advances are denominated.</p> <p>The amount reported in Column (h), Total, must equal the amount reported in Form 1, Balance Sheet, Line 2.7, Interest In Suspense On Loans &amp; Advances, Column (c), In Foreign Currency.</p>
2.1.8	Bank's Liability On Acceptances Executed And Outstanding	<p>Report in the appropriate column the SBD equivalent Bank's Liability On Acceptances Executed And Outstanding, as included in Form 1, Balance Sheet, Line 2.8, Bank's Liability on Acceptances Executed And Outstanding, Column (c), In Foreign Currency, according to the foreign currency in which the Bank's Liability on Acceptances Executed And Outstanding are denominated.</p> <p>The amount reported in Column (h), Total, must equal the amount reported in Form 1, Balance Sheet, Line 2.8, Bank's Liability On Acceptances Executed And Outstanding, Column (c), In Foreign Currency.</p>
2.1.9	Miscellaneous Liability Items	<p>Report in the appropriate columns the SBD equivalent of other liabilities, as included in Form 1, Balance Sheet, Line 2.9, Miscellaneous Liability Items, Column (c), In Foreign Currency, according to the foreign currency in which the other liabilities are denominated.</p> <p>The amount reported in Column (h), Total, must equal the amount reported in Form 1, Balance Sheet, Line 2.9, Miscellaneous Liability Items, Column (c), In Foreign Currency.</p>
2.1.10	Provisions for Losses	<p>Report in the appropriate columns the SBD equivalent of provisions for losses, as included in Form 1, Balance Sheet, Line 2.10, Provisions For Losses, Column (c), In Foreign Currency, according to the foreign currency in which the risk exposures are denominated.</p> <p>The amount reported in Column (h), Total, must equal the amount reported in Form 1, Balance Sheet, Line 2.10, Provisions For Losses, Column (c), In Foreign Currency.</p>
2.1.11	Accumulated Depreciation	<p>Report in the appropriate columns the SBD equivalent of accumulated depreciation on assets as reported in Line 2.1.11, and as included in Form 1, Balance Sheet, Line 2.11, Accumulated Depreciation, Column (c), In Foreign Currency, according to the foreign currency in which the accumulated</p>

## Schedule 4 - Foreign Currency Exposures

Line Code	Line Item	Instructions
		depreciation on assets reported in Line 2.1.11 is denominated.
<b>2.2</b>	<b>Off-Balance Sheet Sales</b>	Amount is automatically calculated as the total of Line 2.2.1, Spot Sales and Line 2.2.2, Forward Sales.
2.2.1	Spot Sales	Report in the appropriate columns the SBD equivalent of outstanding unsettled spot contracts for the sale/delivery of foreign currency by the reporting financial institution according to the foreign currency in which the spot sales are denominated.
2.2.2	Forward Sales	Report in the appropriate columns the SBD equivalent of outstanding unsettled forward contracts for the sale/delivery of foreign currency by the reporting financial institution according to the foreign currency in which the forward sales are denominated.
<b>3.</b>	<b>Net Single Currency Position</b>	
3.1	SBD Equivalent "Long" Position	Position is shown automatically. Any amount reflected in Line 3.1 represents the amount by which assets denominated in a particular foreign currency as reported in Line 1 exceeds liabilities denominated in that same currency as reported in Line 2.
3.2	SBD Equivalent "Short" Position	Position is shown automatically. Any amount reflected in Line 3.2 represents the amount by which liabilities denominated in a particular foreign currency as reported in Line 2 exceeds assets denominated in that same currency as reported in Line 1.
3.3	Net Exposure as % of Capital Base	Position is shown automatically as the ratio of the SBD Equivalent "Long" or "Short" position as reported in Lines 3.1 and 3.2 to Total Capital as calculated in Form 1, Balance Sheet.
3.4	Spot Mid Rate (SBD to 1Unit of FX)	For each column which the reporting financial institution holds assets and/or liabilities denominated in foreign currencies, report in the exchange rate used by the reporting financial institution to convert the foreign currency amount into the Solomon Island Dollar equivalent (the exchange rate should be expressed as number of SBD needed to purchase 1 unit of foreign currency – for example: SBD7.5 = USD1).  Note: Exchange rates used by the reporting financial institution will be reviewed by the CBSI for reasonableness. It is recommended that the most current available spot mid rate be used to convert foreign currency assets and/or liabilities into SBD equivalents. The use of inappropriate exchange rates may result in the CBSI instructing the reporting financial institution to revalue its foreign denominated assets and/or liabilities and to file an adjusted Return based on the revised exchange rate.  The spot mid rate is the average between the "bid" and "ask" price for a currency.
<b>4.</b>	<b>OVERALL OPEN FOREIGN CURRENCY POSITION:</b>	Amount is automatically calculated as the greater of the total "Long" positions as calculated in Line 3.1, Column (h), or "Short" positions as calculated in Line 3.2, Column (h).
4.1	Overall FX Position as % of Capital Base	Position is shown automatically. Amount reported in Line 4. Overall Open Foreign Currency Position, Column (h), as a percentage of Total Capital as

## Schedule 4 - Foreign Currency Exposures

Line Code	Line Item	Instructions
		reported in Form 1, Balance Sheet.

## Schedule 5 – Maturity GAP Report

Line Code	Line Item	Instructions
<p>General Instructions:</p> <p>Report all amounts in the appropriate Columns (b) through (i) based on the <b>remaining term to maturity</b> of the Asset or Liability as measured from the Return Date.</p> <p>If any portion of an asset is past due/in arrears as measured based on the contractual repayment terms of the asset, then the entire asset is past due/in arrears. If an asset is past due 90 days or more for the payment of principal or interest, the entire balance of the asset is to be reported in Column (j), Unclassified, regardless of the remaining term to maturity unless the asset is fully secured by cash or the current value of other marketable assets (refer to Form 1, Balance Sheet, Line 1.7 for discussion of “marketable” and “non-marketable”).</p> <p>The portion of any asset against which the reporting financial institution has raised a specific provision for loss, regardless of its remaining term to maturity, is to be reported in Column (j), Unclassified. The remaining portion, if any, of such asset is to be reported in the appropriate column based on the remaining term to maturity of the asset, provided the asset is not past due/in arrears 90 days or more for the payment of principal or interest in which case it is to be reported in Column (j), Unclassified.</p>		
1.	<b>Total Assets</b>	Total is shown automatically. Amount must equal amount reported in Form 1, Balance Sheet, Line 1, Total Assets, Column (d), Total.
1.1	Cash	Cash is shown automatically from Form 1, Balance Sheet, Line 1.1, Column (d), Total, in Column (b), Less than 7 days.
1.2	Balances With Depository Institutions	
1.2.1	Demand Balances Due From	Demand balances due from other depository institutions is automatically reported from Form 1, Balance Sheet, Line 1.2.1, Column (d), Total, in Column (b), Less than 7 days.
1.2.2	Savings Balances Due From	Savings balances due from other depository institutions is automatically reported from Form 1, Balance Sheet, Line 1.2.2, Column (d), Total, in Column (b), Less than 7 days.
1.2.3	Time Balances Due From	Report in the appropriate Columns (b) through (i) the amount of time balances due from depository institutions as reported in Form 1, Balance Sheet, Line 1.2.3, Column (d), Total, according to the <b>remaining term to maturity of each time deposit as measured from the Return Date</b> . The amount reported in Column (k), Total, must equal the amount reported in Form 1, Balance Sheet, Line 1.2.3, Column (d), Total.
1.3	Debt Securities	Report in the appropriate Columns (b) through (i) the amount of debt securities purchased by the reporting financial institution as reported in Form 1, Balance Sheet, Line 1.3, Column (d), Total, according to the remaining term to maturity of each debt security as measured from the Return Date. Debt securities (i) which are in default and past due 90 (ninety) days or more for the payment of principal or interest or (ii) on which the report financial institution has raised a specific provision for loss are to be reported in Column (j), Unclassified. The amount reported in Column (k), Total, must equal the amount reported in Form 1, Balance Sheet, Line 1.3, Column (d), Total.

## Schedule 5 – Maturity GAP Report

Line Code	Line Item	Instructions
1.4	Loans & Advances	<p>Report in the appropriate Columns (b) through (i) the amount of Loans and Advances as reported in Form 1, Balance Sheet, Line 1.4, Column (d), Total according to the remaining term to maturity of each loan and advance as measured from the Return Date, or the portion thereof if a loan or advance is due in installment payments.</p> <p>For example, a loan has an outstanding principal balance of \$1.2 million as of the Return Date and is repayable in monthly payments of \$25,000 on the 17<sup>th</sup> of each month. The loan would be reported in Line 1.4, as follows:</p> <p style="margin-left: 40px;">Column (b) = 0            Column (c) = 25,000            Column (d) = 75,000            Column (e) = 75,000            Column (f) = 150,000            Column (g) = 875,000            Column (h) = 0            Column (i) = 0            Column (k) = 1,200,000</p> <p>Loans and Advances which are past due 90 (ninety) days or more for the payment of principal or interest or any portion thereof or which the reporting financial institution has raised a specific provision for loss are to be reported in Column (j), Unclassified.</p> <p>The amount reported in Column (k), Total, must equal the amount reported in Form 1, Balance Sheet, Line 1.4, Column (d), Total.</p>
1.5	Securities Purchased Under Agreement to Resell	<p>Report in the appropriate Columns (b) through (i) the amount of securities purchased under agreement to resell as reported in Form 1, Balance Sheet, Line 1.5, Column (d), Total, according to the remaining term to maturity of each repurchase agreement as measured from the Return Date.</p> <p>The amount reported in Column (k), Total, must equal the amount reported in Form 1, Balance Sheet, Line 1.5, Column (d), Total.</p>
1.6	Accrued Interest Receivable	<p>Report in the appropriate Columns (b) through (i) the amount accrued interest receivable as reported in Form 1, Balance Sheet, Line 1.6, Column (d) Total according to the remaining term to maturity of the interest receivable as measured from the Return Date (i.e., when the customer is contractually obligated to pay the accrued interest to the reporting financial institution).</p> <p>Accrued Interest Receivable which is past due 90 (ninety) days or more for payment or otherwise suspended is to be reported in Column (j), Unclassified.</p> <p>The amount reported in Column (k), Total, must equal the amount reported in Form 1, Balance Sheet, Line 1.6, Column (d), Total.</p> <p>The amount reported in Column (j), Unclassified, must equal at least the balance reported in Form 1, Balance Sheet, Line 2.7, Interest in Suspense on Loans and Advances, Column (d), Total.</p>
1.7	Shares and Other Equity Investments	

## Schedule 5 – Maturity GAP Report

Line Code	Line Item	Instructions
1.7.1	Marketable	Amount is automatically reported from Form 1, Balance Sheet, Line 1.7.1, Column (d), in Column (b), Less than 7 days.
1.7.1	Non-marketable	Amount is automatically reported from Form 1, Balance Sheet, Line 1.7.2, Column (d), in Column (j), Unclassified.
1.8	Dividends Receivable	Report in the appropriate Columns (b) through (i) the amount of dividends receivable as reported in Form 1, Balance Sheet, Line 1.8, Column (d), Total according to the remaining number of days, as measured from the Return Date, until the dividend payment date.  The amount reported in Column (k), Total, must equal the amount reported in Form 1, Balance Sheet, Line 1.8, Column (d), Total.
1.9	Items in Process of Collection	Report in Column (b) the amount of items outstanding and in process of collection as reported in Form 1, Balance Sheet, Line 1.9, Column (d), Total which have been outstanding and uncollected for less than 90 (ninety) days.  Report in Column (j), Unclassified, the amount of all items outstanding and in the process of collection, as reported in Form 1, Balance Sheet, Line 1.9, Column (d), Total which have been outstanding for 90 (ninety) days or more.  The amount reported in Column (k), Total, must equal the amount reported in Form 1, Balance Sheet, Line 1.9, Column (d), Total.
1.10	Customers' Liability To This Bank On Acceptances Outstanding	Report in the appropriate Columns (b) through (i) the outstanding balance of acceptances as reported in Form 1, Balance Sheet, Line 1.10, Column (d), Total according to the remaining term to maturity of the acceptance.  The amount reported in Column (k), Total, must equal the amount reported in form 1, Balance Sheet, Line 1.10, Column (d), Total.
1.11	Non-Financial Assets	Amount is automatically reported from Form 1, Balance Sheet, Line 1.11, Column (d), in Column (j), Unclassified.
1.12	Other Assets	Amount is automatically reported from Form 1, Balance sheet, Line 1.12, Column (d), in Column (j), Unclassified.
<b>2.</b>	<b>Total Liabilities</b>	Total is shown automatically.  Amount must equal amount reported in Form 1, Balance Sheet, Line 2, Total Liabilities, Column (d), Total.
2.1	Demand Deposits	Amount is automatically reported from Form 1, Balance Sheet, Line 2.1.1, Column (d), in Column (b), Less than 7 days.
2.2	Savings Deposits	Amount is automatically reported from Form 1, Balance Sheet, Line 2.1.2, Column (d), in Column (b), Less than 7 days.
2.3	Time Deposits	Report in the appropriate Columns (b) through (i) the balance of time deposits as reported in Form 1, Balance Sheet, Line 2.1.3, Column (d), Total, according to <b>the remaining term to maturity of each time deposit</b> as measured from the Return Date.  The amount reported in Column (k), Total, must equal the amount reported in Form 1, Balance Sheet, Line 2.1.3, Column (d), Total.

## Schedule 5 – Maturity GAP Report

Line Code	Line Item	Instructions
2.4	Debt Securities Issued To	<p>Report in the appropriate Columns (b) through (i) the balance of debt securities issued by the reporting financial institution and outstanding as reported in Form 1, Balance Sheet, Line 2.2, Column (d), Total according to the remaining term to maturity of each debt security as measured from the Return Date.</p> <p>The amount reported in Column (k) Total, must equal the amount reported in Form 1, Balance Sheet, Line 2.2. Column (d), Total.</p>
2.5	Borrowings	<p>Report in the appropriate Columns (b) through (i) the balance of borrowings by the reporting financial institution as reported in Form 1, Balance Sheet, Line 2.3, Column (d), Total according to the remaining term of each debt security as measured from the Return Date.</p> <p>The amount reported in Column (k) Total, must equal the amount reported in Form 1, Balance Sheet, Line 2.3. Column (d), Total.</p>
2.6	Securities Sold Under Agreement to Repurchase	<p>Report in the appropriate Columns (b) through (i) the amount of securities sold under agreement to repurchase as reported in Form 1, Balance Sheet, Line 2.4, Column (d), Total, according to the remaining term to maturity of each repurchase agreement as measured from the Return Date.</p> <p>The amount reported in Column (k), Total, must equal the amount reported in Form 1, Balance Sheet, Line 2.4, Column (d), Total.</p>
2.7	Accrued Interest Payable	<p>Report in the appropriate Columns (b) through (i) the amount accrued interest payable as reported in Form 1, Balance Sheet, Line 2.5, Column (d), Total according to the remaining term to maturity of each payable as measured from the Return Date (i.e., when the reporting financial institution is required to either pay or credit the depositors'/creditors' account with the accrued interest).</p> <p>The amount reported in Column (k), Total, must equal the amount reported in Form 1, Balance Sheet, Line 2.5, Column (d), Total.</p>
2.8	Dividends Payable	<p>Report in the appropriate Columns (b) through (i) the amount of dividends declared and payable as reported in Form 1, Balance Sheet, Line 2.6, Column (d), Total according to the remaining number of days, as measured from the Return Date, until the dividend is to be paid by the reporting financial institution.</p> <p>The amount reported in Column (k), Total, must equal the amount reported in Form 1, Balance Sheet, Line 2.6, Column (d), Total.</p>
2.9	Interest In Suspense On Loans & Advances	Amount is automatically reported from Form 1, Balance Sheet, Line 2.7, Column (d), in Column (j), Unclassified.
2.10	Bank's Liability On Acceptances Executed And Outstanding	<p>Report in the appropriate Columns (b) through (i) the amount of own bank acceptances outstanding as reported in Form 1, Balance Sheet, Line 2.8, Column (d), Total according to the remaining term to maturity of each acceptance as measured from the Return Date.</p> <p>The amount reported in Column (k), Total, must equal the amount reported in Form 1, Balance Sheet Line 2.8, Column (d), Total</p>

## Schedule 5 – Maturity GAP Report

Line Code	Line Item	Instructions
2.11	Miscellaneous Liability Items	Report in the appropriate Columns (b) through (i) the amount of other liabilities as reported in Form 1, Balance Sheet, Line 2.9, Column (d), Total according to the remaining term to maturity as measured from the Return Date.  The amount reported in Column (k), Total, must equal the amount reported in Form 1, Balance Sheet, Line 2.9, Column (d), Total.
2.12	Provisions for Losses	Amount is automatically reported from Form 1, Balance Sheet, Line 2.10, Column (d), in Column (j), Unclassified.
2.13	Accumulated Depreciation	Amount is automatically reported from Form 1, Balance Sheet, Line 2.11, Column (d), in Column (j), Unclassified.
<b>3</b>	<b>Maturity Gap (+/-)</b>	Amount is shown automatically.
<b>4</b>	<b>Cumulative Gap</b>	Amount is shown automatically.

## Schedule 6 – Large Depositors

Line Code	Line Item	Instructions
Column (a)	Name	<p>List separately the twenty (20) largest “deposit relationships” taking into consideration the total deposits under the direct and indirect control of persons.</p> <p>A “deposit relationship” includes (1) all deposit accounts under the name of a particular person (depositor) held by the reporting bank (direct) and (2) any deposit accounts of other persons held by the reporting bank under the control of that particular person (indirect).</p> <p>For purposes of completing this schedule, a deposit account is under the control of a particular person if that person –</p> <ul style="list-style-type: none"> <li>(a) holds 20% (twenty percent) or more of the voting shares or stock of the other person; or</li> <li>(b) exercises practical control over the policies of the other person.</li> </ul> <p>Additionally, for purposes of completing this schedule, deposits of a spouse, companion, significant other, minor child or other such persons by wherever title or description should also be included when determining the deposit relationship of a particular person.</p>
Column (b)	Demand Deposits – Direct	For each person listed in Column (a), report the total amount of that person’s direct demand deposits as reported in Form 1, Balance Sheet, Line 2.1.1, Column (d), as of the Return Date.
Column (c)	Savings Deposits – Direct	For each person listed in Column (a), report the total amount of that person’s direct savings deposits as reported in Form 1, Balance Sheet, Line 2.1.2, Column (d) as of the Return Date.
Column (d)	Time Deposits – Direct	For each person listed in Column (a), report the total amount of that person’s direct time deposits as reported in Form 1, Balance Sheet, Line 2.1.3, Column (d), as of the Return Date.
Column (e)	Subtotal – Direct	Amount is automatically shown as the subtotal of amounts reported in Columns (b), (c) and (d) for each Line.
Column (f)	Demand Deposits – Indirect	For each person listed in Column (a), report the total amount of demand deposits as reported in Form 1, Balance Sheet, Line 2.1.1, Column (d), as of the Return Date which are under the indirect control of that person.
Column (g)	Savings Deposits – Indirect	For each person listed in Column (a), report the total amount of savings deposits as reported in Form 1, Balance Sheet, Line 2.1.2, Column (d), as of the Return Date which are under the indirect control of that person.
Column (h)	Time Deposits – Indirect	For each person listed in Column (a), report the total amount of time deposits as reported in Form 1, Balance Sheet, Line 2.1.3, Column (d), as of the Return Date which are under the indirect control of that person.
Column (i)	Subtotal – Indirect	Amount is automatically shown as the subtotal of amounts reported in Columns (f), (g) and (h) for each Line.
Column (j)	Total	Amount is automatically shown as the total of amounts reported in Columns (e) and (i) for each Line.

## Schedule 7 – Large Borrowers

Line Code	Line Item	Instructions
Column (a)	Name	<p>List separately the twenty (20) largest borrowing relationships as of the Return Date.</p> <p>A “borrowing relationship” includes (1) all loans and advances of credit (funded and unfunded) to a person (direct), and (2) all loans and advances of credit (funded and unfunded) to other persons which are controlled by or otherwise required to be attributed to a person in accordance with the CBSI Prudential Regulation on Large Borrowers (indirect).</p> <p>Additionally, for purposes of completing this Schedule, loans and advances to a persons’ spouse and financially dependent children should also be included when determining the borrowing relationship of a particular person.</p>
Column (b)	Loans and Advances - Direct	For each person listed in Column (a), report the total amount of loans and other advances of credit outstanding to that person as reported in Form 1, Balance Sheet, Line 1.4, Column (d), as of the Return Date.
Column (c)	Loans and Advances - Indirect	For each person listed in Column (a), report the total amount of indirect loans and other advances of credit outstanding which are attributable to that person as reported in Form 1, Balance Sheet, Line 1.4, Column (d), as of the Return Date.
Column (d)	Subtotal	Amount is automatically shown as the subtotal of amounts reported in Columns (b) and (c) for each Line.
Column (e)	Off-Balance Sheet Commitments – Direct	For each person listed in Column (a), report the total amount of off-balance sheet commitments to that person.
Column (f)	Off-Balance Sheet Commitments - Indirect	Fore each person listed in Column (a), report the total amount of off-balance sheet commitments to other persons which are attributable to that person.
Column (g)	Subtotal	Amount is automatically shown as the subtotal of amounts reported in Columns (e) and (f) for each Line.
Column (h)	Total	Amount is automatically shown as the subtotal of amounts reported in Columns (d) and (g) for each Line.

## Schedule 8 – Rate Sensitive Assets and Liabilities

### Line Code Line Item

### Instructions

#### General Instructions:

Report in the appropriate Lines interest-bearing assets and liabilities assets as reported in Form 1, Balance Sheet, which can be repriced (i.e., the interest rate can be changed, either through resetting the interest in the case of floating or variable rate instruments) or which are maturing (cash flows) within each of the indicated time periods (Columns b through e) as measured from the Return Date.

Include in each column:

- the amount of the indicated interest bearing assets or liabilities with fixed interest rates which mature during each of the indicated time periods (see Example 1 below);
- the amount of the indicated assets or liabilities with floating or variable interest rates which can be reset or changed during each of the indicated time periods (see Example 2 below); or
- the amount of any **principal payments** required during each of the indicated time periods on the indicated interest bearing assets or liabilities (see Example 3 below).

**Interest bearing assets which (i) are past due 90 (ninety) days or more for the payment of principal or interest, (ii) have been placed on non-accrual or (iii) the interest has been suspended from income should not be included.**

Amounts reported in one column (time period) are to be reported in all subsequent columns (time periods). That is to say, if an amount is reported in Column (c), it must be reported in all subsequent Columns,

Amounts reported in Column (e), 0 to 12 months, can not exceed the amount reported in the corresponding line of Form 1, Balance Sheet, Column (d), Total.

Examples:

1. Assume a loan with a fixed interest rate of 10% has an outstanding balance of \$250,000. The loan is due in full on 15 July (no other payments – principal or interest are due until maturity of the loan). The Return Date is 30 April. The loan would be reported in Line 1.3, Total Loans & Overdrafts (performing), as follows:

Column (b)	=	0
Column (c)	=	250,000
Column (d)	=	250,000
Column (e)	=	250,000

2. Assume a loan with a floating interest rate of Libor+3% which has an outstanding balance of \$10,000 is due in monthly payments of \$500 plus interest and has a remaining term to maturity of ten years as measured from the Return Date of 30 April. The interest rate is adjustable at the end of each calendar quarter (i.e., 31 March, 30 June, 30 September and 31 December). The loan would be reported in Line 1.3, Total Loans & Overdrafts (performing), as follows:

Column (b)	=	500
Column (c)	=	10,000 (500 + 9,500)
Column (d)	=	10,000
Column (e)	=	10,000

In this example, the interest rate of Libor +3% will be adjusted in 30

## Schedule 8 – Rate Sensitive Assets and Liabilities

Line Code	Line Item	Instructions
		June, within 2 months of the Return Date, the entire loan balance would be reported in Column (c) and during each time period thereafter.
		3. Assume a loan with a fixed interest rate of 10% which has an outstanding balance of \$3.6 million is due in monthly payments of \$100,000 plus interest and has a remaining term to maturity of three years as measured from the Return Date. The loan would be reported in Line 1.3., Total Loans & Overdrafts (performing), as follows:
		Column (b) = 100,000
		Column (c) = 300,000 (100K + 200K)
		Column (d) = 600,000 (300K + 300K)
		Column (e) = 1,200,000 (600K + 300K)

## Form 2 - Profit & Loss Statement

Line Code	Line Item	Instructions
Report all income and expense for the <b>calendar year-to-date</b> . Include adjustments of accruals and other accounting estimates made shortly after the end of a reporting period which relate to the income and expense of the reporting period.		
<b>1.</b>	<b>INTEREST INCOME</b>	Total is shown automatically.
<b>1.1</b>	<b>Balances With Depository Institutions</b>	Sub-total is shown automatically. Report in the appropriate Lines 1.1 and columns all income on assets reportable in Form 1, Balance Sheet, Lines 1.2, Balances With Depository Institutions.
1.1.1	Depository Institutions Domestic	Sub-total is shown automatically.
1.1.1.1	CBSI	Report in the appropriate column all interest income on deposits placed with the CBSI reportable in Form 1, Balance Sheet, Lines 1.2.1.1.1 and 1.2.3.1.1.
1.1.1.2	Other Depository Institutions	Report in the appropriate column all interest income on deposits placed with other depository institutions domiciled in the Solomon Islands and which are reportable in Form 1, Balance Sheet, Lines 1.2.1.1.2, 1.2.2.1 and 1.2.3.1.2.
1.1.2	Depository Institutions Abroad	Sub-total is shown automatically.
1.1.2.1	Head Office and Branches	<b>For Use By Foreign Bank Branches ONLY.</b> For branches of foreign banks and subsidiaries, report in the appropriate column all interest income on balances placed with the Head Office, other branches, associates and subsidiaries which are reportable in Form 1, Balance Sheet, Lines 1.2.1.2.1, 1.2.2.2.1 and 1.2.3.2.1
1.1.2.2	Other Depository Institutions	Report in the appropriate column all interest income on deposits placed with depository institutions domiciled outside the Solomon Islands which are reportable in Form 1, Balance Sheet, Lines 1.2.1.2.2, 1.2.2.2.2 and 1.2.3.2.2.
<b>1.2</b>	<b>Debt Securities Issued By</b>	Report in the appropriate column all interest income on debt securities purchased by the reporting financial which are reportable in Form 1, Balance Sheet, Lines 1.3, Debt Securities. Include accretion of discount and deduct amortization of premium on debt securities.  Exclude from interest income on debt securities: <ol style="list-style-type: none"> <li>net gains/(losses) resulting from the sale of securities ("realized" profits or losses which result from the actual sale of a debt security), which are to be reported in the appropriate Line 4.1 or 4.2; and</li> <li>net unrealized holding gains (losses) on securities resulting from mark-to-market revaluation, which should be recorded in Form 1, Balance Sheet, Line 2.12.5, Asset Revaluation Reserves and are not to be recorded through the profit and loss statement of the financial institution.</li> </ol> <p>A "premium" arises when a financial institution purchases a debt security, loan, or other asset at a price in excess of its par, face or redemption value, typically because the current level of interest rates for such assets is less than its contract or stated rate of interest. The difference between the purchase price and par, face or redemption value represents the premium which financial institutions are required to amortize.</p> <p>A "discount" arises when a financial institution purchases a debt security, or other asset at a price below its par, face or redemption value, typically because the current level of interest rates for such assets is greater than its contract or stated rate</p>

## Form 2 - Profit & Loss Statement

Line Code	Line Item	Instructions
		<p>of interest. A discount is also present on instruments which do not have a stated rate of interest, such as Treasury bills and commercial paper. The difference between par, face or redemption value and purchase price represent the discount which financial institutions are required to accrete.</p> <p>Premiums and discounts are accounted for as adjustments to the yield on an asset. As a general rule, a premium shall be amortized to the asset's maturity date. A discount must be accreted from date of purchase to maturity. The preferable method for amortizing premiums and accreting discounts involves the use of the interest method for accruing income on the assets. The objective of the interest method is to produce a constant yield or rate of return on the carrying value of the asset (par, face or redemption value plus unamortized premium or less unaccreted discount) at the beginning of each amortization period over the asset's remaining life. The difference between the periodic interest income that is accrued on the asset and interest at the stated rate is the periodic amortization or accretion. However, a straight-line method of amortization or accretion is acceptable if the results are not materially different from the interest method.</p>
1.3	<b>Loans and Advances</b>	<p>Report in the appropriate lines 1.3 and columns all interest, fees, and similar charges levied against or associated with loans reportable in Form 1, Balance Sheet, Schedule 1, Loans &amp; Advances By Sector.</p> <p>Include as interest income on loans the amortized portion of all yield-related fees on items reportable as loans and advances and the accretion of discounts on acceptances purchased.</p>
1.3.1	Manufacturing	<p>Report in Column (b), In National Currency, all interest, fees and similar charges levied against or associated with loans reportable in Form 1, Balance Sheet, Schedule 1, Loans &amp; Advances By Sector, Lines 1.2.1, 1.3.1, 1.4.1, Column (i), In National Currency, Manufacturing, Total.</p> <p>Report in Column (c), In Foreign Currency, all interest, fees and similar charges levied against or associated with loans reportable in Form 1, Balance Sheet, Schedule 1, Loans &amp; Advances By Sector, Lines 2.2.1, 2.3.1, 2.4.1, Column (i), In Foreign Currency, Manufacturing, Total.</p>
1.3.2	Agriculture	<p>Report in Column (b), In National Currency, all interest, fees and similar charges levied against or associated with loans reportable in Form 1, Balance Sheet, Schedule 1, Loans &amp; Advances By Sector, Lines 1.2.2, 1.3.2, 1.4.2, Column (i), In National Currency, Agriculture, Total.</p> <p>Report in Column (c), In Foreign Currency, all interest, fees and similar charges levied against or associated with loans reportable in Form 1, Balance Sheet, Schedule 1, Loans &amp; Advances By Sector, Lines 2.2.2, 2.3.2, 2.4.2, Column (i), In Foreign Currency, Agriculture, Total.</p>
1.3.3	Forestry	<p>Report in Column (b), In National Currency, all interest, fees and similar charges levied against or associated with loans reportable in Form 1, Balance Sheet, Schedule 1, Loans &amp; Advances By Sector, Lines 1.2.3, 1.3.3, 1.4.3, Column (i), In National Currency, Forestry, Total.</p> <p>Report in Column (c), In Foreign Currency, all interest, fees</p>

## Form 2 - Profit & Loss Statement

Line Code	Line Item	Instructions
		and similar charges levied against or associated with loans reportable in Form 1, Balance Sheet, Schedule 1, Loans & Advances By Sector, Lines 2.2.3, 2.3.3, 2.4.3, Column (i), In Foreign Currency, Forestry, Total.
1.3.4	Fisheries	<p>Report in Column (b), In National Currency, all interest, fees and similar charges levied against or associated with loans reportable in Form 1, Balance Sheet, Schedule 1, Loans &amp; Advances By Sector, Lines 1.2.4, 1.3.4, 1.4.4, Column (i), In National Currency, Fisheries, Total.</p> <p>Report in Column (c), In Foreign Currency, all interest, fees and similar charges levied against or associated with loans reportable in Form 1, Balance Sheet, Schedule 1, Loans &amp; Advances By Sector, Lines 2.2.4, 2.3.4, 2.4.4, Column (i), In Foreign Currency, Fisheries, Total.</p>
1.3.5	Mining & Quarrying	<p>Report in Column (b), In National Currency, all interest, fees and similar charges levied against or associated with loans reportable in Form 1, Balance Sheet, Schedule 1, Loans &amp; Advances By Sector, Lines 1.2.5, 1.3.5, 1.4.5, Column (i), In National Currency, Mining &amp; Quarrying, Total.</p> <p>Report in Column (c), In Foreign Currency, all interest, fees and similar charges levied against or associated with loans reportable in Form 1, Balance Sheet, Schedule 1, Loans &amp; Advances By Sector, Lines 2.2.5, 2.3.5, 2.4.5, Column (i), In Foreign Currency, Mining &amp; Quarrying, Total.</p>
1.3.6	Construction	<p>Report in Column (b), In National Currency, all interest, fees and similar charges levied against or associated with loans reportable in Form 1, Balance Sheet, Schedule 1, Loans &amp; Advances By Sector, Lines 1.2.6, 1.3.6, 1.4.6, Column (i), In National Currency, Construction, Total.</p> <p>Report in Column (c), In Foreign Currency, all interest, fees and similar charges levied against or associated with loans reportable in Form 1, Balance Sheet, Schedule 1, Loans &amp; Advances By Sector, Lines 2.2.6, 2.3.6, 2.4.6, Column (i), In Foreign Currency, Construction, Total.</p>
1.3.7	Distribution	<p>Report in Column (b), In National Currency, all interest, fees and similar charges levied against or associated with loans reportable in Form 1, Balance Sheet, Schedule 1, Loans &amp; Advances By Sector, Lines 1.2.7, 1.3.7, 1.4.7, Column (i), In National Currency, Distribution, Total.</p> <p>Report in Column (c), In Foreign Currency, all interest, fees and similar charges levied against or associated with loans reportable in Form 1, Balance Sheet, Schedule 1, Loans &amp; Advances By Sector, Lines 2.2.7, 2.3.7, 2.4.7, Column (i), In Foreign Currency, Distribution, Total.</p>
1.3.8	Tourism	<p>Report in Column (b), In National Currency, all interest, fees and similar charges levied against or associated with loans reportable in Form 1, Balance Sheet, Schedule 1, Loans &amp; Advances By Sector, Lines 1.2.8, 1.3.8, 1.4.8, Column (i), In National Currency, Tourism, Total.</p> <p>Report in Column (c), In Foreign Currency, all interest, fees and similar charges levied against or associated with loans reportable in Form 1, Balance Sheet, Schedule 1, Loans &amp; Advances By Sector, Lines 2.2.8, 2.3.8, 2.4.8, Column (i), In Foreign Currency, Tourism, Total.</p>
1.3.9	Transport	Report in Column (b), In National Currency, all interest, fees

## Form 2 - Profit & Loss Statement

Line Code	Line Item	Instructions
		<p>and similar charges levied against or associated with loans reportable in Form 1, Balance Sheet, Schedule 1, Loans &amp; Advances By Sector, Lines 1.2.9, 1.3.9, 1.4.9, Column (i), In National Currency, Transport, Total.</p> <p>Report in Column (c), In Foreign Currency, all interest, fees and similar charges levied against or associated with loans reportable in Form 1, Balance Sheet, Schedule 1, Loans &amp; Advances By Sector, Lines 2.2.9, 2.3.9, 2.4.9, Column (i), In Foreign Currency, Transport, Total.</p>
1.3.10	Communications	<p>Report in Column (b), In National Currency, all interest, fees and similar charges levied against or associated with loans reportable in Form 1, Balance Sheet, Schedule 1, Loans &amp; Advances By Sector, Lines 1.2.10, 1.3.10, 1.4.10, Column (i), In National Currency, Communications, Total.</p> <p>Report in Column (c), In Foreign Currency, all interest, fees and similar charges levied against or associated with loans reportable in Form 1, Balance Sheet, Schedule 1, Loans &amp; Advances By Sector, Lines 2.2.10, 2.3.10, 2.4.10, Column (i), In Foreign Currency, Communications, Total.</p>
1.3.11	Entertainment & Catering	<p>Report in Column (b), In National Currency, all interest, fees and similar charges levied against or associated with loans reportable in Form 1, Balance Sheet, Schedule 1, Loans &amp; Advances By Sector, Lines 1.2.11, 1.3.11, 1.4.11, Column (i), In National Currency, Entertainment &amp; Catering, Total.</p> <p>Report in Column (c), In Foreign Currency, all interest, fees and similar charges levied against or associated with loans reportable in Form 1, Balance Sheet, Schedule 1, Loans &amp; Advances By Sector, Lines 2.2.11, 2.3.11, 2.4.11, Column (i), In Foreign Currency, Entertainment &amp; Catering, Total.</p>
1.3.12	Central Government	<p>Report in Column (b), In National Currency, all interest, fees and similar charges levied against or associated with loans reportable in Form 1, Balance Sheet, Schedule 1, Loans &amp; Advances By Sector, Lines 1.2.12, 1.3.12, 1.4.12, Column (i), In National Currency, Central Government, Total.</p> <p>Report in Column (c), In Foreign Currency, all interest, fees and similar charges levied against or associated with loans reportable in Form 1, Balance Sheet, Schedule 1, Loans &amp; Advances By Sector, Lines 2.2.12, 2.3.12, 2.4.12, Column (i), In Foreign Currency, Central Government, Total.</p>
1.3.13	Provincial Assemblies & Local Governments	<p>Report in Column (b), In National Currency, all interest, fees and similar charges levied against or associated with loans reportable in Form 1, Balance Sheet, Schedule 1, Loans &amp; Advances By Sector, Lines 1.2.13, 1.3.13, 1.4.13, Column (i), In National Currency, Provincial Assemblies &amp; Local Governments, Total.</p> <p>Report in Column (c), In Foreign Currency, all interest, fees and similar charges levied against or associated with loans reportable in Form 1, Balance Sheet, Schedule 1, Loans &amp; Advances By Sector, Lines 2.2.13, 2.3.13, 2.4.13, Column (i), In Foreign Currency, Provincial Assemblies &amp; Local Governments, Total.</p>
1.3.14	Statutory Corporations	<p>Report in Column (b), In National Currency, all interest, fees and similar charges levied against or associated with loans reportable in Form 1, Balance Sheet, Schedule 1, Loans &amp; Advances By Sector, Lines 1.2.14, 1.3.14, 1.4.14, Column (i), In National Currency, Statutory Corporations, Total.</p>

## Form 2 - Profit & Loss Statement

Line Code	Line Item	Instructions
		Report in Column (c), In Foreign Currency, all interest, fees and similar charges levied against or associated with loans reportable in Form 1, Balance Sheet, Schedule 1, Loans & Advances By Sector, Lines 2.2.14, 2.3.14, 2.4.14, Column (i), In Foreign Currency, Statutory Corporations, Total.
1.3.15	Private Financial Institutions	Report in Column (b), In National Currency, all interest, fees and similar charges levied against or associated with loans reportable in Form 1, Balance Sheet, Schedule 1, Loans & Advances By Sector, Lines 1.2.15, 1.3.15, 1.4.15, Column (i), In National Currency, Private Financial Institutions, Total.  Report in Column (c), In Foreign Currency, all interest, fees and similar charges levied against or associated with loans reportable in Form 1, Balance Sheet, Schedule 1, Loans & Advances By Sector, Lines 2.2.15, 2.3.15, 2.4.15, Column (i), In Foreign Currency, Private Financial Institutions, Total.
1.3.16	Professional & Other Services	Report in Column (b), In National Currency, all interest, fees and similar charges levied against or associated with loans reportable in Form 1, Balance Sheet, Schedule 1, Loans & Advances By Sector, Lines 1.2.16, 1.3.16, 1.4.16, Column (i), In National Currency, Professional & Other Services, Total.  Report in Column (c), In Foreign Currency, all interest, fees and similar charges levied against or associated with loans reportable in Form 1, Balance Sheet, Schedule 1, Loans & Advances By Sector, Lines 2.2.16, 2.3.16, 2.4.16, Column (i), In Foreign Currency, Professional & Other Services, Total.
1.3.17	Personal	Report in Column (b), In National Currency, all interest, fees and similar charges levied against or associated with loans reportable in Form 1, Balance Sheet, Schedule 1, Loans & Advances By Sector, Lines 1.2.17, 1.3.17, 1.4.17, Column (i), In National Currency, Personal, Total.  Report in Column (c), In Foreign Currency, all interest, fees and similar charges levied against or associated with loans reportable in Form 1, Balance Sheet, Schedule 1, Loans & Advances By Sector, Lines 2.2.17, 2.3.17, 2.4.17, Column (i), In Foreign Currency, Personal, Total.
1.3.18	Non-Resident	Report in Column (b), In National Currency, all interest, fees and similar charges levied against or associated with loans reportable in Form 1, Balance Sheet, Schedule 1, Loans & Advances By Sector, Lines 1.2.19, 1.3.19, 1.4.19, Column (i), In National Currency, Non-Residents, Total.  Report in Column (c), In Foreign Currency, all interest, fees and similar charges levied against or associated with loans reportable in Form 1, Balance Sheet, Schedule 1, Loans & Advances By Sector, Lines 2.2.19, 2.3.19, 2.4.19, Column (i), In Foreign Currency, Non-Residents, Total.
1.4	<b>Securities Purchased Under Agreement to Resell</b>	Report in the appropriate Column all income on the purchase of securities by the reporting financial institution under agreement to resell reportable in Form 1, Balance Sheet, Lines 1.5, Securities Purchased Under Agreement to Resell.  Report in the appropriate Column the gross revenue from securities purchased under agreement to resell, do not net against gross expenses from the sale of securities under agreement to repurchase.
1.5	<b>Dividend Income on Shares &amp; Other Equity Investments</b>	Report all interest and dividend income on assets that are reportable in Form 1, Balance Sheet, Line 1.7, Shares &

## Form 2 - Profit & Loss Statement

Line Code	Line Item	Instructions
		<p>Other Equity Investments.</p> <p>Include interest and dividends on shares and other equity investments categorized as "Trading" and "Other Than Trading".</p> <p>Exclude from dividend income:</p> <ol style="list-style-type: none"> <li>1. Realized gains (losses) on shares categorized as "Trading" and on "Other Than Trading" which are to be reported in Line 4.1, Non-Interest Income, Net Gain/(Loss) on Trading Assets, or Line 4.2, Net Gain/(Loss) on Other Than Trading Assets, respectively.</li> <li>2. Net unrealized holding gains (losses) on shares categorized as "Trading" (unrealized holding gains/(losses) are to be accounted for in Form 1, Balance Sheet, Line 2.12.5, Asset Revaluation Reserves until the share is actually sold and any gain/(loss) is realized).</li> </ol>
1.6	<b>Other Interest Income</b>	Report interest income on assets other than those assets properly reported in Lines 1.1 through 1.5, above.
2.	<b>INTEREST EXPENSE</b>	Sub-total is shown automatically.
2.1	<b>Deposits</b>	<p>Sub-total is shown automatically.</p> <p>Report in the appropriate Line all interest expense, including amortization of the cost of merchandise or property offered in lieu of or in addition to interest payments, on deposits reportable in Form 1, Balance Sheets, Lines 2.1. Deposits.</p> <p>Deduct from the gross interest expense penalties charged by the reporting financial institution against a depositor for early withdrawals, or portions of such penalties, that represent the forfeiture of interest accrued or paid to the date of withdrawal. Portions of penalties for early withdrawals that exceed the interest accrued or paid to the date of withdrawal should not be treated as a reduction of interest expense but should be reported in Line 4.5, Non-Interest Income, Service Charges and Fees on Deposits Accounts.</p>
2.1.1	Domestic	<p>Report in the appropriate Column all interest expense on deposits placed with the reporting financial institution by residents of the Solomon Islands reportable in Form 1, Balance Sheet:</p> <ul style="list-style-type: none"> <li>Line 2.1.1.1, Demand Deposits, Depository Institutions Domestic;</li> <li>+ Line 2.1.1.2, Demand Deposits, Other Financial Corporations Domestic;</li> <li>+ Line 2.1.1.3, Demand Deposits, Central Government;</li> <li>+ Line 2.1.1.4, Demand Deposits, Provincial Assemblies &amp; Local Governments;</li> <li>+ Line 2.1.1.5, Demand Deposits, Statutory Non-financial Corporations Domestic ;</li> <li>+ Line 2.1.1.6, Demand Deposits, Private Sector Domestic;</li> <li>+ Line 2.1.2.1, Savings Deposits, Depository Institutions Domestic;</li> <li>+ Line 2.1.2.2, Savings Deposits, Other Financial Corporations Domestic;</li> <li>+ Line 2.1.2.3, Savings Deposits, Central Government;</li> <li>+ Line 2.1.2.4, Savings Deposits, Provincial Assemblies &amp; Local Governments;</li> </ul>

## Form 2 - Profit & Loss Statement

Line Code	Line Item	Instructions
		<ul style="list-style-type: none"> <li>+ Line 2.1.2.5, Savings Deposits, Statutory Non-financial Corporations Domestic;</li> <li>+ Line 2.1.2.6, Savings Deposits, Private Sector Domestic;</li> <li>+ Line 2.1.3.1, Time Deposits, Depository Institutions Domestic;</li> <li>+ Line 2.1.3.2, Time Deposits, Other Financial Corporation Domestic;</li> <li>+ Line 2.1.3.3, Time Deposits, Central Government;</li> <li>+ Line 2.1.3.4, Time Deposits, Provincial Assemblies &amp; Local Governments;</li> <li>+ Line 2.1.3.5, Time Deposits, Statutory Non-financial Corporations Domestic;</li> <li>+ Line 2.1.3.6, Time Deposits, Private Sector</li> </ul>
2.1.2	Non-Residents	Subtotal is shown automatically.
2.1.2.1	Head Office and Branches	<p><b>For Use By Foreign Bank Branches Only.</b></p> <p>Report in the appropriate Column all interest expense on deposits placed with the reporting financial institution by the head office or other branches of the head office and subsidiaries or affiliated interests of the head office reportable in Form 1, Balance Sheet:</p> <ul style="list-style-type: none"> <li>Line 2.1.1.7.1, Demand Deposits, Non-residents, Head Office and Branches;</li> <li>+ Line 2.1.2.7.1, Savings Deposits, Non-residents, Head Office and Branches ;</li> <li>+ Line 2.1.3.7.1, Time Deposits, Non-residents, Head Office and Branches</li> </ul>
2.1.2.2	Other Depository Institutions	<p>Report in the appropriate Column all interest expense on deposits placed with the reporting financial institution by other depository institutions reportable in Form 1, Balance Sheet:</p> <ul style="list-style-type: none"> <li>Line 2.1.1.7.2, Demand Deposits, Non-residents, Other Depository Institutions;</li> <li>+ Line 2.1.2.7.2, Savings Deposits, Non-residents, Other Depository Institutions;</li> <li>+ Line 2.1.3.7.2, Time Deposits, Non-residents, Other Depository Institutions</li> </ul>
2.1.2.3	Other Financial Institutions	<p>Report in the appropriate Column all interest expense on deposits placed with the reporting financial institution by other financial institutions reportable in Form 1, Balance Sheet:</p> <ul style="list-style-type: none"> <li>Line 2.1.1.7.3, Demand Deposits, Non-residents, Other Financial Institutions;</li> <li>+ Line 2.1.2.7.3, Savings Deposits, Non-residents, Other Financial Institutions;</li> <li>+ Line 2.1.3.7.3, Time Deposits, Non-residents, Other Financial Institutions</li> </ul>
2.1.2.4	Other Non-residents	<p>Report in the appropriate Column all interest expense on deposits placed with the reporting financial institution all other non-residents of the Solomon Islands reportable in Form 1, Balance Sheet:</p> <ul style="list-style-type: none"> <li>Line 2.1.1.7.4, Demand Deposits, Non-residents, Other Non-residents;</li> <li>+ Line 2.1.2.7.4, Savings Deposits, Non-residents, Other Non-residents;</li> <li>+ Line 2.1.3.7.4, Time Deposits, Non-residents, Other Non-</li> </ul>

## Form 2 - Profit & Loss Statement

Line Code	Line Item	Instructions
		residents.
<b>2.2</b>	<b>Debt Securities Issued To</b>	Report in the appropriate Column all interest expense on funds borrowed through the issuance of subordinated notes, debentures and other debt securities reportable in Form 1, Balance Sheet, Lines 2.2, Debt Securities Issued To.  Include amortization of expenses incurred in the issuance of subordinated notes, debentures or other debt securities. Capitalize such expenses, if material, and amortize them over the life of the related notes, debentures or debt securities. Exclude dividends declared or paid on limited-life preferred stock which are to be reported in Line 13.4 Less: Cash Dividends Declared or Paid.
<b>2.3</b>	<b>Borrowings</b>	Sub-total is shown automatically.
2.3.1	Domestic	Report in the appropriate Column all expenses on borrowings by the reporting financial institution from residents of the Solomon Islands reportable in Form 1, Balance Sheet: Line 2.3.1, Depository Institutions Domestic; + Line 2.3.2, Other Financial Corporations Domestic; + Line 2.3.3, Central Government.
2.3.2	Non-residents	Subtotal is shown automatically.
2.3.2.1	Head Office and Branches	<b>For Use By Foreign Bank Branches ONLY.</b> Report in the appropriate Column all expenses on borrowings by the reporting financial institution from its head office or other branches of the head office and subsidiaries or affiliated interests of the head office reportable in Form 1, Balance Sheet, Line 2.3.4.1, Borrowings, Non-residents, Head Office and Branches.
2.3.2.2	Other Depository Institutions	Report in the appropriate Column all expenses on borrowings by the reporting financial institution from other depository institutions domiciled outside the Solomon Islands reportable in Form 1, Balance Sheet, Line 2.3.4.2, Borrowings, Non-residents, Other Depository Institutions.
2.3.2.3	Other Financial Corporations	Report in the appropriate Column all expenses on borrowings by the reporting financial institution from other financial corporations domiciled outside the Solomon Islands reportable in Form 1, Balance Sheet, Line 2.3.4.3, Borrowings, Non-residents, Other Financial Corporations.
<b>2.4</b>	<b>Interbank Funds Sold &amp; Securities Sold Under Agreement to Repurchase</b>	Report in the appropriate Column all expenses on the sale of securities by the reporting financial institution under agreement to repurchase reportable in Form 1, Balance Sheet, Line 2.4, Securities Sold Under Agreement to Repurchase.  Report in the appropriate Column the gross expenses from the sale of securities by the reporting financial institution under agreement to repurchase, do not net against gross revenue from the purchase of securities under agreement to resell.
<b>2.5</b>	<b>Other Interest Expense</b>	Report interest expense on liabilities other than those properly reported in Lines 2.1 through 2.4, above.
<b>3.</b>	<b>NET INTEREST INCOME</b>	Sub-total is shown automatically.
<b>4.</b>	<b>Non-Interest Income</b>	Sub-total is shown automatically.
4.1	Net Gain/(Loss) on Trading Assets	Report the net gain or (loss) realized year-to-date from the sale, exchange, redemption, or retirement of all debt

## Form 2 - Profit & Loss Statement

Line Code	Line Item	Instructions
		<p>securities and shares &amp; other equity investments reportable in Form 1, Balance Sheet, Lines 1.3 and 1.7, respectively, categorized in the balance sheet of the reporting financial institution as held for "Trading".</p> <p>The realized gain or loss on a security or share is the difference between the sales price (excluding interest at the coupon rate accrued since the last interest payment date, if any) and its amortized cost. Also include in this item write-downs of the cost basis of individual securities for other than temporary impairments. If the amount to be reported in this item is a net loss, enclose it in parentheses.</p> <p>Do not include unrealized holding gains/(losses) on debt securities and shares. Unrealized holding gains (losses) on securities resulting from mark-to-market revaluation, which should be recorded in Form 1, Balance Sheet, Line 2.12.5, Asset Revaluation Reserves and are not to be recorded through the profit and loss statement of the financial institution.</p>
4.2	Net Gain/(Loss) on Assets "Other Than Trading"	<p>Report the net gain or (loss) realized year-to-date from the sale, exchange, redemption, or retirement of all debt securities and shares &amp; other equity investments reportable in Form 1, Balance Sheet, Lines 1.3 and 1.7, respectively, categorized in the balance sheet of the reporting financial institution as held for "Other Than Trading".</p> <p>The realized gain or loss on a security or share is the difference between the sales price (excluding interest at the coupon rate accrued since the last interest payment date, if any) and its amortized cost. Also include in this item write-downs of the cost basis of individual securities for other than temporary impairments. If the amount to be reported in this item is a net loss, enclose it in parentheses.</p> <p>Do not include unrealized holding gains/(losses) on debt securities and shares. Debt securities and shares held for Other Than Trading are not required to be marked-to-market but rather are recorded on the balance sheet at the amortize cost of the debt security or share.</p>
4.3	Net Gain / (Loss) on Foreign Currency Revaluation	<p>Report the net gain or loss resulting from the translation of assets and liabilities denominated in foreign currencies in to the Solomon Island Dollar equivalent as of the Return date.</p> <p>The translation of assets and liabilities denominated in foreign currencies into the equivalent Solomon Island Dollar equivalent should be conducted using the spot mid rate (the average of the "bid" and "offer" rate).</p>
4.4	Service Charges and Fees on Foreign Exchange Operations	Report all income from service fees, commissions and other charges by the reporting financial institution for the purchase or sale of foreign currency.
4.5	Service Charges and Fees on Deposit Accounts	<p>Report all income from fees charged on deposits reportable in Form 1, Lines 2.1, including but not limited to activity, inoperative and minimum balance fees.</p> <p>Exclude penalties paid by depositors for the early withdrawal of time deposits which are to be reported in Line 4.6, Non-interest Income, Other.</p>
4.6	Other	<p>Report all non-interest income not otherwise required to be reported elsewhere in Lines 4.1 through 4.5.</p> <p>Other non-interest income includes, but is not limited to:</p>

## Form 2 - Profit & Loss Statement

Line Code	Line Item	Instructions
		<ol style="list-style-type: none"> <li>1. Services charges, commissions and fees for: <ul style="list-style-type: none"> <li>• the rental of safe deposit boxes;</li> <li>• the sale of drafts, money orders, official checks (such as "cashiers' checks), and travelers' checks;</li> <li>• the execution of acceptances and the issuance of letters of credit, guarantees and performance/bid bonds;</li> <li>• the use of the financial institution's automated teller machines or other remote service units by depositors of other depository institutions;</li> </ul> </li> <li>2. Income and fees from the sale and/or printing of checks;</li> <li>3. Charges to merchants for the handling of credit card or charge sales;</li> <li>4. Net tellers' overages (shortages), net recoveries (losses) on forged checks, net recoveries (losses) on payment of checks over stop payment orders, and similar recurring operating gains (losses) of this type.</li> <li>5. Penalties for early withdrawals of time deposits that exceed the interest accrued or paid on the deposit to the date of withdrawal, if material. Such penalties, or portions thereof, that represent the forfeiture of interest accrued or paid to the date of withdrawal are a reduction of interest expense and should be deducted from the gross interest expense reported in appropriate Lines 2.1.</li> </ol>
<b>5.</b>	<b>Non-Interest Expense</b>	Sub-total is shown automatically.
5.1	Salaries, Wages and Benefits - Citizens	<p>Report salaries and benefits of all employees who are citizens of the Solomon Islands.</p> <p>Include as salaries, wages and benefits:</p> <ul style="list-style-type: none"> <li>• Gross salaries, wages, overtime, bonuses, incentive compensation, and extra compensation.</li> <li>• Employment taxes paid by the financial institution;</li> <li>• Contributions to employee retirement plan or other similar savings program.</li> <li>• Salaries, wages and other fees and expenses for temporary staff hired directly by the financial institution or through an outside agency.</li> <li>• Accrued vacation pay earned by employees during the calendar year-to-date.</li> <li>• The cost of medical or health services, tuition reimbursement programs, and other so-called fringe benefits for officers and employees.</li> </ul> <p>Exclude and report as other non-interest expense, in Line 5.7.:</p> <ul style="list-style-type: none"> <li>• Amounts paid to attorneys, accountants, management consultants, investment counselors, and other professionals who are not employees of the financial institution (except in the case of a foreign bank branch if these professionals, in form, are employed by the head office or another branch of the head office or a subsidiary or affiliate of the head office, report these amounts as outsourcing service fees and expenses in Line 5.6;</li> <li>• Expenses related to the training and testing of officers and employees;</li> <li>• The cost of newspapers, magazines and periodicals subscribed by the reporting financial institution for distribution to employees; and</li> <li>• Dues, fees and other expenses associated with</li> </ul>

## Form 2 - Profit & Loss Statement

Line Code	Line Item	Instructions
		memberships in social or private clubs, civic organizations, and similar clubs and organizations.
5.2	Salaries, Wages and Benefits – <b>Non-Citizens</b>	<p>Report salaries and benefits of all officers and employees of the financial institution including security personnel (i.e., guards), temporary office help, cleaning staff.</p> <p>Include as salaries, wages and benefits:</p> <ul style="list-style-type: none"> <li>• Gross salaries, wages, overtime, bonuses, incentive compensation, and extra compensation.</li> <li>• Employment taxes paid by the financial institution;</li> <li>• Contributions to employee retirement plan or other similar savings program.</li> <li>• Salaries, wages and other fees and expenses for temporary staff hired directly by the financial institution or through an outside agency.</li> <li>• Accrued vacation pay earned by employees during the calendar year-to-date.</li> <li>• The cost of medical or health services, tuition reimbursement programs, and other so-called fringe benefits for officers and employees.</li> </ul> <p>Exclude and report as other non-interest expense, in Line 5.7.:</p> <ul style="list-style-type: none"> <li>• Amounts paid to attorneys, accountants, management consultants and other professionals who are not employees of the financial institution;</li> <li>• Expenses related to the training and testing of officers and employees;</li> <li>• The cost of newspapers, magazines and periodicals subscribed by the reporting financial institution for distribution to employees; and</li> <li>• Dues, fees and other expenses associated with memberships in social or private clubs, civic organizations, and similar clubs and organizations.</li> </ul>
5.3	Board of Directors' Expenses	Report all fees paid to directors and advisory directors for attendance at board of directors' or committee meetings (including travel and expense allowances, and other expenses associated with meetings of the board of directors or committee meetings).
5.4	Outsourcing Service Fees and Expenses	<p>Report all fees and other charges paid to third parties for the performance of routine and recurring services, such as IT/data processing, finance and administration, human resources, customer relationship management, procurement, facilities management, etc.</p> <p>For foreign bank branches and subsidiaries, report all management and service fees and other charges paid to the head office or another branch of the head office or any subsidiary or affiliate of the head office or parent whether for specific services rendered or of a general (prorated) nature.</p>
5.5	Administrative and Occupancy Expenses	<p>Report all non-interest expenses related to the use of fixed assets but excluding depreciation expense on premises and equipment.</p> <p>Include as administrative and occupancy expenses:</p> <ul style="list-style-type: none"> <li>• Cost of ordinary repairs to premises (including leasehold improvements), equipment, furniture, and fixtures which are not otherwise capitalized on the financial institution's books;</li> </ul>

## Form 2 - Profit & Loss Statement

Line Code	Line Item	Instructions
		<ul style="list-style-type: none"> <li>• Cost of service or maintenance contracts for equipment, furniture, and fixtures;</li> <li>• Cost of leasehold improvements, equipment, furniture, and fixtures charged directly to expense and not capitalized on the financial institution's books as assets.</li> <li>• Insurance expense related to the use of premises, equipment, furniture, and fixtures.</li> <li>• All property tax and other tax expense related to premises (including leasehold improvements), equipment, furniture, and fixtures, including deficiency payments, net of all rebates, refunds, or credit.</li> <li>• Cost of electricity, water, and other utilities connected with the use of premises and fixed assets.</li> <li>• Cost of janitorial/cleaning supplies and outside janitorial/cleaning services.</li> <li>• Fuel, maintenance, and other expenses related to the use of the automobiles, boats, airplanes, and other vehicles owned by or for the use of business by the financial institution.</li> </ul>
5.6	Depreciation on Premises & Equipment	<p>Report the net depreciation expense on fixed assets year-to-date reportable in Form 1, Balance Sheet, Line 1.11.1, Premises and Equipment.</p> <p>Depreciation expense includes normal and recurring depreciation and amortization charges, whether they represent direct reductions in the carrying value of the assets or additions to accumulated depreciation or amortization accounts. Any method of depreciation or amortization conforming to accounting principles that are generally acceptable for financial reporting purposes may be used provide it would not be materially different from depreciation based on the asset's estimated useful life.</p> <p>Depreciation expense on premises and equipment is to be reported net of rental income received by the financial institution. Rental income includes all rentals charged by the financial institution for the use of buildings not incidental to use by the reporting financial institution, including rentals by regular tenants (short-term and long-term) of the financial institution's buildings, and income from subleases.</p>
5.7	Other Expense	<p>Report all operating expenses of the financial institution not otherwise required to be reported elsewhere in this Form.</p> <p>Other expenses include, but are not limited to:</p> <ul style="list-style-type: none"> <li>• Advertising, promotional, public relations, marketing, and business development expenses. Such expenses include the cost of athletic activities in which employees of the reporting financial institution participate when the purpose is primarily for marketing or public relations, and employee benefits are only incidental to the activities.</li> <li>• Cost of printing, stationery, and office supplies.</li> <li>• Postage and mailing expenses.</li> <li>• Telephone and telegraph expenses.</li> <li>• Fees paid to supervisory authorities for the annual licensing and supervision of the financial institution.</li> <li>• Insurance premiums on fidelity insurance (blanket bond, excess employee dishonesty bond), directors' and officers' liability insurance, and life insurance policies for which the reporting financial institution is the beneficiary.</li> </ul>

## Form 2 - Profit & Loss Statement

Line Code	Line Item	Instructions
		<ul style="list-style-type: none"> <li>• Legal fees and other direct costs incurred to effect foreclosure or repossession of property pledged against non-performing loans.</li> <li>• Taxes, other than taxes based on revenue (i.e. "Taxation" of income is to be reported in Line 9).</li> <li>• Charges resulting from litigation or other claims.</li> <li>• Charitable contributions including donations.</li> <li>• Fees for external auditing services.</li> <li>• Money penalties paid to the CBSI.</li> <li>• Expenses (except salaries) related to handling credit card sales received from merchants when the financial institution does not carry the related loan accounts on its books.</li> <li>• Cost of checks provided to depositors.</li> <li>• Amortization expense of purchased computer software.</li> </ul>
<b>6.</b>	<b>NET NON-INTEREST INCOME</b>	Sub-total is shown automatically.
<b>7.</b>	<b>Provision for Losses</b>	Sub-total is shown automatically.
7.1	Specific Provisions for Losses on Loans	Report the total of provisions for losses on loans that are contained within the Specific Provisions for Losses on Loans account reported in Form 1, Balance Sheet, Line 2.10.1, Specific Provisions for Losses on Loans.
7.2	Specific Provisions for Other Losses	Report the total of provisions for losses on other assets that are contained within the Specific Provisions for Other Losses account reported in Form 1, Balance Sheet, Line 2.10.2, Specific Provisions for Other Losses.
7.3	General Loan Loss Provision	Report the total of provisions for losses on loans that are contained within the General Loan Loss Provision account reported in Form 1, Balance Sheet, Line 2.10.3, General Loan Loss Provisions.
<b>8.</b>	<b>NET OPERATING PROFIT BEFORE TAX</b>	Sub-total is shown automatically.
<b>9.</b>	<b>Applicable Income Taxes</b>	<p>Report the total estimated income taxes of the financial institution based on the financial institution's year-to-date net income. If the amount is a tax benefit rather than tax expense, enclose it in parentheses.</p> <p>Include as applicable income taxes all taxes based on:</p> <ul style="list-style-type: none"> <li>• the net amount of taxable revenues less deductible expenses, and/or</li> <li>• taxes based on gross revenues or gross receipts.</li> </ul>
<b>10.</b>	<b>NET OPERATING PROFIT AFTER TAX</b>	Sub-total is shown automatically.
<b>11.</b>	<b>Extraordinary Items (net of tax)</b>	<p>Sub-total is shown automatically.</p> <p>Extraordinary items are material events and transactions that are (1) unusual and (2) infrequent. Both of these conditions must exist in order for an event or transaction to be reported as an extraordinary item.</p> <p>To be unusual an event or transaction must be highly abnormal or clearly unrelated to the ordinary and typical activities of the reporting financial institution. An event or transaction which is beyond management's control is not automatically considered to be unusual.</p> <p>To be infrequent, an event or transaction should not reasonably be expected to recur in the foreseeable future. Although the</p>

## Form 2 - Profit & Loss Statement

Line Code	Line Item	Instructions
		<p>past occurrence of an event or transaction provides a basis for estimating the likelihood of its future occurrence, the absence of a past occurrence does not automatically imply that an event or transaction is infrequent.</p> <p>Only a limited number of events or transactions qualify for treatment as extraordinary items. Among these are losses which result directly from a major disaster such as a tsunami, an expropriation or a prohibition under a newly enacted law or regulation.</p> <p>Report in the appropriate Lines 11 the total of extraordinary items, net of any applicable income tax, if any.</p> <p>Exclude from extraordinary items the net gains (losses) from the sale or other disposal of:</p> <ul style="list-style-type: none"> <li>• Premises and equipment reportable in Form 1, Balance Sheet, Line 1.11.1, Non-Financial Assets, Premises and Equipment (report any gains or losses from the sale of premises and equipment in Line 4.6, Non-Interest Income, Others);</li> <li>• Real estate and personal property acquired through foreclosure, repossession or otherwise in satisfaction of debts previously contracted (such as automobiles, motor bikes, boats, equipment, etc.):               <ol style="list-style-type: none"> <li>1. report any gain, the amount in excess of the carrying value of the asset, as either a recovery of any amounts actually written-off by crediting the appropriate provisions for losses account in Form 1, Balance Sheet, Lines 2.10, Provisions For Losses, or if no write-off has been taken, report any gain in Line 4.6, Non-Interest Income, Others;</li> <li>2. report any loss, the amount below the carrying value of the asset:                   <ol style="list-style-type: none"> <li>i. realized within one year of the date of acquisition of the asset by the reporting financial institution by debiting the appropriate provisions for losses account in Form 1, Balance sheet, lines 2.10, Provisions for Losses;</li> <li>ii. losses realized after one year of the date of acquisition of the asset by the reporting financial institution by reporting the loss in Line 5.7, Non-Interest Expense, Others.</li> </ol> </li> </ol> </li> </ul>
12.	<b>Net Income (Loss)</b>	Sub-total is shown automatically.
13.	<b>Changes In Capital</b>	<p>Total capital includes paid-in capital, premium or surplus, retained earnings (both audited and unaudited) asset revaluation reserves and other capital instruments as approved by the CBSI.</p> <p>Note: Report all decreases and losses as a negative number (i.e., "-100").</p>
13.1	<b>Total Capital Prior Year-End</b>	<p>Report the total capital of the reporting financial institution as of the prior calendar year end reportable in Form 1, Balance Sheet, Line 2.12.</p> <p>Report the financial institution total capital for the previous calendar year-end after the effect of all corrections and adjustments to capital that were made in any amended report(s) for the previous calendar year-end.</p> <p>For financial institutions opened since January 1 of the current calendar year, report a zero in this Line. Report the</p>

## Form 2 - Profit & Loss Statement

Line Code	Line Item	Instructions
		financial institution's opening (original) capital in the appropriate Lines 13.2.
13.2	Sale or retirement of capital stock	Report the changes in the reporting financial institution's total capital resulting from the sale of additional common stock or the retirement of common stock.  For financial institutions opened since January 1 of the year-to-date reporting period, report opening (original) capital in this Line.
13.3	Net Income (Loss) End of Current Period	Amount is shown automatically from Line 12 of Form 2.
13.4	LESS: Dividends Declared or Paid or Profits Remitted to Head Office	<p>Report:</p> <ol style="list-style-type: none"> <li>all cash dividends declared on common stock during the calendar year-to-date, including dividends not payable until after the report date; do not include dividends declared during the previous calendar year but paid in the current period;</li> <li>for foreign bank branches, as approved by the CBSI which have been remitted to the head office during the calendar year-to-date regardless of the year which that the profits represent.</li> </ol> <p>Cash dividends are payments of cash to shareholders in proportion to the number of shares they own. Cash dividends are to be reported on the date they are declared by the financial institution's board of directors (the declaration date) by debiting Retained Earnings, Audited and crediting "Dividends Payable" in Form 1, Balance Sheet. Upon payment of the dividend, "Dividends Payable" is debited for the amount of the cash payment with an offsetting credit, normally in an equal amount, to "dividend checks outstanding" which is reportable in the "demand deposits" category of the financial institutions deposits.</p> <p>Stock dividends are distributions of additional shares to shareholders in proportion to the number of shares they own. Stock dividends are to be reported by transferring an amount equal to the fair value of the additional shares issued from Retained Earnings, Audited account to Common Stock. The amount transferred from Retained Earnings may not be less than the par or stated value of the additional shares being issued.</p> <p>Property dividends, also known as dividends in kind, are distributions to shareholders of assets other than cash. The transfer of securities of other companies, real property, or any other asset owned by the reporting financial institution to a shareholder or related party is to be recorded at the fair value of the asset on the declaration date of the dividend. A gain or loss on the transferred asset must be recognized in the same manner as if the property had been disposed of in an outright sale at or near the declaration date</p>
13.5	Other Increases (Decreases)	Report all other increases and decreases to the reporting financial institution's capital not otherwise required to be reported in Lines 13.1 through 13.4.
13.6	Total Capital End of Current Period	Amount is shown automatically.  Amount must equal amount reported in Form 1, Balance

## Form 2 - Profit & Loss Statement

Line Code	Line Item	Instructions
		Sheet, Line 2.12, Column (d), Capital, Total.
<b>14.</b>	<b>CHANGES IN PROVISIONS FOR LOSSES</b>	<p>As of the end of each calendar quarter, or more frequently if warranted, the management of each financial institution must evaluate, subject to review and confirmation by the CBSI, the collectibility of loans and advances, including any recorded accrued and unpaid interest (i.e., not already reversed, suspended or written off), and make appropriate entries to maintain the balance of specific and general provisions for losses on loans at a level adequate to absorb estimated credit losses. Management must maintain reasonable records in support of their evaluations and entries.</p> <p>All write offs of loans and advances must be made through charges (debits) to the appropriate Specific Provisions for Loans or General Loan Loss Provisions account. Any recovery on a loan or advance written off must be recorded through crediting the provision account against which the loan was written off. Should the reporting financial institution find that the balance of the Specific or General provisions account is excessive, the provisions account can be reduced through recovering the excess provisions by debiting the appropriate provisions account and crediting the appropriate Line 7. Provisions for Losses.</p>
<b>14.1</b>	<b>Changes in Specific Provisions for Loans</b>	
14.1.1	Balance at Prior Year-end	Report in the appropriate Column the balance of specific provisions for losses on loans as of the prior calendar year end reportable in Form 1, Balance Sheet, Line 2.10.1, Column (d), Provisions for Losses, Specific Provisions for Loans, Total.
14.1.2	Recoveries	Report in the appropriate Column the total amount recovered during the current calendar year-to-date of loans and advances previously written off by the reporting financial institution through charges against the Specific Provisions for Loans account reportable in Form 1, Balance Sheet, Line 2.10.1.
14.1.3	Less: Write-offs	Report in the appropriate Column the total amount of loans and advances written off during the current calendar year-to-date by the reporting financial institution through charges against the Specific Provisions for Loans account reportable in Form 1, Balance Sheet, Line 2.10.1.
14.1.4	Year-to-date Provision Expense	<p>Amount is automatically shown from Line 7.1, Provisions for Losses, Specific Provisions for Losses on Loans.</p> <p>Where the reporting financial institution finds that the balance of the Specific Provisions for Loans account is excessive as a result of the collection of cash payments on loans against which specific provisions have been raised, the reporting financial institution may recover to income the amount of such cash payments or the proportionate share of such cash repayments in relation to the proportion of the specific provision raised against the individual loan. .</p> <p>However, in no circumstances can the amount of specific provisions be reduced or recovered to income based on a determination by the reporting financial institution that the prospects for recovering a loan have improved, of whether the financial institution assigns a new account number to the loan or the borrower signs a new note, is not an acceptable</p>

## Form 2 - Profit & Loss Statement

Line Code	Line Item	Instructions
		accounting practice
14.1.5	Ending Balance	Amount is shown automatically.
<b>14.2</b>	<b>Changes in Specific Provisions for Other Losses</b>	
14.2.1	Balance at Prior Year-end	Report in the appropriate Column the balance of specific provisions for losses other than loans as of the prior calendar year end reportable in Form 1, Balance Sheet, Line 2.10.2, Column (d), Provisions for Losses, Specific Provisions for Other Losses, Total.
14.2.2	Recoveries	Report in the appropriate Column the total amount recovered during the current calendar year-to-date of losses other than loans and advances previously written off by the reporting financial institution through charges against the Specific Provisions for Other Losses account reportable in Form 1, Balance Sheet, Line 2.10.2.
14.2.3	LESS: Write-offs	Report in the appropriate Column the total amount of losses other than loans and advances written off during the current calendar year-to-date by the reporting financial institution through charges against the Specific Provisions for Other Losses reportable in Form 1, Balance Sheet, Line 2.10.2.
14.2.4	Year-to-Date Provision Expense	Amount is automatically shown from Line 7.2, Provisions for Losses, Specific Provisions for Other Losses.
14.2.5	Ending Balance	Amount is shown automatically.
<b>14.3</b>	<b>Changes in General Loan Loss Provisions</b>	
14.3.1	Balance at Prior Year-end	Report in the appropriate Column the balance of specific provisions for losses on loans as of the prior calendar year end reportable in Form 1, Balance Sheet, Line 2.10.3, Column (d), General Loan Loss Provisions, Total.
14.3.2	Recoveries	Report in the appropriate Column the total amount recovered during the current calendar year-to-date of loans and advances previously written off by the reporting financial institution through charges against the General Loan Loss Provisions account reportable in Form 1, Balance Sheet, Line 2.10.3.
14.3.3	LESS: Write-offs	Report in the appropriate Column the total amount of loans and advances written off during the current calendar year-to-date by the reporting financial institution through charges against the General Loan Loss Provisions account reportable in Form 1, Balance Sheet, Line 2.10.3.
14.3.4	Year-to-Date Provision Expense	Amount is automatically shown from Line 7.3, General Loss Provisions.
14.3.5	Ending Balance	Amount is shown automatically.

## Form 3 – Risk Based Capital

Line Code	Line Item	Instructions
<b>Step 1.</b>	<b>DETERMINING RISK-WEIGHTED BALANCE SHEET ASSETS</b>	
<b>1.</b>	<b>Cash (notes and coins)</b>	Amount is automatically shown from Form 1, Balance Sheet, Line 1.1, Cash (Notes & Coins), Column (d), Total.
<b>2.</b>	<b>Balances With Depository Institutions</b>	Subtotal is automatically shown as the total of Lines 2.1 through 2.2.2.2. Subtotal must equal amount reported in Form 1, Balance Sheet, Line 1.2, Column (d).
2.1	Depository Institutions Domestic	
2.1.1	CBSI	Amount is automatically shown from Form 1, Balance Sheet, as the total of Line 1.2.1.1.1, Column (d), plus Line 1.2.3.1.1, Column (d).
2.1.2	Other Depository Institutions	Amount is automatically shown from Form 1, Balance Sheet, as the total of: Line 1.2.1.1.2, Column (d), plus Line 1.2.2.1, Column (d), plus Line 1.2.3.1.2, Column (d).
2.2	Depository Institutions Abroad	
2.2.1	Demand Balances	Amount is automatically shown from Form 1, Balance Sheet, as the total of: Line 1.2.1.2, Column (d), plus Line 1.2.2.2, Column (d)
2.2.2	Time Balances	Subtotal is automatically shown. Amounts reported in Lines 2.2.2.1. and 2.2.2.2 must equal the amount reported in Form 1, Balance Sheet, Line 1.2.3, Column (d)
2.2.2.1	With Maturity of Less Than One Year	Report the amount of time balances due from depository institution as reported in Form 1, Balance Sheet, Line 1.2.3, Column (d), which have a remaining term to maturity of less than one year as measured from the Return Date.
2.2.2.2	With Maturity of More One Year or More	Report the amount of time balances due from depository institutions as reported in Form 1, Balance Sheet, Line 1.2.3, Column (d), which have a remaining term to maturity of one year or more as measured from the Return Date.
<b>3.</b>	<b>Debt Securities Issued By</b>	Subtotal is shown automatically. Report in the appropriate Line the amount of debt securities issued by the indicated counterparty as reported in Form 1, Balance Sheet, Line 1.3, Column (d). Exclude and report in Line 3.5, the amount/s of any debt securities which have been pledged, lodged or otherwise encumbered by the reporting financial institution to secure borrowings or other liabilities. Amounts reported in Lines 3.1 through 3.6 must equal amount reported in Form 1, Balance Sheet, Line 1.3, Column (d).
<b>4.</b>	<b>Loans and Advances</b>	Subtotal is shown automatically. Amounts reported in Lines 4.1 through 4.8 must equal amount reported in Form 1, Balance Sheet, Line 1.4, Column (d). Exclude and report in Line 4.7, the amount/s of any loans

## Form 3 – Risk Based Capital

Line Code	Line Item	Instructions
		<p>which have been pledged, lodged or otherwise encumbered by the reporting financial institution to secured borrowings or other liabilities.</p> <p>Refer to Form 1, Balance Sheet, Line 1.4, for definition of “loans and advances” (loans).</p>
4.1	Loans Past Due 90 Days or More	<p>Subtotal is shown automatically.</p> <p>Amounts reported in Lines 4.1.1 and 4.1.2 must equal amount reported in Schedule 1:            Line 1., Columns (e) through (h) plus            Line 2., Columns (e) through (h).</p>
4.1.1	With Specific Provisions of Less Than 20%	<p>Report the total of all loans as reported in Schedule 1, Columns (e) through (h) which:</p> <ul style="list-style-type: none"> <li>• are past due 90 days or more for the payment of principal and/or interest, <b>and</b></li> <li>• against which specific provisions raised against each individual loan is each less than 20% of the outstanding balance of the loan.</li> </ul> <p>Exclude loans or portions thereof:</p> <ol style="list-style-type: none"> <li>1. secured by cash (report in Line 4.3),</li> <li>2. guaranteed as to the repayment of principal and interest by the Solomon Islands Government, provide the guarantee is in writing and unconditional (report in Line 4.4);</li> <li>3. secured by the current fair market value of treasury bills or other debt securities issued by the CBSI or the Solomon Islands Government, but excluding Restructured Bonds of the Solomon Islands Government, provide the treasury bills or other debt securities (report in Line 4.4).</li> </ol>
4.1.2	With Specific Provisions More Than 20%	<p>Report the total of all loans as reported in Schedule 1, Columns (e) through (h) which:</p> <ul style="list-style-type: none"> <li>• are past due 90 days or more for the payment of principal and/or interest, <b>and</b></li> <li>• against which specific provisions raised against each individual loan is each 20% or more of the outstanding balance of the loan.</li> </ul> <p>Exclude loans or portions thereof:</p> <ol style="list-style-type: none"> <li>1. secured by cash (report in Line 4.3),</li> <li>2. guaranteed as to the repayment of principal and interest by the Solomon Islands Government, provide the guarantee is in writing and unconditional (report in Line 4.4);</li> <li>3. secured by the current fair market value of treasury bills or other debt securities issued by the CBSI or the Solomon Islands Government, but excluding Restructured Bonds of the Solomon Islands Government, provide the treasury bills or other debt securities (report in Line 4.4).</li> </ol>
4.2	Loans of a Capital Nature	<p>Report the total of all loans as reported in Form 1, Balance Sheet, Line 1.4, Column (d), where the loan proceeds have been used to purchase shares or purchase other equity instruments issued by the reporting financial institution or other financial institutions.</p> <p>Other equity investments include instruments representing an ownership interest, including, but not limited to hybrid debt-equity instruments such as mandatory convertible</p>

## Form 3 – Risk Based Capital

Line Code	Line Item	Instructions
		shares, preferred share, etc.; and subordinated notes and debentures.
4.3	Secured by Cash	Report the total of all loans, or portions thereof, as reported in Form 1, Balance Sheet, Line 1.4, which are secured by cash held in a segregated account by the reporting financial institution.
4.4	Secured By CBSI or To or Guaranteed by SIG	Report the total of all loans as reported in Form 1, Balance Sheet, Lines 1.4, column (d), which are: <ol style="list-style-type: none"> <li>1. to the Solomon Islands Government;</li> <li>2. unconditionally guaranteed in writing as to the full repayment of principal and interest, or portion thereof, by the Solomon Islands Government;</li> <li>3. secured by the current fair market value of treasury bills or other debt securities issued by the CBSI or the Solomon Islands Government, but excluding Restructured Bonds of the Solomon Islands Government, provide the treasury bills or other debt securities.</li> </ol>
4.5	Secured by Residential Mortgage	Report the total of all loans as reported in Form 1, Balance Sheet, Lines 1.4, column (d), <b>secured by a properly filed, first lien mortgage over residential property.</b> Residential property means property used primarily for housing purposes by individuals, either owner-occupied or for long-term lease. For properties which are leased in whole or in part by the owner (borrower), to qualify as a residential property at least 80% of the gross rental income from the property/building must be derived from units rented solely for housing purposes by individuals. Residential property excludes guest houses, hotels and other facilities intended to provide accommodation for tourists.
4.6	Depository Institutions	
4.6.1	Domestic	Amount is automatically shown from Form 1, Balance Sheet, Line 1.4.1.2, Column (d).
4.6.2	Abroad	Subtotal is shown automatically. Amounts reported in Lines 4.6.2.1 and 4.6.2.2 must be equal to or less than the amount reported in Form 1, Balance Sheet, Line 1.4.7, Column (d).
4.6.2.1	With Maturity Less Than One Year	Report the amount of all loans as reported in Form 1, Balance Sheet, Line 1.4.7, Column (d), to depository institutions domiciled outside the Solomon Islands with a remaining term to maturity of less than one year as measured from the Return Date.
4.6.2.2	With Maturing of One Year or More	Report the amount of all loans as reported in Form 1, Balance Sheet, Line 1.4.7, Column (d), to depository institutions domiciled outside the Solomon Islands with a remaining term to maturity of one year or more as measured from the Return Date.
4.7	Loans Pledged to Secure Liabilities	Report the amount of all loans as reported in Form 1, Balance Sheet, Lines 1.4, Column (d), which have been pledged, lodged or otherwise encumbered by the reporting financial institution to secure borrowings and other liabilities.
4.8	All Other Loans	
5.	<b>Interbank Funds Sold &amp; Securities Purchased Under</b>	Amount is shown automatically from Form 1, Balance Sheet, Line 1.5, Column (d).

## Form 3 – Risk Based Capital

Line Code	Line Item	Instructions
	<b>Agreement to Resell</b>	
5.1	Depository Institutions Domestic	
5.1.1	CBSI	Amount is shown automatically from Form 1, Balance Sheet, Line 1.5.1.1, Column (d).
5.1.2	Other Depository Institutions	Amount is shown automatically from Form 1, Balance Sheet, Line 1.5.1.2, Column (d).
5.2	Other Financial Corporations Domestic	Amount is shown automatically from Form 1, Balance Sheet, Line 1.5.2, Column (d).
5.3	Depository Institutions Abroad	Amount is shown automatically from Form 1, Balance Sheet, Line 1.5.3, Column (d).
<b>6.</b>	<b>Accrued Interest Receivable</b>	Amount is shown automatically from Form 1, Balance Sheet, Line 1.6, Column (d).
6.1	CBSI	Amount is shown automatically from Form 1, Balance Sheet, as the total of: Line 1.6.1.1.1, Column (d), plus Line 1.6.3.1.1, Column (d), plus Line 1.6.4.1.1, Column (d), plus Line 1.6.6.1.1, Column (d).
6.2	Other Depository Institutions	
6.2.1	Domestic	Amount is shown automatically from Form 1, Balance Sheet, as the total of: Line 1.6.1.1.2, Column (d), plus Line 1.6.2.1, Column (d), plus Line 1.6.3.1.2, Column (d), plus Line 1.6.4.1.2, Column (d), plus Line 1.6.5.1, Column (d), plus Line 1.6.6.1.2, Column (d).
6.2.2	Abroad	Report the amount of accrued but unpaid interest on the books of the reporting financial institution due from depository institutions domiciled outside the Solomon Islands.
6.3	Central Government	
6.3.1	Loans & Treasury Bills	Amount is shown automatically from Form 1, Balance Sheet, as the total of: Line 1.6.4.3.1, Column (d), plus Line 1.6.5.3, Column (d).
6.3.2	Restructured Bonds	Amount is shown automatically from Form 1, Balance Sheet, Line 1.6.4.3.2, Column (d).
6.4	Provincial Governments	Amount is shown automatically from Form 1, Balance Sheet, Line 1.6.5.4, Column (d).
6.5	All Others	Amount is automatically shown as the result of Form 1, Balance Sheet, Line 1.6, Column (d), minus the total of Lines 6.1 through 6.4, Form 3, Risk Based Capital.
<b>7.</b>	<b>Shares &amp; Other Equity Investments</b>	Amount is automatically shown from Form 1, Balance Sheet, Line 1.7, Column (d).
<b>8.</b>	<b>Dividends Receivable</b>	Amount is automatically shown from Form 1, Balance Sheet, Line 1.8, Column (d).
<b>9.</b>	<b>Items In Transit</b>	Amount is automatically shown from Form 1, Balance Sheet, Line 1.9, Column (d).
<b>10.</b>	<b>Customers' Liability To This</b>	

## Form 3 – Risk Based Capital

Line Code	Line Item	Instructions
	<b>Bank On Acceptances Outstanding</b>	
10.1	CBSI	Amount is shown automatically from Form 1, Balance Sheet, Line 1.10.1.1, Column (d).
10.2	Depository Institutions	
10.2.1	Domestic	Amount is shown automatically from Form 1, Balance Sheet, Line 1.10.1.2, Column (d)
10.2.2	Abroad	Amount is shown automatically from Form 1, Balance Sheet, as the total of: Line 1.10.7.1, Column (d), plus Line 1.10.7.2, Column (d)
10.3	Central Government	Amount is shown automatically from Form 1, Balance Sheet, Line 1.10.3, Column (d).
10.4	Provincial Assemblies & Local Governments	Amount is shown automatically from Form 1, Balance Sheet, Line 1.10.4, Column (d).
10.5	All Others	Amount is shown automatically as the result of Form 1, Balance Sheet Line 1.10, Column (d), minus the total of Lines 10.1 through 10.4, Form 3, Risk Based Capital.
<b>11.</b>	<b>Nonfinancial Assets</b>	Amount is shown automatically from Form 1, Balance sheet, Line 1.11, Column (d).
11.1	Premises & Equipment	Amount is shown automatically from Form 1, Balance Sheet, Line 1.11.1, Column (d).
11.2	Inventories	Amount is shown automatically from Form 1, Balance Sheet, Line 1.11.2, Column (d).
11.3	Goodwill & Other Intangibles	Amount is shown automatically from Form 1, Balance Sheet, Line 1.11.3, Column (d).
11.4	All Others	Amount is shown automatically from Form 1, Balance Sheet, Line 1.11.4, Column (d).
<b>12.</b>	<b>Other Assets</b>	Amount is shown automatically from Form 1, Balance Sheet, Line 1.12.
<b>13.</b>	<b>Total Risk Weighted Assets</b>	Amount is shown automatically as the total of Lines 1. through 12., Column (d).
<b>Step 2.</b>	<b>DETERMINING OFF-BALANCE SHEET RISK WEIGHTED ASSETS</b>	
<b>14.</b>	<b>Direct Credit Substitutes</b>	Report in the appropriate line according to the bank's customer (counterparty) the total of all: (a) Guarantees where the reporting financial institution undertakes to meet financial obligations of a counterparty upon default; and (b) Standby letters of credit serving as a financial guarantee.
<b>15</b>	<b>Trade and Performance Contingent Items</b>	Report in the appropriate Line according to the type of counterparty (the financial institution's customer) the total of all : (a) Documentary letters of credit secured against underlying shipment of goods; (b) Warranties, bid bonds, indemnities, performance bonds related to particular non-monetary obligations.
<b>16.</b>	<b>Commitments</b>	Commitments include all formal written agreements for: 1. the advance of funds or credit, and 2. the purchase of assets  Commitments include formal written commitments and

## Form 3 – Risk Based Capital

Line Code	Line Item	Instructions
		agreements entered into between the reporting financial institution and a customer to (i) advance funds upon the demand of the customer or upon the occurrence of specific conditions. The bank may or may not charge a fee to the customer for the issuance of
16.1	Commitments with Certain Drawn Down	Report in the appropriate Line 16.1, according to the type of asset and not the counterparty with the transaction that has been entered, the total amount of outstanding forward asset purchases and the unpaid portion of partly-paid shares and securities.
16.2	Other Commitments	
16.2.1	Unconditionally Cancelable At Any Time	Report in the appropriate Lines 16.2.1, according to the type of counterparty (the reporting financial institution's customer), the total unfunded amount of all written commitments issued (or otherwise confirmed in writing to the counterparty) by the reporting financial institution for the advance of funds which the reporting financial institution, by the terms of the written commitment may, in its sole discretion, cancel at any time without prior notice to the counterparty or other limitations.  Written commitments for the advance of funds include formal standby facilities, credit lines, revolving lines of credit, overdraft lines of credit, and other commitments obligating the reporting financial institution to advance funds.
16.2.2	Non-cancelable With A Residual Maturity Of One Year Or Less	Report in the appropriate Lines 16.2.2, according to the type of counterparty (the reporting financial institution's customer), the total unfunded amount of all written commitments issued (or otherwise confirmed in writing to the counterparty) by the reporting financial institution for the advance of funds which the reporting financial institution, by the terms of the written commitment:  1. can not be cancelled at the sole discretion of the reporting financial; and 2. have a remaining term to maturity/expiration as measured from the Return Date of one year or less.
16.2.3	Non—cancelable With A Residual Maturity Of More Than One Year	Report in the appropriate Lines 16.2.3, according to the type of counterparty (the reporting financial institution's customer), the total unfunded amount of all written commitments issued (or otherwise confirmed in writing to the counterparty) by the reporting financial institution for the advance of funds which the reporting financial institution, by the terms of the written commitment:  1. which can not be cancelled at the sole discretion of the reporting financial; and 2. have a remaining term to maturity/expiration as measured from the Return Date of more than one year.
17.	<b>Foreign Exchange Contract Outstanding</b>	Report in the appropriate Lines 17, according to the original contract term/maturity, the total outstanding contract amounts for the purchase or sale of foreign currencies.
18.	<b>TOTAL OFF-BALANCE SHEET RISK WEIGHTED ASSETS</b>	Amount is shown automatically as the total of Lines 14 through 17, column (f).
<b>Step 3:</b>	<b>DETERMINING OPERATIONAL RISK ASSETS</b>	
19.	<b>Net Operating Profit (Loss) Before Tax</b>	Report in the appropriate column for the indicated calendar-year end the net operating profit (loss) before tax calculated

### Form 3 – Risk Based Capital

Line Code	Line Item	Instructions
		in accordance with Form 2, Line 12., Column (d).
20.	<b>Plus: Specific Provisions for Losses on Loans</b>	Report in the appropriate column for the indicated calendar year-end the expense amount for specific provisions for losses on loans calculated in accordance with Form 2, Line 7.1, Column (d).
21.	<b>Plus: General Loan Loss Provisions</b>	Report in the appropriate column for the indicated calendar year-end the expense amount for general loan loss provisions calculated in accordance with Form 2, Line 7.3, Column (d).
22.	<b>Plus: Administrative and Occupancy Expense</b>	Report in the appropriate column for the indicated calendar year-end the total administrative and occupancy expenses calculated in accordance with Form 2, Line 5.5, Column (d).
23.	<b>Plus: Depreciation on Fixed Assets</b>	Report in the appropriate column for the indicated calendar year-end the total depreciation expense on fixed assets (premises and equipment) calculated in accordance with Form 2, Line 5.6, Column (d).
24.	<b>Plus: Outsourcing Service Fees and Expenses</b>	Report in the appropriate column for the indicated calendar year-end the total outsourcing service fees and expenses calculated in accordance with Form 2, Line 5.4, Column (d)
25.	<b>Less: Gains (Losses) on Trading Assets</b>	Report in the appropriate column for the indicated calendar year-end the total realized gains and losses on assets categorized as trading in the balance sheet and calculated in accordance with Form 2, Line 4.1, Column (d). Note: Report realized losses as a negative amount (i.e., “-100”).
26.	<b>Less: Gains (Losses) on Other Than Trading Assets</b>	Report in the appropriate column for the indicated calendar year-end the total realized gains and losses on assets categorized as “other than trading” in the balance sheet and calculated in accordance with Form 2, Line 4.2, Column (d).. Note: Report realized losses as a negative amount (i.e., “-100”).
27.	<b>Total Annual Gross Income</b>	Amount is shown automatically as the sum to Lines 19. through 26.
28.	<b>Number of Previous Three Years With Positive Gross Income</b>	Number is shown automatically.
29.	<b>Total Operational Risk Assets (annual average positive gross income)</b>	Amount is automatically calculated as Line 27, Column (e). divided by Line 28.
<b>Step 4.</b>	<b>CALCULATION OF TOTAL RISK WEIGHTED ASSETS</b>	
30.	<b>Total On-Balance Sheet Risk Weighted Assets</b>	Amount is shown automatically from Line 13., Column (d).
31.	<b>Total Off-Balance Sheet Risk Weighted Assets</b>	Amount is shown automatically from Line 18., Column (f).
32.	<b>Total Operational Risk Assets</b>	Amount is shown automatically from Line 29., Column (e).
33.	<b>Sub-total Gross Risk Weighted Assets</b>	Amount is shown automatically as the total of Lines 30., plus 31., plus 32.
34.	<b>Less: Ineligible Provisions for Doubtful Loans</b>	Amount is shown automatically. Ineligible Provisions for Doubtful loans includes that portion

## Form 3 – Risk Based Capital

Line Code	Line Item	Instructions
		of the General Loan Loss Provisions reported in Line 37.3, below, if any, which exceed 1.25% of Gross Risk Weighted Assets calculated in Line 33.
<b>35.</b>	<b>Total Risk-Weighted Assets</b>	Amount is shown automatically as the Total of Line 33. minus Lines 34.
<b>Step 5.</b>	<b>CAPITAL CALCULATIONS</b>	
<b>36.</b>	<b>Tier 1 Capital</b>	Subtotal is shown automatically as the total of Lines 36.1 through 36.6.2., Column (b).
36.1	Paid-up Ordinary Shares	Amount is shown automatically from Form 1, Balance Sheet, Line 2.12.1, Column (d).
36.2	Paid-in Premium or Surplus	Amount is shown automatically from Form 1, Balance Sheet, Line 2.12.2, Column (d).
36.3	Audited Retained Earnings (Prior Years)	Amount is shown automatically from Form 1, Balance Sheet, Line 2.12.4.1, Column (d).
36.4	Assigned Capital	Amount is shown automatically from Form 1, Balance Sheet, Line 2.12.3, Column (d).
36.5	Other	Report the amount of other capital instruments as approved by the CBSI for inclusion as a Tier-1 capital component reportable in Form 1, Balance Sheet, Line 2.12.6, Column (d).
36.7	Less:	
36.7.1	Unaudited Losses	Amount is shown automatically from amounts reported in Lines 37.1.1 and 37.1.2 as the total of (i) unaudited losses from prior years, if any, plus (ii) year-to-date unaudited losses, if any.
36.7.2	Goodwill and Other Intangibles	Amount is shown automatically from Line 11.3, Column (d).
<b>37.</b>	<b>Tier 2 Capital</b>	Subtotal is shown automatically as the total of Lines 37.1 through 37.4.
37.1	Unaudited Profits (Loss)	Subtotal is shown automatically as the total unaudited profits from prior years and current year-to-date.
37.1.1	Prior Years Profit (Losses)	Amount is shown automatically from Form 1, Balance Sheet, Line 2.12.4.2.1, Column (d).
37.1.2	Current Year-to-date Profit (Loss)	Amount is shown automatically from Form 1, Balance Sheet, Line 2.12.4.2.2, Column (d)
37.2	Asset Revaluation Reserves	Amount is shown automatically from Form 1, Balance Sheet, Line 2.12.5, Column (d).
37.2.1	Less: Asset Revaluation Reserve Required Discount	Amount is shown automatically as 55% of Line 37.2.
37.2.2	Allowable Revaluation Reserves	Amount is shown automatically as the result of Line 37.2 minus Lines 37.2.1.
37.3	General Provisions for Doubtful Debts	Amount is shown automatically from Form 1, Balance Sheet, Line 2.10.3, Column (d).
37.3.1	Maximum Eligible General Provisions for Doubtful Debts	Amount is shown automatically as 1.25% of Line 33., Column (c).
37.3.2	Allowable General Provisions	Amount is shown automatically as the result of Line 37.3 minus Line 37.3.1.
37.4	Other	Report the amount of other capital instruments as approved by the CBSI for inclusion as a Tier-2 capital component reportable in Form 1, Balance Sheet, Line 2.12.6, Column (d).

## Form 3 – Risk Based Capital

Line Code	Line Item	Instructions
<b>38.</b>	<b>Capital Base</b>	Amount is shown automatically as the total of: Line 36., Column (c), plus Line 37., Column (c), minus Line 38.1.3, Column (c), minus Line 38.2, Column (c).
38.1	Adjustment (applicable only to branches of foreign financial institutions)	
38.1.1	Amount due FROM Head/Parent Office and Branches Abroad	Amount is shown automatically from Form 1, Balance Sheet, as the total of : Line 1.2.1.2.1, Column (d), plus Line 1.2.2.2.1, Column (d), plus Line 1.2.3.2.1, Column (d), plus Line 1.6.6.3.1, Column (d)
38.1.2	Amount due TO Head/Parent Office and Branches Abroad	Amount is shown automatically from Form 1, Balance Sheet, as the total of: Line 2.1.1.7.1, Column (d), plus Line 2.1.2.7.1, Column (d), plus Line 2.1.3.7.1, Column (d), plus Line 2.4.3.1, Column (d).
38.1.3	Net Amount Due FROM Head/Parent Office or Branches Abroad	Amount is shown automatically as the result of Line 38.1.1 minus Line 38.1.2, but not less than 0.
<b>39.</b>	<b>Tier 1 Capital to Risk Weighted Assets</b>	Percent is shown automatically as the ratio of Tier 1 Capital reported in Line 36., Column (c) to Total Risk Weighted Assets reported in Line 35., Column (d).
<b>40.</b>	<b>Total Capital to Risk Weighted Assets</b>	Percent is shown automatically as the ratio of Capital Base reported in Line 38., Column (d) to Total Risk Weighted Assets reported in Line 35., Column (d).