



## CENTRAL BANK OF THE BAHAMAS

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# GUIDANCE NOTES FOR THE COMPLETION OF THE FINANCIAL RETURNS (EXCEL REPORTING SYSTEM - ERS)

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NOVEMBER 2010 (Revised<sup>1</sup>)

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## Table of Contents

<b>1. Overview Of The Excel Reporting System .....</b>	<b>4</b>
<b>2. Filing Instructions For The Excel Reporting System .....</b>	<b>5</b>
Monthly Forms.....	5
Quarterly Forms.....	5
Submission Protocols.....	5
<b>3. Applicability .....</b>	<b>6</b>
<b>4. Form Overview .....</b>	<b>7</b>
<b>a. General Information.....</b>	<b>7</b>
Security .....	Error! Bookmark not defined.
Certification.....	7
<b>b. Form 1: Statement Of Liabilities And Capital &amp; Reserves.....</b>	<b>7</b>
Liabilities (items 1 – 8, 12, 15) .....	7
Capital & Reserves (Items 9 – 11, 13) .....	10
<b>c. Form 2: Statement Of Assets &amp; Contingent Liabilities .....</b>	<b>11</b>
Assets (Items 1 - 11).....	12
<b>d. Form 2A: Statement Of Other Assets And Other Liabilities.....</b>	<b>17</b>
<b>e. Form 3: Analysis Of Deposits By Depositors.....</b>	<b>17</b>
Resident .....	18
Non-resident .....	18
<b>f. Form 3C: Analysis of Foreign Currency Deposits of Residents .....</b>	<b>19</b>
Client accounts.....	19
<b>g. Form 4: Analysis of Loans And Overdrafts Classified By Sector, Currency And Maturity .....</b>	<b>19</b>
<b>h. Form 5: Analysis of Consumer Credit.....</b>	<b>25</b>
<b>i. Form 10: Analysis of Inter-Financial Institutions’ Transactions .....</b>	<b>27</b>
<b>j. Statement of Capital Adequacy.....</b>	<b>27</b>
Capital Composition: Core and Supplementary Capital (Tier 1 and 2) .....	28
On-Balance Sheet Items.....	31
Final Calculation of Capital Adequacy Ratio .....	31
Off-Balance Sheet Items (Non-Derivative Instruments) .....	32
Off-Balance Sheet Items (Derivative Instruments) .....	33
<b>k. Statement of Assets and Liabilities By Zone.....</b>	<b>33</b>
<b>l. Statement of Investments .....</b>	<b>34</b>
<b>m. Statement of Ten Largest Market Loans .....</b>	<b>35</b>
<b>n. Statement of Ten Largest Depositors .....</b>	<b>36</b>
<b>o. Statement of Large Exposures.....</b>	<b>36</b>
<b>p. Large Loan Arrears 31 Days And Over By Individual Non-Bank Counterparties And Groups Of Closely Related Non-Bank Counterparties .....</b>	<b>37</b>
<b>q. Large Exposures To Individual Non-Bank Counterparties And Groups Of Closely Related Non-Bank Counterparties.....</b>	<b>37</b>
<b>r. Form 3B: Analysis Of Resident Deposits By Range Of Value.....</b>	<b>37</b>
<b>s. Form 5B: Credit Card Report .....</b>	<b>38</b>
<b>t. Form 6: Quarterly Mortgages Report .....</b>	<b>39</b>
<b>u. Form 7: Profit and Loss Statement .....</b>	<b>40</b>

Operating Income .....	40
Operating Expense .....	42
Net Income (Loss) .....	43
Allocation Of Profits .....	43
Memorandum Items .....	43
<b>v. Form 8: Analysis Of Payments System .....</b>	<b>44</b>
<b>w. Quarterly Statement Of Fiduciary Assets .....</b>	<b>47</b>
<b>x. Maturity-Wise Analysis Of Liabilities And Assets .....</b>	<b>48</b>
<b>y. Interest Rate Sensitivity Of Liabilities And Assets .....</b>	<b>49</b>
<b>z. Investments by Currency Type .....</b>	<b>49</b>
<b>5. Appendix I .....</b>	<b>53</b>
Commercial Banks (Authorized Dealers) .....	53
Other Local Financial Institutions (Authorized Agents) .....	53
<b>6. Appendix II .....</b>	<b>54</b>
Public Non-Financial Institutions .....	54
Public Financial Institutions .....	54
<b>7. Appendix III .....</b>	<b>55</b>
Departments / Ministries / Commissioners' Accounts .....	55
<b>8. Appendix IV .....</b>	<b>56</b>
Definitions .....	56

# 1. Overview Of The Excel Reporting System


The Excel Reporting System (ERS) is a series of Microsoft Excel-based templates, which are designed to improve the regulatory reporting for licensees of Central Bank of The Bahamas. These Guidance Notes serve as a companion tool to the ERS to provide licensees with an overview of the ERS as well as the filing and reporting instructions. These Guidance Notes replace the previous Guidelines for the completion of the Monthly Statements of Assets and Liabilities and the Guidance Notes for the Completion of the BSD Quarterly Reporting Forms (Revised February 2010).

A copy of the ERS file template and Guidance Notes are placed on Central Bank's website for ease of access and reference by licensees. These documents may be located on the website as follows:

Log onto: [www.centralbankbahamas.com](http://www.centralbankbahamas.com)

- Click on Bank Supervision
- Select Regulatory Framework
- Select Downloadable Forms

These documents would specify the version and release or amended date. Any amendments to these files would be formally advised to the licensees, with a general notice posted immediately to the Central Bank's website. When a revised ERS version is released, licensees are required to download the updated file to complete its reporting submissions.

The guidance notes gives a brief description of each of the forms that make up the ERS. In addition, the guidance notes provide clarification on the data that is to be entered in the various rows and columns of the forms. In some cases, the forms are self explanatory. Four appendices have been added to this document as reference tools in completing the various forms. Throughout the guidance notes this symbol  has been placed against key information that licensees should take into account in completing the forms.

The submission of the ERS is a requirement of all public banks and trust companies. The Central Bank has taken into account that the ERS in its entirety will not apply to all categories of licensees, therefore licensees should refer to Section 3 – “Applicability” of the guidance note in determining which forms are to be completed as a part of their ERS submission.

Licensees are expected to have appropriate procedures in place to ensure that all completed forms are accurate and are timely submitted. Breakdowns in internal controls, staff shortages and vacations are not considered compelling reasons for late and erroneous filings of the ERS. Should a licensee's ERS be sent to the submission mailbox with errors or non-zero values on the Consistency Checks page, the Mailbox Administrator will reject the ERS submission and the licensee will be immediately notified via email. Therefore, it is imperative that licensees ensure that all applicable sections of the ERS forms are fully completed, such that all material information pertinent to the licensees' operations is entered into the appropriate forms. To assist with validation of data entered certain cross checks have been embedded across various forms.

## 2. Filing Instructions For The Excel Reporting System

All Public Banks and Trust Companies are required to upload the completed ERS form set to the ORIMS Portal at <https://orimsportal.centralbankbahamas.com>. A copy of the completed "General Information Form" should be signed by two senior officials or authorised alternate(s). This form should be scanned and emailed to the [RegReports@centralbankbahamas.com](mailto:RegReports@centralbankbahamas.com).

### Monthly Forms

All Authorized Dealers and Agents are required to complete the suite of monthly forms in the ERS. The ERS should be uploaded no later than 21 calendar days after the month end.

### Quarterly Forms

All public licensees (inclusive of Authorized Dealers and Agents) are required to complete the suite of monthly and quarterly forms in the ERS. The ERS should be uploaded no later than 21 calendar days after the quarter end. The quarter end is based on the calendar year.

### Submission Protocols

- Only submissions sent via the ORIMS Portal will be accepted.
- Attestations sent via e-mail are to properly state the bank name, code and date of the report.
- Data should be rounded to the nearest thousands of dollars (no decimals), except where rates or ratios are reported.
- The ORIMS portal contains automatic validation rules, which are checked and verified only after submission to the ORIMS Supervision Centre (that is, to the Regulator).
- Any and all amendments to be made to subsequent submissions are to be requested via the ORIMS portal. Please ensure that the reason for re-submission is required to be clearly stated or articulated.

### 3. Applicability

Forms/Schedules		Auth. Dealer		Auth. Agent		Int'l Banks (Non-resident)		Trust Cos (Non-resident)	
		YES	No	YES	No	YES	No	YES	No
1.	Form 1 – Statement of Liabilities	✓		✓		✓		✓	
2.	Form 2 – Statement of Assets	✓		✓		✓		✓	
3.	Form 2A – Statement of Other Assets and Liabilities	✓		✓		✓		✓	
4.	Form 3 – Analysis of Deposits by Depositors	✓		✓		✓			✓
5.	Form 3C – Analysis of F/C Deposits of Residents	✓		✓			✓		✓
6.	Form 4 – Analysis of Loans & Overdrafts	✓		✓		✓			✓
7.	Form 5 – Analysis of Consumer Credit	✓		✓		✓			✓
8.	Form 10 – Analysis of Inter-Financial Transactions	✓		✓			✓		✓
9.	Capital Adequacy	✓		✓		✓			✓
10.	Statement of Assets & Liabilities by Zone	✓		✓		✓		✓	
11.	Statement of Investments	✓		✓		✓		✓	
12.	Statement of Ten Largest Market Loans	✓		✓		✓		✓	
13.	Statement of Ten Largest Depositors	✓		✓		✓		✓	
14.	Statement of Large Exposures	✓		✓		✓			✓
15.	Statement of 20 Largest Loan Arrears	✓		✓		✓			✓
16.	Statement of 20 Largest Exposures	✓		✓		✓			✓
17.	Form 3B – Analysis of Resident B\$ Deposits	✓			✓		✓		✓
18.	Form 5B – Credit Card Report	✓			✓		✓		✓
19.	Form 6 – Mortgages Report	✓			✓		✓		✓
20.	Form 7 – Profit & Loss	✓		✓		✓		✓	
21.	Form 8 – Survey of Payments	✓		✓		✓		✓	
22.	Statement of Fiduciary Assets	✓		✓		✓		✓	
23.	Maturity-Wise Analysis of Liabilities & Assets	✓		✓		✓		✓	
24.	Interest Rate Sensitivity of Liabilities & Assets	✓		✓		✓		✓	
25.	Investments by Currency Type	✓		✓		✓			✓

{Required – ✓} {Required from the licensee if it is a “Bank” ✓} {Not Required – ✓} { \*International Trust Companies will report Market loans only} {\*\*Trading Statistics should be reported by licensees who are licensed/registered by the Securities Commission of The Bahamas)

## 4. Form Overview

### a. General Information

#### Certification

Two senior officers of the licensee are required to sign the returns and in doing so, certify that,

“We certify that the figures in these forms present a true and fair view of the licensee’s position as at the above reporting date. We undertake that if there are further material facts affecting the licensee’s affairs, which, in our judgment, should be disclosed, that we will promptly advise the Central Bank of The Bahamas.”

A scanned copy of the signed form should be emailed to [RegReports@centralbankbahamas.com](mailto:RegReports@centralbankbahamas.com). Alternatively, the signed form may be faxed, mailed or hand delivered to the Central Bank.

### b. Form 1: Statement Of Liabilities And Capital & Reserves

This report form provides a breakdown of all liabilities and capital & reserves on the balance sheet. Data should only be entered in the white cells; all other cells contain formulas and are protected.

The following list of categories provides a guide to users by (1) item number (2) description of the information (as it appears on the form), and (3) additional guidance on reporting. Categories that do not require direct input are shaded.

#### Liabilities (items 1 – 8, 12, 15)

##### 1. DEPOSITS

Represents unpaid balance of money received or held by institutions on which they are obliged to give credit on demand, savings or fixed deposits.

- Include all debit balances on customers’ accounts.
- Include breakdown for government, public corporations/public financial institutions and other residents.
- Exclude all financial deposits, i.e. deposits of the Central Bank; Authorized Dealers (commercial banks); Authorized Agents (Other Local Financial Institutions); other resident banks, and offshore financial institutions.

##### a) Demand Deposits (Checking Accounts)

Include all current and call accounts of customers that can be withdrawn by cheque without notice or delay and money at call and short notice, which is repayable on demand or requires up to thirty days notice. This should also include funds loaned to the licensee by shareholders that do not fall under the definition of items 9, 10, 11 and 13.

##### b) Savings Deposits

Include accounts that are not necessarily payable on demand nor held for any fixed period of maturity and where withdrawals are normally made upon presentation of a passbook.

c) Fixed Deposits

Include accounts which have a specified term of maturity or other withdrawal conditions, could include automatic or written renewal provisions. This should also include funds loaned to the licensee by shareholders that do not fall under the definition of items 9, 10, 11 and 13.

These should be segregated according to the following: "Up to 3 months," "Up to 6 months," "Up to 12 months," and "Over 12 months".

d) Negotiable Certificate of Deposit Issued

Include all negotiable certificates of deposit issued by the licensee and still outstanding.

2. DUE TO CENTRAL BANK

a) Borrowings from Central Bank

Borrowings should include all loans obtained from the Central Bank.

b) Deposits held for Central Bank

Deposits should include funds placed with the reporting bank by the Central Bank.

3. DUE TO FINANCIAL INSTITUTIONS (IN THE BAHAMAS)

- Include financial deposits of Authorized Dealers and Agents only. See [Appendix I](#).
- Include banks that specialize in foreign currency transactions or trust business and other financial business.
- For banks with a branch network, "Deposits for" or "Loans from" other branches in The Bahamas should NOT be included. These should net out and hence are excluded from the consolidated report submitted to the Central Bank. "Deposits of" or "borrowings from" other bank branches outside The Bahamas should NOT be recorded here.

a) Commercial Banks (Authorized Dealers)

Banks and trust companies under the Exchange Control Regulations Act that are authorized to deal in gold and foreign currencies.

(i) Demand Deposits

Demand deposits, money at call loans and other deposits that can be withdrawn on demand, without notice or penalty.

(ii) Fixed Deposits

Deposits that have a fixed term of maturity.

(iii) Borrowings

Include bank loans and other forms of borrowings including overdrafts or standby facilities.

b) Other Local Financial Institutions (Authorized Agents)



Other Local Financial Institutions, resident banks, and/or trust companies other than authorized dealers engaged in banking business (mainly accepting deposits that are not payable on demand, such as savings).

(i) Demand Deposits

Demand deposits, money at call loans and other deposits which can be withdrawn on demand, without notice or penalty.

(ii) Fixed Deposits

Deposits which have a fixed term of maturity.

(iii) Borrowings

Include bank loans and other forms of borrowings including overdrafts or standby facilities.

c) Due to "Offshore" Financial Institutions in Bahamas

Include deposits of all offshore financial institutions (mainly the Euro-currency banks) in The Bahamas.

Do not include those banks listed in [Appendix I](#). Refer to the latest available list of [Banks & Trust Companies](#) found at [www.centralbankbahamas.com](http://www.centralbankbahamas.com) → Bank Supervision → Regulated Entities.

All currency balances under this heading form a portion of the external liabilities of the reporting bank.

4. DUE TO FINANCIAL INSTITUTIONS (OUTSIDE BAHAMAS)

Balances of the reporting bank owed to banks outside The Bahamas or to the head office or branches of the same bank that are located outside The Bahamas.

All amounts under this category form a portion of the external liabilities of the reporting bank.

See notes relating to items 3 a) and b).

5. BILLS PAYABLE

Promissory notes or other instruments for which the reporting bank is liable. This also includes bills drawn by the licensee under an acceptance credit facility granted by another bank.

a) In The Bahamas

Bills payable to resident individuals or institutions

b) Outside The Bahamas

Bills payable to non-resident individuals or institutions

Balances in 5(B) form a part of the external liabilities of the reporting bank.

6. DEBENTURES ISSUED

Include promissory notes, debentures or other instruments issued to the reporting bank by resident or non-resident individuals or institutions.

a) In The Bahamas

Debentures from residents, foreign currency amounts require Exchange Control approval.

b) Outside The Bahamas

Debentures from non-residents, Bahamian dollar amounts require Exchange Control approval.

Item 6b) forms a part of the external liabilities of the reporting bank.

## 7. CHEQUES AND OTHER INSTRUMENTS

Include cheques, drafts, etc. drawn on the reporting bank which have not yet been paid.

Local clearings charged against the licensee should NOT be entered in this item because they are considered settled through the account with The Central Bank of The Bahamas.

## 8. OTHER LIABILITIES

Include all other liabilities falling under the following categories:

a) Accrued Interest

Include all accrued charges of interest which remain unpaid as of the reporting date on all classes of deposit accounts.

b) Accounts Payable

Those obligations originating from the normal course of business, e.g. wire transfers, collection items, etc.

c) Suspense Accounts

Un-posted items held temporarily until offsetting entry is received or posted to the proper account.

d) Other

All other liabilities not defined above. Details of items reported in (d) should be listed on [Form 2A: Other Assets and Liabilities](#) of the ERS.

## 15. FOREIGN EXCHANGE FORWARD CONTRACTS: SALE

A forward contract allows a bank, or a bank's customer, to arrange for sale of a specific amount of currency on a specified future date, at the current market price.

### [Capital & Reserves \(Items 9 – 11, 13\)](#)

## 9. LONG-TERM DEBT (TIER 2 CAPITAL)

a) Hybrid Debt/Equity

Include all loans that are a combination of debt and equity financing.

b) Unsecured Subordinated Loan Stock

Include only unsecured loan stock subordinated in respect of both capital and interest to all other liabilities except those to equity shareholders.

## 10. SHAREHOLDERS FUNDS

### a) Paid-up Share Capital

Paid-up capital only; refers to amounts paid in by the shareholders represented by stock or dividends. Include the nominal paid-up value of both ordinary and preference shares. Where shares have been issued at a premium, the premium should be included under item 11.

### b) Minority Interest

Where the licensee reports on a solo consolidated or consolidated basis, include the claim in the permanent shareholders' equity of any partly-owned subsidiary company or minority owned company which is included in the consolidation.

## 11. RESERVES

General reserve funds; amounts appropriated out of profits for general purposes such as construction, renovation, and other contingencies. Include the retained earnings from previous years, share premium and other capital reserves.

## 13. PROFIT AND LOSS ACCOUNT

### a) Retained Earnings

Profits retained in the bank after payment of dividends for the previous year, and not classified under other items.

### b) Accrued Profit for the Current Year

Accumulation of earnings for the current year.

## 14. TOTAL LIABILITIES AND CAPITAL & RESERVES

Automated calculation of items 1 through 13.

## 16. RELATED PARTY DEPOSITS

Include all deposits from subsidiary and associated companies of the licensee, its ultimate parent company, the company's other subsidiary and associated companies. Also included are deposits of directors (including an alternate) inclusive of any person who occupies such a position, by whatever name called. Finally, include the balances that are due to non-group banks with which directors and controllers are associated.

## c. Form 2: Statement Of Assets & Contingent Liabilities

This report form provides a breakdown of all assets and contingent liabilities on the balance sheet. Data should only be entered in the white cells; all other cells contain formulas and are protected.

The following list of categories provides a guide to users by (1) item number (2) description of the information (as it appears on the form), and (3) additional guidance on reporting. Categories that do not require direct input are shaded.

## Assets (Items 1 - 11)

### 1. NOTES AND COINS

Include all local and foreign currency in the form of bank notes and coins held by the financial institutions on the reporting date.

### 2. BALANCE WITH CENTRAL BANK

This is the credit balance of the reporting bank on account with the Central Bank as at the close of business on the reporting date.

### 3. GOVERNMENT SECURITIES

#### A. Bahamas Government

##### i) Locally Issued

- a) Treasury Bills ( up to 1 year original maturity)
- b) Long-term Securities

NFW

##### ii) Externally Issued

- a) Treasury Bills ( up to 1 year original maturity)
- b) Long-term Securities

NFW

#### B. Other Governments

- a) Treasury Bills ( up to 1 year original maturity)
- b) Long-term Securities

### 4. BALANCE WITH FINANCIAL INSTITUTIONS (IN THE BAHAMAS)

- Include financial deposits of Authorized Dealers and Agents only. See [Appendix I](#).
- Include banks which specialize in foreign currency transactions or trust business and other financial business.
- For banks with a branch network, "Deposits for" or "Loans from" other branches in The Bahamas should NOT be included. These should net out and hence are excluded from the consolidated report submitted to the Central Bank. "Deposits of" or "borrowings from" other bank branches outside The Bahamas should NOT be recorded here.

#### a) Commercial Banks (Authorized Dealers)

Banks and trust companies under the Exchange Control Regulations Act which are authorized to deal in gold and foreign currencies.

##### (i) Demand Deposits

Demand deposits, money at call loans and other deposits which can be withdrawn on demand, without notice or penalty.

##### (ii) Fixed Deposits

Deposits which have a fixed term of maturity.

##### (iii) Borrowings

Include bank loans (market placements) and other forms of borrowings including overdrafts or standby facilities.

(iv) Negotiable Paper Issued by Other Banks

Negotiable certificates of deposit and other negotiable paper issued by other banks.

b) Other Local Financial Institutions (Authorized Agents)

Other Local Financial Institutions, resident banks, and/or trust companies other than authorized dealers engaged in banking business (mainly accepting deposits that are not payable on demand, such as savings).

(i) Demand Deposits

Demand deposits, money at call loans and other deposits which can be withdrawn on demand, without notice or penalty.

(ii) Fixed Deposits

Deposits which have a fixed term of maturity.

(iii) Borrowings

Include bank loans (market placements) and other forms of borrowings including overdrafts or standby facilities.

(iv) Negotiable Paper Issued by Other Banks

Negotiable certificates of deposit and other negotiable paper issued by other banks.

c) Balance with "Offshore" Financial Institutions in Bahamas

Include deposits of all offshore financial institutions (mainly the Euro-currency banks) in The Bahamas.

☛ Do not include those banks listed in [Appendix I](#). Refer to the latest available list of [Banks & Trust Companies](#) found at [www.centralbankbahamas.com](http://www.centralbankbahamas.com) → Bank Supervision → Regulated Entities.

☛ Amounts held with Offshore Financial Institutions form a part of the external assets of the reporting bank.

## 5. BALANCE WITH FINANCIAL INSTITUTIONS (OUTSIDE THE BAHAMAS)

See notes for items 3 a) and b).

☛ All amounts under this category form a portion of the external assets of the reporting banks.

**NEW**


## 6. CLAIMS ON MULTILATERAL DEVELOPMENT BANKS (MDBS)


This should reflect any claims on MDBS for the purpose of national development.

## 7. LOANS AND ADVANCES


This account should reflect the aggregate book value of principal balances on all extensions of credit. Include all lending (whether against collateral or not) direct to customers, not included elsewhere. Include plant and equipment beneficially owned by the licensee which has been leased out. Do not offset loans and

advances against deposits even where a legal right of set-off exists under a hypothecation agreement. Do not deduct provisions for loan loss, but show the total outstanding balance with an appropriate entry under Form 1, item 12 (a). Do not include (1) lending to other banks ( item 3 and 4) except where funds placed with another bank are hypothecated against the performance of an ultimate borrower from the bank (i.e., record as a direct loan to the borrower), (2) lending by way of discounted bills of exchange and other negotiable paper (item 6).

 All loan data should include add on or unearned interest in loan balances. The corresponding interest accruals on loans should be reported as credit balances under 12 (a).

 All foreign currency items under 7(a) and all Bahamian dollar items under 7(b) require Exchange Control approval.

**NEW**

 All non-performing loan data should be included on a separate line item under the main heading "Loans and Advances".

a) Resident

Resident is meant to include:- The Bahamas Government and Public Corporations, Bahamian citizens, Bahamian-owned entities, Companies, Institutions or persons designated as "resident" for purposes under Exchange Control regulations.

(i) Government

Includes all government ministries, departments and Family Island accounts operated by commissioners on behalf of the Government. See [Appendix III](#).

(ii) Public Corporations/Public Financial Institutions

See [Appendix II](#) for a listing of these institutions.

(iii) Public Financial Institutions

See [Appendix II](#) for a listing of these institutions.

(iv) Mortgages

Include credit granted for the purpose of demolishing, modernizing and building commercial, industrial, or residential structures; e.g. roads, bridges, harbours, airports, houses, factories, hotels, etc.

(a) Residential Mortgages

Include credit to individuals secured by mortgages on residential properties (both freehold and leasehold) which are or will be occupied by the borrower, or which are rented, where such loans are fully secured by a first property charge.

Of which: Equity Loans

State the amount of the residential mortgages which are equity loans.

(b) Commercial Mortgages

Include credit granted for commercial and industrial structures.

(v) Others

Include all other sectors of the economy except government and public corporations/financial institutions.

Report all other loans not included in items (i), (ii), (iii) and (iv) e.g., loans to the commercial and industrial sectors for inventories, loans to the personal sector for medical, travel and educational purposes, overdrafts, consolidation of debt, credit cards, etc.

b) Non-resident

Non-resident is meant to include all persons, companies, entities, which are not captured in the definition for resident.

- (i) Government
- (ii) Public Corporations
- (iii) Public Financial Institutions
- (iv) Mortgages
- (v) Others

Non-resident items form a part of the external assets of the reporting bank.

8. INVESTMENT (in STOCKS, SHARES AND FUNDS)

Include stocks, shares, bonds, or funds of associate companies and public financial institutions.

a) Domestic Securities

(i) Public Corporation Bonds

All bonds/issues of these corporations.

(ii) Other Domestic Securities

Stocks and shares of resident companies and encompasses holdings in mutual funds and other "pooled" investments.

b) Foreign Securities

Stocks and shares of non-resident companies, securities of foreign governments (such as U.K. and U.S.A. treasury bills)

c) Other Investments

Include the equity investment and the holding of subordinated debt in any financial or non-financial subsidiary or associated companies. In certain cases, the licensee may be required to report on a consolidated basis.

9. CHEQUES AND OTHER INSTRUMENTS IN THE COURSE OF COLLECTION

Cheques, drafts, etc., drawn on other banks and financial institutions which have not yet been settled.

10. FIXED ASSETS

Represents the book value of all the reporting institutions' premises, machinery and equipment owned or occupied by the bank.

a) Premises

Include the book value of premises owned and occupied by the licensee. Premises owned but rented to other companies or individuals should be entered under item 10 (b).

b) Other Land and Property

Include the book value of all land and buildings owned but not occupied by the licensee.

c) Plant and Equipment

Include only plant and equipment owned by the licensee and used in connection with its business.

11. GOLD and SILVER BULLION

Include all gold and silver bullion beneficially owned by the licensee.

12. OTHER ASSETS

Include all other assets falling under the following categories:

a) Unearned Interest

Interest recorded in advance, but not yet earned; to be reported as a credit balance.

b) Accounts Receivable

Income (interest, commissions) earned or accrued but not yet collected.

c) Suspense Accounts

Represents unposted items held temporarily until offsetting entry is received or posted to the proper account.

d) Other

All other assets not detailed above. Details of items reported in (d) should be listed on [Form 2A: Other Assets and Liabilities](#) of the ERS.

13. TOTAL ASSETS

Automated calculation of items (1) through (12)

14. MEMORANDUM ITEMS

NEW

a) Encumbered Assets

Include assets of the licensee over which a charge has been taken by any company or individual e.g. property which has been mortgaged, securities which have been pledged as collateral for borrowings.

b) Related Party Loans and Advances

15. CONTINGENT LIABILITIES

a) Acceptances

Include all acceptances given by the licensee that are still outstanding, excluding any which the licensee has itself discounted (Assets Item 5).

b) Guarantees given on behalf of group companies

Include all guarantees given by the licensee in respect of financial arrangements entered into with group companies.

c) Guarantees given on behalf of customers



Include all guarantees given by the licensee in respect of financial arrangements entered into with other institutions by customers.

d) Letters of credit

Include all letters of credit given by the licensee that are still outstanding.

e) Loan Commitments

A formal offer by a lender making explicit the terms under which it agrees to lend money to a borrower over a certain period of time. This amount should include all loan commitments which are outstanding.

## 16. FOREIGN EXCHANGE FORWARD CONTRACTS: PURCHASES

A forward contract allows a bank, or a bank's customer, to arrange for delivery of a specific amount of currency on a specified future date, at the current market price.

## 17. UNUSED OVERDRAFTS (FACILITIES OVER \$100,000 ONLY)

Facilities over \$100,000 granted to customers for business or personal use. This amount should only include the amount of the facility which is unused.


### d. Form 2A: Statement Of Other Assets And Other Liabilities

This report form provides a breakdown of all other assets and other liabilities on the balance sheet. Data should only be entered in the white cells; all other cells contain formulas and are protected.

The following list of categories provides a guide to users by (1) item number (2) description of the information (as it appears on the form), and (3) additional guidance on reporting. Categories that do not require direct input are shaded.


#### OTHER ASSETS

Provide a breakdown of Other Assets: Other, item 11d) on Form 2.

 Examples of other assets may include the following: interest receivable, head office or branch accounts, pre-paid expenses, sundry debtors, exchange revaluation gains, stamp inventories or revenues, fees receivable, swap gain and goodwill, etc.

#### OTHER LIABILITIES

Provide a breakdown of Other Liabilities: Other, item 8d) on [Form 1](#).


 Examples of other liabilities may include the following: interest payable, loss equity swaps, accrued expenses, sundry creditors, head office or branch accounts, unearned income, fees payable, deferred revenue and accrued interest on overseas branch accounts, etc.

### e. Form 3: Analysis Of Deposits By Depositors

This report form provides a further breakout of all categories of deposit accounts on the statement of liabilities of residents and non-residents.

Data should only be entered in the white cells; all other cells contain formulas and are protected.

The following list of categories provides a guide to users by (1) description of the information (as it appears on the form), and (2) additional guidance on reporting. Categories that do not require direct input are shaded.

 Although client accounts (those for which Bahamians are signatories) are considered resident for Exchange Control purposes (See Notice from the Exchange Control Department), they are treated as non-resident by the Research Department and should be reported as such on Form 3.

## Resident

### i) Government

Deposits of Government and related ministries and departments. For Family Island branches of Nassau based banks, accounts operated by Family Island Commissioners on behalf of the Government should be included here. A further disaggregation of Government deposits is requested in the Memorandum item. See [Appendix III](#) for a listing of these accounts.

Memorandum: of which:-

- Central Government - Consolidated Fund Accounts
- Commissioners' Accounts
- Government Ministries/Departments (See [Appendix III](#))
- Deposit Fund

### ii) Public Corporations

Includes deposits of non-financial public corporations. See [Appendix II](#) for a listing of these institutions.

### iii) Public Financial Institutions

Includes deposits of The Bahamas Development Bank, The Post Office Savings Bank and Bahamas Mortgage Corporation. See [Appendix II](#) for a listing of these institutions.

### iv) Private Financial Institutions

Includes deposits of investment fund companies, insurance companies, finance companies, cooperative societies, credit unions, hire purchase companies, etc.

### v) Business Firms

Include deposits of companies engaged in commercial activity for profit.

### vi) Private Individuals

Include deposits of individuals for self-benefit or of their households.

### vii) Other

Includes deposits of charitable, nonprofit organizations such as sporting clubs, churches, pension funds of public corporations, businesses, etc.

## Non-resident

See definition for non-resident as stated in [Appendix IV](#).

f. Form 3C: Analysis of Foreign Currency Deposits of Residents

This report form provides a breakdown of all listing of foreign currency deposits of residents on the balance sheet and in particular, data reported on [Form 3: Analysis of Deposits by Depositors](#). In addition, information is required for a breakdown of deposits for client accounts. This form is also a requirement of the Exchange Control Department.

Data should only be entered in the white cells; all other cells contain formulas and are protected.

The following list of categories provides a guide to users by (1) description of the information (as it appears on the form), and (2) additional guidance on reporting. Categories that do not require direct input are shaded.

Client accounts

- i. Accounts of which Bahamians are signatories. They are considered resident for Exchange Control purposes, whereas they are treated as non-resident by the Research Department.
- ii. The following outline is suggested for reporting these accounts:

E.g. DEMAND DEPOSITS

Client Accounts

1. Name of Client	\$
	_____
	\$
	_____
Total	\$
	_____

g. Form 4: Analysis of Loans And Overdrafts Classified By Sector, Currency And Maturity

This form provides a breakdown of all loans and overdrafts classified by sector, currency and maturity on the balance sheet. Also, the form seeks to classify these items by on-balance sheet exposures and off-balance sheet exposures. NEW

Data should only be entered in the white cells; all other cells contain formulas and are protected.

The following list of categories provides a guide to users by (1) item number (2) description of the information (as it appears on the form), and (3) additional guidance on reporting. Categories that do not require direct input are shaded.

The lending classification adopted for this schedule is based on the "United Nations International Standard Industrial Classification of All Economic Activities".

Loans and advances outstanding are to be classified according to original maturity and according to the MAIN economic activity of the borrower. The number of loans and advances in each category should also be reported. Only credit actually extended should be reported. (Unused commitments to lend, whether on loans or overdrafts, should NOT be included.)

All loan data should include unearned interest in loan balances. The corresponding unearned interest on loans should be reported as credit balances under 11(a) on [Form 2](#), ASSETS.

Include past due loans for which payments are not being made in accordance with the terms of the agreement; normally accounts for which loan payments are three months or more past due as of the date of the monthly

reports. Do not include debts which have actually been written off the bank's books. Only outstanding principal values (excluding interest) should be reported.

Exclude lending to Authorized Dealers and Agents (see [Appendix I](#)) but include all other lending as well as bills discounted. Lending in all currencies, whether made for fixed or working capital purposes.

## 1. AGRICULTURE

Lending for agricultural production, including livestock raising, should be included under this heading.

Further processing of primary commodities into a more refined form constitutes manufacturing and should be thus classified.

### a) Livestock and Dairying

Lending to owners and operators of poultry, cattle, and pig farms who produce milk, eggs, meat, etc. for the market.

Lending to firms specializing in the processing of meat and dairy products should be reported under manufacturing.

### b) Food Crops

Lending to farmers engaged in the production of green vegetables, root crops, legumes, etc.

### c) Other Agriculture

All lending granted for agricultural purposes which is not classifiable under the above subheadings.

In an attachment to the schedule, please specify significant items; i.e., those in which ten percent of total lending granted to any one particular sector.

## 2. FISHERIES

Lending to firms engaged commercially in catching, taking, or gathering of fish and other sea products.

Canning, preserving, or processing of fish and other sea products should be reported under the manufacturing items "Food and Nonalcoholic Beverage."

## 3. MINING AND QUARRYING

Lending to firms and individuals directly engaged in extracting and dressing materials occurring naturally.

Include extraction from the earth of building and monumental stones, clays, sands, and gravels.

## 4. MANUFACTURING

Lending granted to individuals or businesses engaged in the physical or chemical transformation of inorganic or organic products into new products irrespective of whether the work is done manually or mechanically.

### a) Food and Non-alcoholic Beverages

Lending to firms engaged in the production of:

- edible oils and fats
- bakery and dairy products

- jams, jellies, condiments
- soft drinks and concentrates, colas, mineral water, tonics, etc.
- fruit juices etc.
- preparing and preserving poultry, fish, and other animal products
- canning and preserving meat, fruits and vegetables
- all other food and non-alcoholic beverages.

b) Alcoholic Beverages and Tobacco

Lending to individuals and firms engaged in 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.

c) Building Materials and Metal Products

Lending to establishments engaged in the production of:

- wrought iron fixtures, fittings and furniture
- aluminium awnings, frames, and fixtures
- steel rods, frames and fittings, and vehicle bodies
- cement and concrete products, decorative blocks, ceramics, marble, etc.
- glass products used in construction
- all other building materials and metal products

d) Furniture and Other Wood Products

Lending to businesses engaged in the making of:

- 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 wood.
- other fixtures, panelled louvered doors, fitted cupboards and cabinets, and other wood products.

e) Textiles, Clothing, and Accessories


Lending to businesses and individuals engaged in the manufacture of fabrics and the making of clothing, drapes, and soft furnishings, etc.

Accessories include products from precious, semi-precious, and other metals and stones and from shells, leather, etc.

Include also lending to manufacturers of sporting equipment and leather products.

f) Petro-Chemicals, Chemicals, and Plastic Products

Lending to manufacturers of drugs and medicines, perfumery and cosmetics, industrial chemicals, liquids and gaseous fuels, lubricants, plastic and plastic products, paints and enamels, soaps and detergents, and fertilizers.

 Do NOT include lending for oil exploration or production.

g) Other Manufacturing

Lending to manufacturers of products not classifiable under the above manufacturing subheadings.

Please specify significant items, i.e. those in which ten percent of total lending to manufacturing is granted to any other particular class of industry.

## 5. DISTRIBUTION

Lending to companies or individuals engaged primarily in the import and export of goods or in the local distribution of goods by commission agents, wholesalers, retailers, and other.

### a) Commission Agents

Lending to firms for the purpose of financing the purchase, shipping, insurance freightage and storage of goods on consignment to wholesalers.

### b) Wholesale Trade

Lending to merchants engaged primarily in the business of distribution of goods to other wholesalers or retail traders, as well as importers and exporters.

### c) Retail Trade

Lending to department stores, supermarkets, shops, petrol filling stations, motor vehicle dealers, hawkers and peddlers, and others selling new or used goods to the general public.

### d) Other

Lending to distributors who sell directly to the end customer and those who provide after-sales service.

## 6. TOURISM

Lending to owners and operators of hotels, apartments, guest houses, and other lodging places should be classified under this heading, whether the credit is for financing of construction, equipment, furniture, food, etc.

Restaurant facilities operated only in connection with the provision of lodging are included in this category and NOT under Entertainment and Catering.

### a) Hotels

Lending to operators of large 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.

### b) Apartments

Lending to operators of establishments which are self-contained and include culinary facilities. Include here also apartment/hotels.

### c) Other

Lending to operators of smaller establishments such as guest houses, motels, etc.

## 7. ENTERTAINMENT AND CATERING

Lending to owners and operators of cinemas, night clubs, yacht and sporting clubs, amusement parks, professional musicians and theater groups, restaurateurs, and to other eating and drinking establishments, art galleries, museums, bowling, renting of pleasure boats, cycles, or horses or any other recreational services.

## 8. TRANSPORT

Lending to operators of bus and taxi services, trucking and removal companies, shipping and air freightage, storage, and warehousing.

## 9. PUBLIC CORPORATIONS

Lending to public corporations. These include loans and advances to corporations providing services such as electricity, telephone and water as well as loans to all other public corporations.

See [Appendix II](#) for a list of all public corporations.

Total Public Corporations loans plus total Public Financial Institutions loans should be equivalent to the sum of Asset Item, Section 5(a)(ii) Public Corporations and Section 5(a)(iii) Public Financial Institutions on Form 2.

## 10. CONSTRUCTION

### a) Land Development

Lending for construction involving the development of land for commercial, industrial, or residential purposes should be classified under this heading. This involves the construction of basic requirements and facilities such as roads, bridges, drains, sewers, etc., also the laying of pipe lines for water, gas, telephone and electricity and all other basic facilities which the Town Planning Office determines from time to time.

### b) Other Construction

Lending for the construction of buildings and other structures above ground level whether of stone, steel, or wood, as well as underground storage, parking, or other facilities.

#### (i) Private Residences

Lending to businesses engaged in building homes for residential purposes. Houses built for subsequent letting or sale for which a loan is contracted should be classified under this heading.

Do not include lending to an individual to build a house; instead record it under the personal lending category, in particular, residential mortgages item 15(a)(i).

#### (ii) Commercial and Industrial

Lending to promoters and building contractors engaged in the business of erecting structures for commercial and industrial activities, whether they are to be let or subsequently resold to the owners of commercial and industrial enterprises.

## 11. GOVERNMENT

Lending granted directly to the central government.

## 12. PUBLIC FINANCIAL INSTITUTIONS

Lending to all public financial institutions, i.e., Bahamas Development Bank, and the Bahamas Mortgage Corporation.

See [Appendix II](#) for a listing of these institutions.

See Note to Item 9.

## 13. PRIVATE FINANCIAL INSTITUTIONS

Lending to insurance companies, investment finance companies, mortgage finance companies, credit unions, thrift or friendly societies, stock brokers, hire purchase companies, etc.

#### 14. PROFESSIONAL AND OTHER SERVICES

Lending to individuals and partnerships providing the services of attorneys-at-law, accountants, auditors, consulting engineers, architects, medical doctors, dental surgeons, real estate agents, data processing, and public relations. Marketing and management consulting are included, as are lending to businesses engaged in repairs, maintenance, laundering and cleaning, and also lending to nonprofit organizations such as churches, schools, and welfare associations.

Lending for the purchase of offices, equipment, and for working or other fixed capital purposes should be included under "Professional and Other Services".

The reporting bank should take care to determine the purpose of the loan, ascertaining that the financing is for professional services and not for personal use. Personal lending is reported under that heading.

#### 15. PERSONAL

Lending to individuals for the benefit of themselves and of their households; i.e. lending for personal as opposed to business uses.

##### a) Housing

###### (i) Residential Mortgages

Lending to individuals secured by mortgages on residential properties (both freehold and leasehold) which are or will be occupied by the borrower, or which are rented, where such loans are fully secured by a first property charge.

Of which: Equity Loans

State the amount of the residential mortgages which are equity loans

###### (ii) Home Improvement

Lending for the purpose of repairing, extending and modernizing of houses, garage, property, etc.

Houses built for subsequent letting or sale for which a loan is contracted should be classified under this heading.

##### b) Land Purchase

Lending for the purchase of property for personal use.

##### c) Other

Lending for consumption goods whether durable or non durable; e.g., motor cars, travel, domestic appliances, consolidation of debts, education, etc.

#### 16. MISCELLANEOUS

Lending which cannot fit in the various economic and financial sectors included elsewhere in this report. e.g. lending for purchase of new shares and other financial assets, insurance (life and non-life), refinancing etc.

List significant items; for example, ten percent or more of the total lending to the "Miscellaneous" Sector.

#### 17. TOTAL RESIDENT

Automated calculation of items (1) through (16)



## 18. TOTAL NON-RESIDENT

Lending to non-residents (see [Appendix IV](#) for the definition)

### h. Form 5: Analysis of Consumer Credit

This report form provides a breakdown of the value of debt outstanding, the value of repayments, the value of new credit extended, number of agreements, number of non-performing accounts and value of non-performing accounts.

The report covers personal (consumer) loans which are:

- a. repaid on a regular installment basis with interest calculated according to the add-on method. The installment loans generally stipulate minimum down payments and maximum maturities with the balance of the loan and interest paid in fixed amounts over the term of the loan.
- b. repaid on a simple interest basis and have equal monthly payments with interest calculated on the declining loan balance. These are normally cash collateralised and are subject to recall i.e. demand loans. Included here would be home equity loans, those secured by mortgages and real estate loans.

According to a Central Bank directive, as at October 1, 1994, all B\$ denominated consumer loans are to be granted on a simple interest basis only.

The report covers consumer-type lending. However, in some cases--as in the purchase of taxis and commercial vehicles, items are included although the goods are intended for business use. The distinction to be made here is that these are personal loans made to individuals.

Data should only be entered in the white cells; all other cells contain formulas and are protected.

The following list of categories provides a guide to users by (1) item number (2) description of the information (as it appears on the form), and (3) additional guidance on reporting. Categories that do not require direct input are shaded.

Include installment lending and other consumer-type lending falling in the "Professional and Other Services" category on Form 4 when made to individuals.

### 1. VALUE OF DEBT OUTSTANDING

This refers to the month-end figure after taking into account repayments and new credit extended during the month.

#### a) Motor Vehicles - (Items 1-3)

As Form 5 shows, this includes all loans to individuals for the purchase of private cars, taxis or rented cars, commercial vehicles, motorcycles, etc.

Exclude lending to car dealers and any businesses dealing in the sale or resale of cars.

#### b) Furnishings and Domestic Appliances

Loans for furnishings such as draperies, curtains, carpets, chairs, tables and similar household items and domestic appliances as well as durable goods such as washing machines, dryers, refrigerators and freezers. Radios and television sets are also included under this heading.

#### c) Travel

Loans to individuals to cover travel expenses, whether for business or pleasure.

d) Education

Loans to individuals for the purpose of paying school fees and college tuition.

e) Medical

Loans to cover medical expenses such as doctor and dentist fees, hospital expenses, X-rays, medicine, etc.

f) Home Improvement

Loans made to individuals for repairs, extensions, modernization of houses, garage, property, etc.

g) Land Purchase

Loans made to individuals for the purchase of property for personal use.

h) Debt Consolidation

Loans to individuals to enable incorporation of various debts into a single loan.

If any particular component represents 50% or more of this category's total, the loan should be categorized under that loan heading and not debt consolidation.

i) Credit Card

Credit or lines of credit made available to individuals to charge purchases up to a certain limit; can be secured or unsecured and at fixed or varying required monthly payments.

Should be reported under Personal 'Other' Overdrafts section on Report [Form 4](#) because of the interest rate charged.

j) Miscellaneous

Loans that cannot be classified under the above headings .i.e. weddings, funerals, etc.

On an attached sheet, list significant items; i.e. any lending equal to at least 10% of the total in the miscellaneous category.

2. TOTAL VALUE OF REPAYMENTS

This refers to repayments made during the monthly reporting period.

3. TOTAL VALUE OF NEW CREDIT EXTENDED

This refers to credit granted during the monthly reporting period.

4. NUMBER OF AGREEMENTS

This refers to the loan agreements made during the month and is directly related to item '3' above.

5. VALUE OF NON-PERFORMING ACCOUNTS

These are accounts for which loan payments are non-performing as of the date of the monthly report. Do not include debts, which have actually been written off the books. Only principal balances should be included.

#### 6. NUMBER OF NON-PERFORMING ACCOUNTS

This is directly related to item '5' above, referring to the number of accounts for which loans are non-performing.

#### i. Form 10: Analysis of Inter-Financial Institutions' Transactions

This report form provides details for Bahamian dollar and foreign currency balances "due to" and "due from" authorized dealers and authorized agents on the statements of assets and liabilities.

Data should only be entered in the white cells; all other cells contain formulas and are protected.

The following list of categories provides a guide to users by (1) item number (2) description of the information (as it appears on the form), and (3) additional guidance on reporting. Categories that do not require direct input are shaded.

The total of these balances for any given period should agree with the respective totals reported for reported items 3(a) and 3(b) on Form 1 and items 4(a) and 4(b) on Form 2.

Deposit placements on behalf of private clients and pension funds should not be reported on this form, but instead in the liabilities categories 1(a), (b), (c) and (d) on Form 1.

Call loans/balances should be reported in "Due to/Due from Demand Deposits". See Forms 1 and 2 for definition of same.

Demand/Call balances between institutions may differ due to cheques in the course of collection and overdrafts. Loans/borrowings may also differ because of overdrafts. However, such differences should not persist in the case of fixed deposits.

Balances reported should be exclusive of interest except in the case of fixed deposits that are going to be rolled over.

#### j. Statement of Capital Adequacy

This report form provides a calculation of licensees' capital based on the 1988 Basel Capital Accord. Licensees may refer to the [Guidelines for the Management of Capital and The Calculation of Capital Adequacy](#). This form is divided into the following sections:

- Capital Composition: Core and Supplementary Capital (Tier 1 and 2);
- On-balance sheet items; and,
- Final calculation of capital adequacy.

Data should only be entered in the white cells; all other cells contain formulas and are protected.

The following list of categories provides a guide to users by (1) item number (2) description of the information (as it appears on the form), and (3) additional guidance on reporting. Categories that do not require direct input are shaded.

## Capital Composition: Core and Supplementary Capital (Tier 1 and 2)

This section of the form is comprised of the following components:

### 1. Tier 1 Capital

#### a) 6.1 Ordinary shares/common stock (issued and paid up)

Include the nominal paid-up value of ordinary shares. Where shares have been issued at a premium, the premium should be included under line item 6.3.1. Do not include the unpaid element of partly paid shares or authorized but un-issued share capital. Also exclude holdings by the licensee of its shares.

#### b) 6.2 Perpetual non-cumulative preferred share/stock (issued and paid up)

Include the nominal paid-up value of non-cumulative preferred shares. Where shares have been issued at a premium, the premium should be included under line item 6.3.1. Do not include the unpaid element of partly paid shares.

#### c) 6.3 Reserves

Automatically calculated from line items 6.3.1, 6.3.2 and 6.3.3.

#### d) 6.3.1 Share premium account

Report any amount received by the licensee in excess of the nominal value of shares reported in line items 6.1 and 6.2.

#### e) 6.3.2 Disclosed prior year's reserves (excluding line item 6.9)

Report the disclosed, undistributed balance on profit and loss accounts attributable to previous years, reserves arising from exchange rate translations differences and other reserves (i.e., capital redemption reserves and capital gifts). Do not report reserves arising from the revaluation of fixed assets. Such reserves should be shown under line item 6.9.

Report the disclosed (i.e. published) current year's positive movement on reserves (other than those arising from line item 6.9). If current year's movements on reserves are negative, report in line item 6.4 (below).

#### f) 6.3.3 Current year's retained profit

Report only current year's earnings (net of foreseeable charges).

#### g) 6.4 Current year's losses

Report the disclosed current year's negative movement on reserves. Unpublished losses from the previous accounting period should also be shown here.

#### h) 6.5 Minority Interests (in Tier One capital)

Where the licensee reports on a solo consolidated or consolidated basis, include the claim in the permanent shareholders' equity of any partly-owned subsidiary company or minority owned company which is included in the consolidation.

i) 6.6 Total of items 6.1 to 6.5

Automatically calculated.

j) 6.7 Goodwill and other intangible assets

Include as recorded on the licensee's balance sheet.

k) 6.8 Total Tier 1 Capital (item 6.6 less item 6.7)

Automatically calculated.

## 2. Tier 2 Supplementary Capital

a) 6.9 Fixed Asset Revaluation Reserve

Report reserves relating to the revaluation of fixed assets. Report also shares issued by the capitalization of property revaluation after 1 January 1992.

b) 6.10 Other Assets Valuation Reserves

Report reserves relating to the revaluation of non-fixed assets. This form of reserves is relevant to those banks whose balance sheets traditionally include very substantial amounts of equities held in their portfolio at historic cost but which can be, and on occasions are, realized at current prices and used to offset losses.

c) 6.11 General provisions

Report general provisions that are held against possible or latent loss but where the losses have not as yet been identified. Provisions earmarked or held specifically against lower valuations of particular claims or classes of claims should not be reported here, but netted against the value of the asset against which they have been made. General provisions should not exceed 1.25% of total risk weighted assets. Excess general provisions should be reported in line item 6.15 (below).

d) 6.12 Hybrid (debt/equity) instruments

Include all instruments that are a combination of debt and equity financing.

e) 6.13 Subordinated term debt

Report (1) perpetual subordinated debt, including such debt which is convertible into equity, either mandatory or at the option of either the issuer or lender. Also report (2) perpetual cumulative preferred shares, including such shares redeemable at the option of the issuer with the prior consent of the Central Bank, including share premiums on those instruments.

Report only that part of subordinated debt that is eligible for inclusion in Tier 2. Specifically, after amortization and only if such debt does not exceed 50% of Tier 1 elements. The portion of subordinated debt that is not eligible here should be reported in line item 6.16.

f) 6.14 Minority interests (in Tier 2 capital)

Where the licensee reports on a solo consolidated or consolidated basis, include the claim in the permanent shareholders' equity of any partly-owned subsidiary company or minority owned company which is included in the consolidation in the form of any Tier 2 capital term.

3. Less Adjustments to Capital

a) 6.15 Excess general provisions

Refer to line item 6.11 (above).

b) 6.16 Excess Tier 2 subordinated debt

Refer to line item 6.13 (above).

c) 6.17 Amortization on Tier 2 subordinated debt

Refer to line item 6.13 (above).

d) 6.18 Total of line items 6.9 to 6.14 less total of items 6.15 to 6.17

Automatically calculated.

e) 6.19 Tier 2 capital in excess of the overall limit/excess Tier 2 capital

Automatically calculated.

f) 6.20 Total Eligible Tier Two Capital

Automatically calculated (line items 6.18 less 6.19).

g) 6.21 Total Base Capital

Automatically calculated (Items 6.8 plus 6.20).

h) 6.22 Adjustments for subsidiaries

Equity and other capital investments in subsidiaries or associates which are effectively controlled by the bank or its subsidiary, but which are not consolidated for capital adequacy purposes.

i) 6.23 Adjustments for equity held in bank/ financial holding companies

Equity and other capital investments in licensed non-operating bank or financial holding companies where the financial institution is not consolidated with the bank or its subsidiary for capital adequacy purposes.

j) 6.24 Adjustments for equity held in other financial institutions

Equity and other capital investments in financial institutions held by the bank or its subsidiary, except where that other financial institution is wholly owned or effectively controlled by the investing bank or its subsidiary, and has been consolidated with the bank for capital adequacy purposes.

k) 6.25 Other Adjustments

Any undertakings by the bank to absorb designated first level of losses on claims supported by it (e.g. securitizations).

l) 6.26 Total Deductions to Base Capital

Automatically calculated (the sum of line items 6.22-6.25).

m) 6.27 Total Eligible Base Capital

Automatically calculated (line item 6.21 less 6.26).

### On-Balance Sheet Items

This section of the form performs Risk Weighted Calculations for on-balance sheet items and has been populated, for the most part, from Form 2 – Total Assets.

Risk weights (i.e., 0% to 100%) are built into this form. While licensees are not permitted to change the risk weight factor, the licensees are permitted to make adjustments under the Adjustment Column to any values entered under the column for the Notional Amount. The adjustment column will reduce the notional amount and the adjusted net asset is risk weighted. If the adjustment relates to an offset for collateralization, licensees should take into account collateral that is in accordance with the definition for “fully collateralised” set out in the Banks and Trust Companies (Large Exposure) Regulation, 2005 (also see Definitions at [Appendix IV](#)). Licensees are required to insert a comment when making adjustments in this section.

Where there are white cells under the Notional Amounts column for item 11, that is, section 5: Loans and Advances, licensees are required to enter amounts as follows:

- of which: Non-performing  
Indicate the value of the loans and advances which are non-performing relative to each loan category, if applicable.
- Specific Provisions  
Indicate the value of specific provisions which are held against the non-performing loans, relative to each loan category, if applicable.
- Loans covered by cash with legal right of self-off  
Self-explanatory

### Final Calculation of Capital Adequacy Ratio

Once the form is complete, the capital adequacy ratio will be calculated automatically and measured against Total Required Capital. This ratio will be assessed as either Compliant, Non-Compliant or Critically Non-Compliant.

Where a licensee’s capital is flagged as non-compliant or critically non-compliant, the licensee should provide a written detailed rationale for the breach to the Bank Supervision Department along with a plan of corrective action. Non-compliant indicates that the capital adequacy ratio has fallen below the set target ratio, while critically non-compliant indicates that the capital adequacy ratio is within 1% of the trigger ratio. Licensees should be aware that compliance is assessed against the capital risk weighted ratio set under their prudential norms. Licensees are required to input the stipulated target and trigger ratios as communicated to them by the Central Bank in the white cells, T4 and T5. Where there has been no assigned target and trigger ratio, the licensees target would be measured against the minimum 8% risk weighted assets, as prescribed in the Guidelines on Capital Adequacy.

## Off-Balance Sheet Items (Non-Derivative Instruments)

This schedule captures information on off-balance sheet or indirect credit instruments. This schedule does not include derivative instruments. In the schedule, credit instruments are classified by category and within each category, the credit instruments are risk-weighted.

Headings are the same as the on-balance sheet section above. Credit conversion rates (i.e., 100% of on-balance sheet items) and risk weights (i.e., 0% to 100%) are built into this form. While licensees are not permitted to change the conversion or risk weight factor, the licensees are permitted to make adjustments under the Adjustment Column to any values entered under the column for the Notional Amount. The adjustment column will reduce the notional amount. If the adjustment relates to an offset for collateralization, licensees should take into account collateral that is in accordance with the definition for “fully collateralised” set out in the Banks and Trust Companies (Large Exposure) Regulation, 2005 (also see Definitions at [Appendix IV](#)). Licensees are required to insert a comment when making adjustments in this section. The Net Assets and Net Risk-Weighted Assets columns will be automatically calculated.

Credit conversion percentages are applicable to off-balance sheet items only. See Section B (Eligible Collateral and Guarantees) of the Guidelines for the Management of Capital and the Calculation of Capital Adequacy.

### Categories of Credit Instruments

There are five categories of credit instruments:

- Commitments one year and under;
- Commitments over one year;
- Short-term trade letters of credit;
- Transactions-related contingencies and guarantees; and
- Direct credit substitutes, standby letters of credit, repurchases, and forward asset purchases.

### Risk-Weighted Off-Balance Sheet Items

The reporting institution must complete an analysis of all off-balance sheet items in order to (1) identify the correct category (as above), and (2) provide the correct risk weighting (i.e., 0 to 100 percent). Once the correct category and risk weighting are determined, the licensee will input the notional or face value of the item into the return. Licensees are required to provide a breakdown of this information in the white cells.

Following is a summary of risk weights<sup>2</sup>:

Description	Risk Weights (%)
Financial standby letters of credit (conveyed to OECD depositories or conveyed to non OECD depositories with maturities < 1 year)	20
Financial standby letters of credit (all others)	100
Performance standby letters of credit (conveyed to OECD depositories or conveyed to non OECD depositories with maturities < 1 year)	20
Performance standby letters of credit (all others)	100
Commercial and similar letters of credit	100
Risk participations in bankers acceptances acquired by the reporting bank (participations in acceptances of other (accepting) banks that the reporting bank has acquired and subsequently conveyed to US and	20

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<sup>2</sup> Please refer to the Guidelines for the Management of Capital and the Calculation of Capital Adequacy.



Description	Risk Weights (%)
other OECD depository institutions or to non-OECD depository institution with remaining maturities < 1 year)	
Risk participations in bankers acceptances acquired by the reporting bank (all others)	100
Securities lent (portion that represents claims on non-depository institution counterparties that lack qualifying collateral and claims on non-OECD depository institutions with maturities > 1 year)	100
Securities lent (all others)	20
Assets transferred with recourse	100
All other off-balance sheet liabilities	100
Unused commitments with an original maturity exceeding one year (portion that has been conveyed to US and other OECD depository institutions and to non-OECD depository institutions for commitments with original maturities of one year or less)	20
Unused commitments with an original maturity exceeding one year (all others)	100

#### Off-Balance Sheet Items (Derivative Instruments)

This section allows for a detailed breakdown of derivative instruments and is similar to the previous section (Off-Balance Sheet Items (Non-Derivative Instruments)). It also provides information pertaining to the replacement cost of interest rate and foreign exchange contracts.

A derivative is a market related contract where the value is derived from interest rates, foreign exchange rates, or equity or commodity prices. Use of derivatives allows for the transfer, modification or reduction of current expected risks from changes in interest rates, foreign exchange rates, and equity and commodity prices.

Market related contracts are factored into the calculation of a reporting institution's capital adequacy. For market related contracts, the Central Bank is concerned with the counterparty risk which is the risk that the other party in an agreement will default. In the Guidelines for the Management of Capital and Calculation of Capital Adequacy, the Central Bank has indicated both methods provided by the Basel Committee in calculating the credit equivalents for market related contracts i.e., the Replacement Cost Method and the Original Exposure Method. The Replacement Cost Method is perhaps the most optimum approach as it requires that the contracts be marked to market.

#### k. Statement of Assets and Liabilities By Zone

This form provides a breakdown of assets and liabilities by zones A and B based on the balance sheet items. For the most part, the totals from the various forms have already been populated. Licensees may refer to the Banks and Trust Companies (Liquidity Risk Management) Regulations and the Guidelines for the Management of Liquidity Risk for further information, as this form assists with the calculation for the liquidity ratio.

Data should only be entered in the white cells; all other cells contain formulas and are protected.


## I. Statement of Investments

This form is for recording the twenty largest investments of all investments which are at least 10 percent of total eligible base capital (the latter taken from the Statement of Capital Adequacy).

All securities that are beneficially owned by the licensee should be reported. Do not include securities held on a fiduciary basis or as collateral for money advanced by the licensee. Securities that have been pledged by the licensee for its borrowing should be included.

The investment level of the exposure should be entered into the form as either 1-High, 2- Medium, 3-Low or 4 – Not Rated. The table below illustrates how the investment level should be utilized. Note that the schedule uses S&P and Moody's ratings, however the equivalent for other rating agencies that are well known, will also apply.

Investment Level	Standard & Poor's	Moody's
1 - High	AA or better	Aa or better
2 - Medium	A	A
3 – Low	Below A	Below A
4 – Not Rated		

 International Licensees are also required to complete the Security Investments form, contained at the bottom of the Investments form. A snapshot of the form is displayed below.

Security Investments (US\$000s)				
TYPE		Book Value	Market Value	Net Unrealized Gain/(Loss)
<b>1</b>	<b>Total Trading Securities</b>			<b>0</b>
1.1	Debt			0
1.2	Equity			0
1.3	Other			0
<b>2</b>	<b>Total Investment and Held-to-Maturity</b>			<b>0</b>
2.1	Debt			0
2.2	Equity			0
2.3	Other			0
<b>3</b>	<b>Other (Specify)</b>			<b>0</b>
3.1				0
3.2				0
3.3				0
3.4				0
3.5				0
<b>4</b>	<b>Grand Total</b>	<b>0</b>	<b>0</b>	<b>0</b>

m. Statement of Ten Largest Market Loans

This report form is for recording the ten largest market loans. Input the name of the customer or institution as the customer ID or institution ID will not be accepted.

Data should only be entered in the white cells; all other cells contain formulas and are protected.

Market loans are placements of a financial institutions' funds with other banks..

Market Loans will be assessed for compliance with the Guidelines for the Management of Large Exposures. However, for a single large exposure with a non-related counterparty or a group of non-related counterparties exceeding the 25% threshold, the market loan will be assessed based on the investment grade of the counterparty and in accordance with the general waiver granted by the Inspector on December 13th, 2005, where the counterparty is located in a Zone A country.

The investment level of the exposure should be entered into the form as either 1-High, 2- Medium, 3-Low or 4 – Not Rated. The table below illustrates how the investment level should be utilized. Note that the schedule uses S&P and Moody's ratings, however the equivalent for other rating agencies that are well known, will also apply. Licensees should enter both the actual rating of the counterparty (for example, S& P - AA) as well as the rating agency used in the relevant sections of the schedule. Investment level 1 and 2 may only be used for counterparties in Zone A countries. All other counterparties that are rated should be recorded at investment level 3.

Investment Level	Standard & Poor's	Moody's
1 - High	AA or better	Aa or better
2 - Medium	A	A
3 - Low	Below A	Below A
4 - Not Rated		

In the column labeled "Exempt Exposures", select "Y or N" from the dropdown menu. This is in accordance with Section IV(4) of the [Guidelines for the Management of Large Exposures](#).

#### n. Statement of Ten Largest Depositors

This report form is for recording the ten largest depositors. Input the name of the customer or institution as the customer ID or institution ID will not be accepted.

Where the same depositor has more than one deposit facility or account, or where depositors are closely related, the deposits should be aggregated for the purpose of this form. Where there are multiple maturity dates, the maturity date column may be left blank.

#### o. Statement of Large Exposures

This schedule outlines two types of large exposures:

- Central governments (comprises all departments, establishments and bodies of a government located in its domestic territory performing government functions and the embassies, consulates and military establishments of the government located elsewhere);
- Countries; and,
- Sector. NFW

For country exposures, the form will automatically compare the applicable limit against the exposure and flag the exposure as compliant or non-compliant.

The Central Bank will not apply common maximum percentages for licensees' country exposures but will monitor such exposures on an individual and general basis. Licensees are expected to have internal policies governing country risk and establishing limits where applicable. Pursuant to the [Guidelines for the Management of Country Risk](#), as part of their country risk management process, internationally active licensees should adopt a system of country exposure limits. Exposure limits should be reviewed and approved at least annually – more frequently when concerns about a particular country arise.

For central government exposures, there is a column labeled "Exempt Exposures", select "Y or N" from the dropdown menu. This is in accordance with Section IV(4) of the [Guidelines for the Management of Large Exposures](#).

This schedule also captures a breakdown of the sectoral exposures information pertaining to the balance sheet exposures. The licensee will be required to select a specific sector from the drop-down menu and complete the other information within the specified row.

p. Large Loan Arrears 31 Days And Over By Individual Non-Bank Counterparties And Groups Of Closely Related Non-Bank Counterparties

Licensees are also required to report to the Central Bank its twenty largest loan arrears to non-bank counterparties as at the reporting date. In reporting the arrears, licensees should also report separate facilities in arrears granted to the same borrower as an aggregate exposure. Additionally, facilities in arrears to separate counterparties within the same group should be treated as a single group loan arrears and reported in this schedule.

q. Large Exposures To Individual Non-Bank Counterparties And Groups Of Closely Related Non-Bank Counterparties

Licensees are required to report to the Central Bank all large exposures (whether exempt or not) on a monthly basis. Licensees may attach a separate report with the additional exposures should there be more than 20 large exposures<sup>3</sup>.

Licensees should list, by name, all exposures to non-bank counterparties which exceed 10% of capital as at the reporting date, and any additional exposures which exceeded 10% of capital at any time during the reporting period. For this purpose, capital is defined as the total eligible base capital.

Specific Reporting Requirements

Licensees should report exposures on a gross basis (i.e., no offsets). However, debit balances on accounts for counterparties may be offset against credit balances on other accounts with the licensee if:

- A legally enforceable right of set off exists in all cases;
- The debit and credit balances relate to the same counterparty or group connected counterparties; and
- The licensee intends to settle on a net basis or to realize the debit balances and settle the credit balances simultaneously. For a group facility a full cross guarantee must also exist before debit balances on accounts may be offset.

Licensees should also report separate facilities granted to the same borrower as an aggregate exposure. Additionally, facilities to separate counterparties within the same group should be treated as a single group exposure and reported in this schedule.

Authorized Dealers are to report twenty exposures, inclusive of those which may not exceed 10% of capital.

For all licensees, in the column labeled "Exempt Exposures", select "Y or N" from the dropdown menu. This is in accordance with Section IV(4) of the [Guidelines for the Management of Large Exposures](#).

r. Form 3B: Analysis Of Resident Deposits By Range Of Value

This report deals with resident Bahamian Dollar Deposits only.

Totals reported in the various categories of deposits should be identical to that reported on Form 3.

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<sup>3</sup> The definition of large exposures is contained in the Central Bank's Large Exposures Guidelines and Regulations. A large exposure includes any exposure which is equal to or exceeds 10% of the licensee's capital base.

MEMORANDUM ITEM:

Include all data on interest bearing Demand accounts by range and number.

s. Form 5B: Credit Card Report

This form covers data related to the number and value of credit card debt outstanding, credit limit, credit utilized, cash advances, merchant receipts, net payments received, net payments to International vendor, and estimated foreign currency usage as per type of card issued; i.e. Visa, MasterCard, Suncard, Other.

With the exception of the data for number and value of credit card debt outstanding, credit limit and estimated foreign currency usage, the data is cumulative for the above listed categories.

1. Credit Cards Outstanding

a) NUMBER OF CREDIT CARDS OUTSTANDING

This refers to the quarter-end figure by range of card limit.

b) VALUE OF CREDIT CARDS OUTSTANDING

This refers to the quarter-end figure by range of card limit after taking into account credit utilized and payments made during the quarter.

2. CREDIT LIMITS

This refers to the quarter-end figure of the aggregate limit extended on credit cards outstanding.

1. CREDIT UTILISED

This refers to the cumulative figure of credit utilized during the quarter in Bahamian dollar and other currencies.

2. CASH ADVANCES

This refers to the cumulative figure of cash advances on credit card debt made during the quarter in Bahamian dollar and other currencies.

3. MERCHANT RECEIPTS

This refers to the cumulative figure of merchant receipts on credit card debt during the quarter in US dollars.

4. NET PAYMENTS RECEIVED

This refers to the cumulative figure of total payments received less cardholder's charge back during the quarter.

5. PAYMENTS TO INTERNATIONAL CARD VENDOR(S)

This reflects cumulative payments to and from Visa International or MasterCard in US dollars made during the quarter.

#### 6. ESTIMATED FOREIGN CURRENCY USAGE

This refers to an estimated usage of foreign currency for the following quarter.

#### 7. MEMORANDUM ITEMS

##### a) Minimum Card Limit

This reflects the minimum limit offered on credit card.

##### b) Maximum Card Limit

This reflects the maximum limit offered on credit card.

##### c) Interest Rate Charged

This reflects the interest rate charged on credit card.

#### t. Form 6: Quarterly Mortgages Report

This form should reflect a further breakdown of residential and commercial mortgages reported on Form 2.

Residential Mortgages should include mortgage loans for single dwelling and "duplex and row buildings" only. In the case of the latter category, the building must be owner-occupied and in the case of a row building should not exceed four units.

Commercial Mortgages should include mortgages for Commercial purposes only i.e. non-owner occupied single dwellings, duplex and row; owner-occupied apartments exceeding four units; new and existing structures, rehabilitation and additions for commercial use.

Any loan(s), further charge, or otherwise that does not relate to mortgage categories state above should not be included on this report form, i.e. no chattel mortgages or further charges to purchase consumer durables such as car, satellites, domestic appliances, etc.

Mortgage loans to staff and preferred customers should be included.

The following categories are applicable for both residential and commercial mortgages.

##### 1) Outstanding Mortgages

The number and value of all mortgages outstanding at the end of the current quarter.

##### 2) Mortgage Loan Commitments

The number and value of all loans committed and not disbursed during the reporting quarter only.

##### 3) Mortgage Loan Disbursements

The total value of all loans actually disbursed during the reporting quarter only.

##### 4) Loan/Market Value Ratio

The percentage financed by your institution for loans committed during the reporting quarter only for new construction and existing structures. This figure represents your institution's equity in the loan and should

reflect your lending policy. Alternatively, this ratio can be derived using the loan amount granted vis-à-vis the appraised market value of the asset.

If the ratio of loans of new projects differs from existing ones, please report both separately.

5) Average Interest Rate

The average interest rate charged on loans granted during the quarter for new construction and existing structures.

6) Total Payments for the Quarter on New Construction

The total payments received from customers during the reporting quarter for new construction only i.e., all interest and principal payments and any other payments such as insurance premiums.

7) Total Payments for the Quarter on Existing Structures

The total payments received from customers during the reporting quarter for existing structures only i.e., all interest and principal payments and any other payments such as insurance premiums.

8) Total Payments for the Quarter on Rehabilitation and Additions

The total payments received from customers during the reporting quarter for rehabilitations and additions only i.e. all interest and principal payments and any other payments such as insurance premiums.

9) Foreclosures

Number and Value of foreclosures for residential and business mortgages (those secured by property).

u. Form 7: Profit and Loss Statement

This form covers income earned and expenses incurred during the three months of the reporting quarter, figures are to be reported on a non-cumulative basis. That is, this information is to be reported for the specific quarter only.

The form refers to the standard March, June, September and December quarters used by the Central Bank, which may differ in some cases from the fiscal quarter-ends of individual institutions. In such cases, domestic banks may report data in respect of their fiscal quarters, where for instance, April would correspond to March, July to June, and so on.

This report, unless otherwise specified, is in respect of Resident operations only (i.e. all Bahamian dollar operations and foreign currency operations of residents) for Domestic Banks only. International Licensees are to report on all operations, whether resident or not.

Kindly ensure that amounts reported for Net Income(Loss) represent actual amounts extracted from balance sheets in respect of Bahamian Dollar operations plus interest earned and expensed on resident foreign currency loans and deposits.

For Domestic Banks, items: IV, V (1) and (2) are in respect of banks' and trusts' offshore or non-residents operations.

Operating Income

Please report all amounts earned (received and accrued) during the reporting quarter from:-

- 1) Interest Income  
Resident



- a) Loans (B\$ and F/C)  
Include interest earned on resident Bahamian dollar and foreign currency loans.
- b) Interbank loans /Deposits (B\$)  
Include interest earned on Bahamian dollar loans and/or deposits due from domestic commercial banks and Other Local Financial Institutions. (See [Appendix I](#))
- c) Securities/Investments (B\$ & F/C)
- d) Include interest earned on securities/investments; i.e. Bahamas Government Registered Stocks, Treasury Bills and other securities issued in Bahamian dollars or foreign currency by resident entities.  
Other Interest Income (B\$)  
Include any interest income earned from processing of letters of credit, guarantees, collections, drafts and money orders, mail and telegraphic transfers, and any source other than (a), (b), and (c) above.

Non-Resident

- a) Loans
- b) Interbank Loans/Deposits
- c) Securities/Investments
- d) Other Interest Income

2) Non-interest Income

- a) Resident Loan fees (B\$ & F/C)

Amounts in respect of resident B\$ and F/C loans. Include all fees excluding interest, which is directly related to the contracting and servicing of resident loans and paid by the borrower. For example, commitment fees, closing fees, late payment fees. DO NOT INCLUDE GOVERNMENT FEES.

- b) Non-Resident Loan Fees

Amounts in respect of non-resident loans. Include

- c) Securities Commission (B\$)

Fees and or charges arising in the purchase of securities for, and on behalf of residents.

- d) Dividend Income (B\$)

Self-explanatory

- e) Net Foreign Exchange Income (B\$)

Income arising from the purchase and sale of foreign exchange to/from residents, including commission.

- f) Other Non-Interest Income (B\$)

Include service charges on deposit accounts, rental of safety deposit boxes, etc., and all other non-interest income not covered in (a), (b), (c), (d) and (e) above.

## Operating Expense

Please state all expenses incurred (paid and accrued) for the reporting quarter on:-

### 1) Interest Expense

#### a) Resident deposits (B\$ & F/C)

Demand Deposits  
Savings Deposits  
Fixed Deposits

#### b) Non-resident Deposits

Include interest paid on demand, savings and fixed deposits due to residents only.

#### c) Interbank loans and deposits (B\$)

Include interest paid on Bahamian dollar deposits and loans due to domestic commercial banks and Other Local Financial Institutions in The Bahamas. (See [Appendix I](#))

#### d) Borrowings from Head Office (B\$)

Include interest expenses incurred on liabilities due to Head Office.

#### e) Central Bank Loans/Deposits (B\$)

Include interest expenses incurred on B\$ liabilities due to Central Bank.

#### f) Other Interest Expense (B\$)

Include expenses incurred with resident entities not reported in (a), (b), (c), (d) and (e) above.

### 2) Non-interest Expense

#### a) Salaries

Include compensation of all full time employees.

#### b) Other Staff Expenses

Include overtime, part-time, bonuses, profit sharing, pensions, staff training, NIB contributions; and also housing allowance and other related benefits for expatriate workers, etc.

#### c) Professional Services Fees

Include fees paid for services rendered by lawyers, accountants, computer firms, etc.

#### d) Government Fees

Include all payments of stamp taxes, property taxes, business license fees, etc. on account of banks' own operations.

#### e) Rental Expense

Include rental fees paid for leased buildings, offices, etc.

f) Utilities Expense

Include all expenses connected with use of premises such as electricity, water, janitorial services, etc.

g) Maintenance of Furniture and Equipment

Include maintenance cost of furniture and office equipment, computer equipment, etc.

h) Depreciation Expense

Include depreciation expense for buildings, office equipment, furniture, etc.

i) Other Non-Interest Expense

Include any non-interest expense incurred in communication activities, advertising, entertainment, public relations, stationary costs, travel expenses, postage & courier services, sundry loss:- cash short, fraud, others and any expense other than those in (a)-(h), above.

3) Bad Debt and Provision Expense

a) Provisions (Additions less reversals): Include all new provisions taken less reversals of provisions previously taken when the underlying loan has improved.

b) Loan write-offs: for which no provisions have been established, total value of all loans written off as an irrecoverable debt for the reporting period.

c) Recoveries on loans previously written off.

### Net Income (Loss)

Should equal net of Operating Income and Operating Expense and represents actual amounts extracted from balance sheets in respect of Bahamian dollar and foreign operations of Resident entities.

### Allocation Of Profits

1) Dividends Paid Payable: actual amounts repatriated in the reporting period.

### Memorandum Items

1) Interest, Dividends, Profits, etc.

a) Received on Foreign Currency Assets

Include amounts earned during the quarter on balances due from non-resident entities. These relate specifically to offshore transactions of Authorized Dealers and Agents, including but not limited to depository and lending activities, equity holdings and investments.

b) Paid on Foreign Currency Liabilities

Expenses incurred on liabilities due to non-resident entities--including but not limited to depository and borrowing activities.

2) Commission, Charges, Fees, etc.

a) Received on Offshore Transactions

Include foreign currency non-interest income earned on transactions with non-resident entities, other than capital gains but including loan and brokerage fees, commissions, taxes, etc.

b) Paid on Offshore Transactions

Include foreign currency non-interest expense incurred in transactions with non-resident entities, including loan and brokerage fees, commissions, taxes, etc.

c) Offshore Management Fees

Include foreign currency management and other fees relating to the management of offshore bank/trust companies and other offshore companies.

3) Employment

a. Number of Employees:

1. Males
2. Females

b. Number of Temporary Bahamian Workers

1. Males
2. Females

c. Number of Bahamian Employees by Job Type:

1. Executive Management
2. Middle management
3. Technical/Non-Management
4. Clerical/Administrative Support
5. Other

d. Number of Bahamian Employees employed permanently in:

1. Local (Commercial) Banking
2. Offshore Banking
3. Trust Administration
4. Other

Include all Bahamians and non-Bahamians employed with your institution, with the Bahamian total classified by gender, job type (managerial, administrative/supervisory, clerical/secretarial and other) and banking area. Totals here should agree with that reported on the Annual Banking Survey for the year-ending position.

v. Form 8: Analysis Of Payments System

The form covers data related to Cash Dispensers, ATMs and ABMs, Cashless Payments Instruments, Merchant Accounts and Electronic Banking. In addition, this form should cover all operations for the reporting period and relate to payments and settlements data originating from the Real Time Gross Settlement (RTGS) system and the Automated Clearing House (ACH). With the exception of the data for number of network terminals and number of cards in circulation, the data is cumulative for the respective quarter for the below listed categories.

## 1) ATMs/ABMs and POS Terminals

This item relates to the number of ATMs/ABMs and Cash Dispensers installed and operated by your institution. This data is to be reported by island.

### a) Number of Network Terminals

This figure relates to the number of network terminals installed and operated by your institution.

### b) Volume/Value of Transactions

This figure refers to the volume (number) and value of transactions via network terminals.

## 2) CASHLESS PAYMENT INSTRUMENTS

These refer to any instrument that allows the holder/user to transfer funds. These are to be reported in volume based on the number of transactions and in value of Bahamian and foreign currency.

### a) Cash cards

This figure refers to the number and value of cards in circulation that have a cash function; those that are used only in ATMs/ABMs and cash dispensers.

### b) Cheques Issued (total)

These are written orders from one party (drawer) to another (drawee) used for settling debts and withdrawing money from banks.

### c) Payments by Card

This data refers to instruments/cards that enable the holder/user to transfer or use funds, in particular, debit cards, credit cards and stored value cards.

#### (i) Debit Cards

Debit cards enable the holder to charge purchases directly to funds on account at a deposit taking institution. May sometimes be combined with another function, i.e. that of a cash card.

#### (ii) Credit Cards

These are cards in which the holder has been granted a line of credit. It enables the holder to make purchases and/or withdraw cash up to a prearranged ceiling. Interest is charged on the amount of any extended credit.

#### (iii) Stored Value Cards

These are prepaid cards in which the amount of funds can be increased as well as decreased; a multipurpose prepaid card which can be used for small retail and other payments.

### d) Direct Debits

Payments (that may vary in amount and frequency) that are claimed by a specified beneficiary and paid to that beneficiary on the customer's instructions. (Utility payments, retail payments, subscriptions, rent, mortgage payments to another bank, insurance company or credit union, etc.). Please note that a Direct Payment requires that the beneficiary "claim" the payment on each occasion, usually by issuing a bill. A Direct Debit is distinct from a "Standing Order", which is defined as a fixed payment by the bank to a specified party, and continues automatically until cancelled.

e) Direct Credits/Credit Transfers

Transfers of funds from one clearing bank to another on behalf of a customer and unrelated to a specific claim or payment. (Net salary transfers, transfer from parent to child, etc.).

### 3) MERCHANT ACCOUNTS

These refer to accounts provided to businesses that process transactions electronically. It includes the number of terminal facilities provided by your institution to these entities and the value of transactions arising via these accounts. This data is to be reported by island.

a) Number of Terminals

This figure relates to the number of terminals issued to businesses to conduct electronic transactions.

b) Value of Transactions

This figure refers to the value of transactions in Bahamian and foreign currency occurring via merchant accounts.

### 4) ELECTRONIC BANKING

This refers to accounts granted by your institution to customers permitting them to conduct transactions electronically, by internet or telephone. The data is to be reported by island with the exception of D (iii).

a) Registered Residential Users

This figure refers to the number of electronic accounts held by residential customers. Residential customers include private individuals and households.

b) Registered Business Users

This figure refers to the number of electronic accounts held by business customers. Business customers include private financial institutions (insurance companies, mutual fund companies, credit unions, cooperative societies), and business firms.

c) Registered Users Public Sector

This figure refers to the number of electronic accounts held by the public sector. The public sector includes accounts of the Government and related ministries and departments and those of public corporations and public financial institutions. See [Appendix II](#) and [Appendix III](#) for listing.

d) Other Registered Users

This figure refers to the number of electronic accounts held by 'Other' customers. Other customers include accounts of charitable, non-profit organizations (churches, sporting clubs, pension funds of public corporations and business firms).

w. Quarterly Statement Of Fiduciary Assets

This form allows for the gathering of data on assets under management and assets under custody.

Input is required to the white cells only and amounts should be entered in Bahamian dollars to the nearest thousand.

1) Total value of Fiduciary Assets – Breakdown by Asset Class

Total – automatically calculated.

a) Assets Under Management

Total – automatically calculated.

(i) Deposits

Include all fiduciary deposits.

(ii) Capital Market Instruments

Include all capital instruments.

(iii) Other (Please Specify)

Include any other fiduciary assets

b) Assets Under Management

Total – automatically calculated.

(i) Deposits

Include all fiduciary deposits.

(ii) Capital Market Instruments

Include all capital instruments.

(iii) Other (Please Specify)

Include any other fiduciary assets.

c) Assets Under Custody

Total – automatically calculated.

(iv) Deposits

Include all fiduciary deposits.

(v) Capital Market Instruments

Include all capital instruments.

(vi) Other (Please Specify)

Include any other fiduciary assets.

2) Total Number of Investment Holding Structures/ Vehicles International Business Companies

a. Investment Funds/Collective Investment Schemes

b. Trusts

c. Limited Liability Companies (LLC)

d. Private Trust Companies

e. Foundations

f. Bahamas Executive Entities (BEE)

g. Investment Condominiums

h. Individual

i. Other

x. Maturity-Wise Analysis Of Liabilities And Assets

This form is designed to serve as a basic tool for monitoring liquidity risk exposure in banks arising out of maturity imbalances. The gap report stratifies all of a bank's assets and liabilities into time bands based on their maturity date.

Like the other forms, data is entered into the white cells only. Cells other than white will be calculated automatically. Totals on this form should coincide with the totals on the Form 1 and Form 2.

The buckets for the Maturity Analysis are:

- Less than 1 month;
- 1 month to less than 3 months;
- 3 months to less than 6 months;
- 6 months to less than 12 months;
- 1 year to less than 5 years; and
- 5 years and over.

Assets and liabilities should be reported according to their Contractual Residual Maturity, that is, the period remaining between the reporting date and the maturity date.

Where a period remaining to maturity is to be entered in months, it should be calculated on a calendar month basis, starting at the reporting date. Items that do not have a specific maturity should be entered in the over 5 years maturity bucket, such as capital items including retained earnings, fixed assets, etc. However, notes & coins and items in transit such as accounts receivable and suspense accounts should be entered in the less than 1 month bucket.



### Net Position

At the bottom of the schedule, the ERS will calculate the net position i.e., the net difference or gap between the assets and liabilities and the cumulative net position.

#### y. Interest Rate Sensitivity Of Liabilities And Assets

This form is designed to serve as a basic tool for measuring mismatches between rate sensitive liabilities and rate sensitive assets. An asset or liability is normally classified as rate sensitive if: -


- Within the time interval under consideration, there is a cash flow;
- The interest rate resets/repriced contractually during the interval;
- It is contractually pre-payable during the interval;
- It is dependent on the changes in interest rate.

The interest rate sensitivity analysis form is generated by grouping rate sensitive liabilities and assets positions into time buckets according to contractual residual maturity or next re-pricing period, whichever is earlier. All investments, advances, deposits, borrowings, purchased funds, etc. that mature/re-price within a specified timeframe are interest rate sensitive. The interest rate sensitivity analysis schedule indicates whether the institution is in a position to benefit from rising interest rates by having a positive gap i.e., rate sensitive assets greater than rate sensitive liabilities or whether the institution is in a position to benefit from declining interest rates by a negative gap i.e., rate sensitive liabilities greater than rate sensitive assets.

Like the Maturity Analysis Schedule, data is entered into the white cells only. Cells other than white will be calculated automatically.

The buckets for the interest rate sensitivity analysis are:

- Less than 1 month;
- 1 month to less than 3 months;
- 3 months to less than 6 months;
- 6 months to less than 12 months;
- 1 year to less than 5 years;
- 5 years and over;
- Variable Rate; and
- Non-interest Bearing

 Variable rate loans and deposits can change the rate paid or received with reference to an existent standard such as the base rate or prime rate at the bank's discretion without the client's consent and at anytime. Items which are non-interest bearing should be entered in the Non-interest Bearing bucket. Some examples of these items would be: non-interest bearing demand deposits, capital items, fixed assets, notes and coins, etc.

### Net Position

As figures are inputted for each bucket, the ERS will calculate the net position and the cumulative net position.

#### z. Investments by Currency Type

This form is designed to collect information on reporting licensees' market risk exposures. Licensee's are to enter information for each exposure based on book and market value.

At "11. Other (please specify)," please provide the total of each investment category on a separate report.

The average maturity is the average time to maturity of all the securities held in the portfolio.

Please state in the "Oth\$ Currency" box provided the total investment amounts by currency unit reported in "Oth\$" for each type of investment.

As in other forms, input is required to the white cells only and amounts should be entered in United States dollars to the nearest thousand.

1) Government (central government and other)

Self-explanatory

2) Public Sector Entities

Self-explanatory

3) Multilateral Development Banks

Multilateral Development Banks are institutions that provide financial support and professional advice for economic and social development activities in developing countries. The term Multilateral Development Banks (MDBs) typically refers to the World Bank Group and four Regional Development Banks:

- The African Development Bank
- The Asian Development Bank
- The European Bank for Reconstruction and Development
- The Inter-American Development Bank

Several other banks and funds that lend to developing countries are also identified as multilateral development institutions, and are often grouped together as other Multilateral Financial Institutions. They differ from the MDBs in a narrower ownership/membership structure or in focusing on special sectors or activities. Among these are:

- The European Commission and The European Investment Bank
- International Fund for Agricultural Development
- The Islamic Development Bank
- The Nordic Development Fund and The Nordic Investment Bank
- The OPEC Fund for International Development

A number of Sub-Regional Banks, established for development purposes, are also classified as multilateral banks, as they are owned by a group of countries (typically borrowing members and not donors). Among these are banks such as Andean Development Corporation; Caribbean Development Bank; Central American Bank for Economic Integration; East African Development Bank; West African Development Bank.

4) Corporate Bond

A debt security issued by a corporation and sold to investors.

5) Collective Investment Scheme (e.g. mutual funds)

See [Appendix IV](#) for definition.

6) Structured Products

Generally a pre-packaged investment strategy based on derivatives, such as a single security, a basket of securities, options, indices, commodities, debt issuances and/or foreign currencies, and to a lesser extent, swaps.

a) Asset-Backed Securities

A financial security backed by a loan, lease or receivables against assets other than real estate and mortgage-backed securities.

b) Mortgage-Backed Securities

A type of asset-backed security that is secured by a mortgage or collection of mortgages.

Also known as a "mortgage-related security" or a "mortgage pass through".

c) Asset Swaps

Similar in structure to a plain vanilla swap, the key difference is the underlying of the swap contract. Rather than regular fixed and floating loan interest rates being swapped, fixed and floating investments are being exchanged.

7) Money Market Instruments

Debt instruments issued by private organizations, governments, and government agencies, generally with maturities of one year or less. Such instruments are highly liquid investments, and include Treasury bills, bankers' acceptances, commercial paper and short-term tax-exempt municipal securities, and negotiable bank CDs. Money market instruments are actively traded in the money centre financial markets in New York, London, and Tokyo. Futures contracts on U.S. Treasury bills and certain other money market instruments are traded in the financial futures markets.

a) Certificate of Deposit

A savings certificate entitling the bearer to receive interest. A CD bears a maturity date, a specified fixed interest rate and can be issued in any denomination. The term of a CD generally ranges from one month to five years.

b) Time Deposit

A savings account or CD held for a fixed-term with the understanding that the depositor can only withdraw by giving written notice.

c) Repurchase Agreements

A form of short-term borrowing for dealers in government securities. The dealer sells the government securities to investors at an agreed price and, usually at a stated time. Repos can have a fixed maturity date or callable or open.

For the party selling the security (and agreeing to repurchase it in the future) it is a repo; for the party on the other end of the transaction, (buying the security and agreeing to sell in the future) it is a reverse repurchase agreement.

#### d) Special Purpose and Resale Agreements

An open market operation in which an institution (such as a Central Bank) purchases securities that are repurchased by the seller the following day. This is designed to lower overnight interest rates and increase the money supply

#### 8) Derivatives, Net

A financial contract whose price is dependent upon or derived from one or more underlying securities. The derivative itself is merely a contract between two or more parties. Its value is determined by fluctuations in the underlying security. The most common underlying securities include stocks, bonds, commodities, currency exchange rates, interest rates and market indexes.

##### a) Swaps

Traditionally, the exchange of one security for another to change the maturity (bonds), quality of issues (stocks or bonds), or because investment objectives have changed.

##### b) Futures

A financial contract obligating the buyer to purchase an asset (or the seller to sell an asset), such as a physical commodity or a financial instrument, at a predetermined future date and price. Futures contracts detail the quality and quantity of the underlying asset; they are standardized to facilitate trading on a futures exchange. Some futures contracts may call for physical delivery of the asset, while others are settled in cash.

##### c) Options

A financial derivative that represents a contract sold by one party (option writer) to another party (option holder). The contract offers the buyer the right, but not the obligation, to buy (call) or sell (put) a security or other financial asset at an agreed-upon price (the strike price) during a certain period of time or on a specific date (exercise date).

Call options give the option to buy at certain price, so the buyer would want the stock to go up.

Put options give the option to sell at a certain price, so the buyer would want the stock to go down.

##### d) Forward Contracts

A cash market transaction in which delivery of the commodity is deferred until after the contract has been made. Although the delivery is made in the future, the price is determined on the initial trade date.

#### 9) Quoted Equities, Net

Stocks, which are traded on the open market, either on a stock exchange or on the over-the-counter market.

#### 10) Unquoted Equities, Net

Equity capital that is not quoted on a public exchange. Unquoted (private) equity consists of investors and funds that make investments directly into private companies or conduct buyouts of public companies that result in a delisting of public equity.

## 5. Appendix I<sup>4</sup>

### Commercial Banks (Authorized Dealers)

- FBB Fidelity Bank (Bahamas) Ltd.
- BNS Scotiabank (Bahamas) Ltd.
- BOB Bank of The Bahamas Ltd.
- CBL Commonwealth Bank Ltd.
- CIT Citibank, N.A.
- FCB FirstCaribbean International Bank (Bahamas) Ltd.
- FIN Finance Corporation of Bahamas Ltd.
- RBC RBC Royal Bank (Bahamas) Ltd.

### Other Local Financial Institutions (Authorized Agents)

- ANS Ansbacher (Bahamas) Ltd.
- BNT Bank of Nova Scotia Trust Co. (Bahamas) Ltd.
- BOT Bank of The Bahamas Trust Limited
- BBL Butterfield Trust (Bahamas) Limited
- CBT CIBC Trust Co. (Bahamas) Ltd.
- CTR Cititrust (Bahamas) Ltd.
- MTC J.P. Morgan Trust Co. (Bahamas) Ltd.
- 
- PIC Rhone Trustees (Bahamas) Ltd.
- RBT Royal Bank of Canada Trust Co. (Bahamas) Ltd.
- RFMB Royal Fidelity Merchant Bank & Trust Ltd.

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<sup>4</sup> As at December 31, 2014

## 6. Appendix II<sup>5</sup>

### Public Non-Financial Institutions

- Airport Authority
- Antiques Monuments and Museum Corporation
- Bahamasair
- Bahamas Agricultural and Industrial Corporation
- Bahamas Broadcasting Corporation
- Bahamas Electricity Corporation
- Bahamas Maritime Authority
- Bahamas Water and Sewerage Corporation
- Clifton Heritage Authority
- College of The Bahamas
- Deposit Insurance Corporation
- Educational Loan Authority
- Financial Intelligence Unit
- Gaming Board
- Health Facilities
- Hotel Corporation of The Bahamas (in liquidation)
- Insurance Commission
- Nassau Airport Development Company
- Nassau Flight Services
- National Insurance Board
- Paradise Island Bridge Authority
- Public Hospitals Authority
- Securities Commission
- Utilities Regulation and Competition Authority

### Public Financial Institutions

- Bahamas Development Bank
- Bahamas Mortgage Corporation

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<sup>5</sup> As at December 31, 2014

## 7. Appendix III

### Departments / Ministries / Commissioners' Accounts<sup>6</sup>

Governor-General & Staff	The Senate
House of Assembly	Department of the Auditor-General
Department of Public Service	Cabinet Office
Office of the Attorney-General & Ministry of Legal Affairs	Judicial Department
Court of Appeal	Registrar-General's Department
Prisons Department	Parliamentary Registration Department
Ministry of Foreign Affairs	Office of the Prime Minister
Bahamas Information Services	Government Printing Department
Ministry of Lands & Local Government	Department of Physical Planning
Department of Lands & Surveys	Ministry of Finance
Treasury Department	Customs Department
Department of Statistics	Magistrates' Courts
Public Debt Servicing – Interest	Public Debt Servicing – Redemption
Ministry of National Security	Department of Immigration
Royal Bahamas Police Force	Royal Bahamas Defence Force
Ministry of Public Works & Transport	Department of Public Works
Department of Education	Bahamas Technical & Vocational Institute
Department of Archives	Ministry of Education, Youth, Sports & Culture
Department of Social Services	The Simpson Penn Centre for Boys
The Willamae Pratt Centre for Girls	Department of Housing
Ministry of Housing and National Insurance	Department of Youth & Sports
Department of Labour	Post Office Department
Department of Road Traffic	Department of Meteorology
Ministry of Agriculture and Marine Resources	Department of Agriculture
Department of Marine Resources	Ministry of Health & Social Development
Department of Environmental Health Services	Department of Public Health
Ministry of Tourism & Aviation	Ministry of Maritime Affairs & Labour

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<sup>6</sup> Source: Government of The Bahamas – Draft estimates of Revenue & Expenditure for the fiscal year 2007/2008.

As at December 31, 2014

## 8. Appendix IV

### Definitions

"assets under administration" means financial assets that are managed by a bank or financial institution on behalf of clients. Assets under administration are beneficially owned by clients. For example: financial assets within a Trust structure held with External Asset Managers.

"assets under custody" means client funds or securities, held in 'custody' directly or indirectly by an advisor (or investment company) on their behalf, or where the advisor (or investment company) has any authority to obtain possession of them. For example: financial assets physically custodied in The Bahamas.

"assets under management" means the 'securities portfolios' with respect to which an advisor (or investment company) provides continuous, regular and active supervisory or management services. For example: financial assets held under a discretionary or advisory investment portfolio where the Bahamian entity provides the investment management or advisory services.

"capital base" means the total of shareholders' funds plus other capital items permitted by the Central Bank and subject to any deduction required by the Central Bank and reported in the most recent Monthly/Quarterly Statement of Capital Adequacy;

"capital market instruments" means those instruments which facilitate the transfer of capital in the financial markets, including stocks, bonds, debentures, T-bills, foreign exchange, fixed deposits, and others;

"Central Bank" means the Central Bank of The Bahamas established pursuant to section 3 of the Central Bank of The Bahamas Act;

"concessive terms" means conditions and requirements that are less demanding than or inconsistent with the conditions and requirements imposed upon the general range of non-related-party clients in similar circumstances.

"contingent liability" means a possible obligation depending on whether some uncertain future event occurs or a present obligation but payment is not probable or the amount cannot be measured reliably.

"counterparty" means the borrower (customer), the person guaranteed, the issuer of a security in the case of an investment in a security or the party with whom the contract is made in the case of a contract.

"connected party" means:

(a) any party that, either directly or indirectly, controls the counterparty;

(b) any party that is controlled, either directly or indirectly, by any party that controls, either directly or indirectly, the counterparty;

(c) a subsidiary or associate company of the counterparty;

(d) directors, executive officers, senior staff, and controlling shareholders of the counterparty;

(e) directors, executive officers, senior staff, and controlling shareholders of any person identified in (a), (b) and/or (c), above.

"exposure" means:

(a) Claims on a counterparty including actual claims and potential claims which would arise from the drawing down in full of undrawn advised facilities (whether revocable, irrevocable, conditional or unconditional), which the licensee has committed itself to purchase or underwrite;

(b) Contingent liabilities arising in the normal course of business and liabilities that would arise from the drawing of undrawn advised facilities;



(c) Holdings of equity capital, bonds, bills or other financial instruments;

(d) Any other assets that constitute a claim on a counterparty for the licensee and which are not included in (a), (b), or (c) above.

“external accounts” mean Bahamian dollar accounts of non-residents maintained with Authorized Dealers under general or special permission of The Central Bank of The Bahamas. External Accounts are non-interest bearing and may not be overdrawn.

“fiduciary deposits” mean funds deposited in a bank and managed for the benefit of the depositor by the bank.

“financial service providers” include Lawyers, Accountants, Real Estate Agents, Management Companies, and other professionals operating in the Bahamas.

NB- (a) Companies incorporated in The Bahamas, not specified as International Business Companies (IBCs) are assumed for the purposes of these Guidelines to be incorporated under The Companies Act, 1992.

(b) When applying to open a bank account in the name of a company incorporated in The Bahamas, a formal letter of designation from The Central Bank of The Bahamas should be produced in the following circumstances:

- Companies owned by residents and/or non-residents and/or temporary residents and operating in or outside The Bahamas (not applicable to IBCs).
- IBCs owned by residents, non-residents, or temporary residents and operating in The Bahamas.

“fully collateralized” means secured by marketable securities acceptable to the Inspector and cash deposits, including certificates of deposit and equivalent instruments, held with the specific right of offset by and under the exclusive administration of the licensee, where repayment of the deposit is conditional on the repayment of the related extension(s) of credit, and having a market value equal to at least one hundred percent of the extension of credit.

“international business companies” means companies incorporated under the International Business Companies Act, 2000.

“investment funds/collective investment schemes” means a way of investing money with others to participate in a wider range of investments than feasible for most individual investors, and to share the costs and benefits of doing so. A collective investment scheme may also be called mutual funds, investment funds, managed funds, or simply funds.

“large exposure” means an exposure which is equal to or exceeds ten percent of capital base of a licensee.

“licensee” means any Bank or Trust company which is incorporated in The Bahamas and which holds a licence granted under section 4 of the Act.

“non-residents” for Exchange Control purposes: see [Authorized Dealers Guidelines](#) in particular, items 10-14 and 17.

“related party” includes-

- a. a person that controls, whether directly or indirectly, a licensee;
- b. a person that is controlled, whether directly or indirectly, by the person that controls the licensee;
- c. the subsidiaries or associate companies of a licensee;
- d. the directors, executive officers, senior staff of—
- e. any person who, either alone or together with any associate, is entitled to exercise control over ten percent or more of the share capital of—
- f. a licensee;
- g. any person identified in paragraphs (a), (b) or (c) of this Regulation;

- h. The immediate family members of persons identified in paragraphs (a), (d) or (e) of this Regulation;
- i. Partnerships, companies, trusts or other entities in which an immediate family member referred to in paragraph (f) of this Regulation, has a controlling interest; and
- j. any person that manages or is managed by a licensee under a management contract.

"residents" for Exchange Control purposes: Bahamian citizens residing in The Bahamas, Permanent Residents with no restriction on employment and Naturalized Citizens.

"temporary residents" for Exchange Control purposes: see details in items 1-6 and 8-9.