Jersey Financial Services Commission

Completion Guide

Prudential Reporting of Financial Data

Covering the reporting of a JIB's balance sheet & off-balance sheet exposures and profit & loss account

Near final draft

Issued: October 2026
Effective: 1 July 2027

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1 Overview

Introduction

1.1 The “Financial” data sheets are designed to provide the JFSC with an assessment of a JIB’s balance sheet / off-balance sheet activities and its profit and loss.

1.2 This Guide addresses the completion of the following sheets:

1.2.1 ‘2.1 BS Assets’ and’2.3 BS Liabilities’: data is entered that describes the make-up of the JIB’s balance sheet.

1.2.2 ‘2.4 Off-Balance Sheet’: data is entered to describe the extent and nature of off-balance sheet activities.

1.2.3 ‘2.5 Profit and Loss’: data is entered to describe the profit and loss to date for the current year.

1.3 Throughout, areas where data should be inputted are indicated visually in the sheets by the use of white boxes – no data should be entered elsewhere and every box should be completed, entering zero where appropriate.

2 '2.1 BS Assets'

Categorisation

2.1 The reporting institution should categorise balance sheet assets by column according to the approach used to determine credit risk (Standardised Approach, F-IRB or A-IRB).

2.2 The column "of which, Trading Book" is for information purposes only and should include any Trading Book assets.

2.3 For each row, the figure in the "Total" column is calculated as the sum of the approach used to determine credit risk. The "Total" column does not include the column "of which, Trading Book" as this is for informational purposes only and doing so would result in the balances being double counted. The only exception to this is that for items related to equity holdings that require capital treatment only the total amount should be input in the "Total" column.

2.4 Assets should be further categorised by row according to the table below.

2.5 The designation of an asset as marketable has the following meaning:

- 2.5.1 Prices are regularly quoted for the asset;
- 2.5.2 The asset is regularly traded;
- 2.5.3 The asset is readily sold, including by repo, either on an exchange, or in a deep and liquid market, for payment in cash; and
- 2.5.4 Settlement is made according to a prescribed timetable, rather than a negotiated timetable.

2.6 "Past due" assets are reported in F.5, rather than according to the normal classification. Assets must be classified as "Past due" after 90 days have passed since a payment is missed.

Detailed guidance

Item	Guidance
A.1	**Cash: Notes and coins.** Notes and coins held by the JIB.
A.2	**Cash: Cash items in the course of collection.** The amount of cheques, drafts and other items drawn on other banks that will be paid for the account of the reporting institution immediately upon presentation and that are in the process of collection.
A.3	**Cash: Gold.** Gold held by the JIB.
A.0	**Cash Total.** Calculated as the sum of A.1 to A.3.
B.1	**Loans to Banks: Loans to Parent.** Loans to parent banks of the reporting bank.
B.2	**Loans to Banks: Loans to fellow banking subsidiaries.** Loans to banks in the same group as the JIB. A company is considered to be in the same group as the reporting bank if it is a subsidiary of the ultimate parent of the reporting bank.

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Item	Guidance
B.3	**Loans to Banks: Loans to other banks - 1 year or less to maturity.** Loans to all other banks that are one year or less to maturity at the reporting date.
B.4	**Loans to Banks: Loans to other banks - greater than 1 year to maturity.** Loans to all other banks that are greater than one year to maturity at the reporting date.
B.0	**Loans to Banks Total.** Calculated as the sum of B.1 to B.4.
C.1	**Marketable Assets: Zone A Government debt.** Holdings of Zone A Government debt issues that are marketable.
C.2	**Marketable Assets: Zone A PSE debt.** Holdings of Zone A PSE debt issues that are marketable.
C.3.1	**Marketable Assets: CDs, CP and FRNs of less than 1 year to maturity: Parent issued.** Marketable holdings of CDs, CP and FRNs of less than 1 year to maturity that are issued by parent banks of the reporting bank.
C.3.2	**Marketable Assets: CDs, CP and FRNs of less than 1 year to maturity: Other group - bank issued.** Marketable holdings of CDs, CP and FRNs of less than 1 year to maturity that are issued by banks in the same group as the reporting bank.
C.3.3	**Marketable Assets: CDs, CP and FRNs of less than 1 year to maturity: Other banks.** Marketable holdings of CDs, CP and FRNs of less than 1 year to maturity that are issued by other banks.
C.3.4	**Marketable Assets: CDs, CP and FRNs of less than 1 year to maturity: All marketable CP.** All holdings of marketable CP issued by corporates.
C.3	**Marketable Assets: CDs, CP and FRNs of less than 1 year to maturity**. Calculated as the sum of C.3.1 to C.3.4.
C.4.1	**Marketable Assets: Other Marketable Bank Debt: Parent issued.** Marketable holdings of debt not covered by C.3.1 issued by parent banks of the reporting bank.
C.4.2	**Marketable Assets: Other Marketable Bank Debt: Other group - bank issued.** Marketable holdings of debt not covered by C.3.2 issued by banks in the same group as the reporting bank.
C.4.3	**Marketable Assets: Other Marketable Bank Debt: Other Banks.** Marketable holdings of debt not covered by C.3.3 issued by other banks.
C.4	**Marketable Assets: Marketable Bank Debt.** Calculated as the sum of C.4.1 to C.4.3.
C.5.1	**Other Marketable debt - Group non-banking entities.** Marketable holdings of debt issued by non-banking companies in the same group as the reporting bank.
C.5.2	**Other Marketable debt – Corporate.** Marketable holdings of debt issued by other non-banking companies.
C.5.3	**Other Marketable debt - Securitisation exposures - non equity.** Marketable holdings of securitisation tranches, other than equity tranches. For the standardised

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Item	Guidance
	approach to credit risk, this means only include tranches with a long term rating of BB- or higher and tranches with a short term rating of A-3 or higher.
C.5.4	**Other Marketable debt – Sovereign.** Other marketable holdings of debt issued by sovereigns.
C.5.5	**Other Marketable PSE Debt.** Other marketable holdings of debt issued by PSEs.
C.5.6	**Marketable Bank equity holdings.** Marketable holdings of capital instruments, including equity, issued by banks. Enter the total only. Note that the sum of C.5.6, D.7, E.10, E.11 and A.13 on the sheet' 2.4 Off Balance Sheet' should equal the total of all amounts input relating to investments in financial institutions in the sheet '6.1 Capital Adequacy' – see Capital Ratios Guide.
C.5.7	**Marketable Corporate equity holdings.** Marketable holdings of equity issued by non-banking companies.
C.5.8	**Marketable Securitisation exposures - equity tranche holdings.** Marketable holdings of the equity tranches of securitisation. This should include any tranches for which a capital treatment applies. For the standardised approach to credit risk, this means all unrated tranches, tranches with a long term rating below BB- and tranches with a short term rating below A-3. Enter the total only. Note that this feeds into the sheet '6.1 Capital Adequacy', see the Capital Ratios Guide.
C.5	**Other Marketable Assets.** Calculated as the sum of C.5.1 to C.5.8.
C.0	**Marketable Assets Total.** Calculated as the sum of C.1, C.2, C.3, C.4 and C.5.
D.1	**Group non-banking entities.** Loans to non-banking companies in the same group as the reporting bank.
D.2.1	**Unencumbered central bank reserves.** Central bank reserves that are eligible for inclusion in HQLA – See Liquidity Ratios Guide. Note that this feeds into the sheet '1.1 HQLA'.
D.2.2	**Other central bank reserves.** All other loans to central banks.
D.2.3	**Loans to Sovereigns and MDBs.** Loans to sovereign governments and Multilateral Development Banks.
D.2	**Sovereigns.** Calculated as the sum of D.2.1 to D.2.3
D.3	**PSEs.** Loans to public sector entities.
D.4	**Corporate lending.** All loans to companies other than those qualifying for reporting elsewhere.
D.4.1	**of which, SME Lending.** All loans to companies other than those qualifying for reporting elsewhere included within D.4 Corporate Lending where the company meets the definition of an SME as set out in the Glossary.
D.5	**Retail lending.** Loans to individuals and small businesses.

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Item	Guidance
D.5.1	**of which, SME Lending.** Loans included within D.5 Retail Lending where the counterparty meets the definition of an SME as set out in the Glossary.
D.6	**Residential mortgages.** Loans secured by charges over residential property.
D.7	**Capital connected lending.** Loans of a capital nature. Enter the total only. Note that the sum of C.5.6, D.7, E.10, E.11 and A.13 on the sheet' 2.4 Off Balance Sheet' should equal the total of all amounts input relating to investments in financial institutions in the sheet '6.1 Capital Adequacy' – see Capital Ratios Guide.
D.0	**Loans and Advances Total.** Calculated as the sum of D.1, D.2, D.3, D.4, D.5, D.6 and D.7.
E.1	**Non marketable sovereign debt.** Non marketable holdings of debt issued by sovereigns.
E.2	**Non marketable PSE debt.** Non marketable holdings of debt issued by PSEs.
E.3	**Non marketable debt – parental.** Non marketable holdings of debt issued by parent banks of the reporting bank.
E.4	**Non marketable debt - other group bank.** Non-marketable holdings of debt issued by banks in the same group as the reporting bank.
E.5	**Non marketable debt - other bank issued.** Non-marketable holdings of debt issued by other banks.
E.6	**Non marketable debt - group non-banking entities.** Non-marketable holdings of debt issued by non-banking companies in the same group as the reporting bank.
E.7	**Non marketable debt – corporate.** Non marketable holdings of debt issued by other non-banking companies.
E.8	**Non marketable securitisation exposures – non-equity.** Non marketable holdings of securitisation tranches, other than equity tranches. For the standardised approach to credit risk, this means only include tranches with a long term rating of BB- or higher and tranches with a short term rating of A-3 or higher.
E.9	**Significant Investments in Non-financial companies.** Significant (minority and/or majority) investments in commercial entities; those which exceed materiality levels should be deducted from banks' capital. Materiality levels are: • 15% of the bank's capital for individual investments in commercial entities; and • 60% of the bank's capital for the aggregate of such investments. The amount to be deducted will be that portion of the investment that exceeds the materiality level. The amount below this level should be categorised as normal. Enter the total only. Note that this feeds into the sheet '6.1 Capital Adequacy', see the Capital Ratios Guide.
E.10	**Capital investments in subsidiaries and other associated companies.** Investments in subsidiary and associated companies. Such companies include:

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Item	Guidance
	• The reporting bank's ultimate parent; • All subsidiaries of that ultimate parent; • All companies with whom the reporting bank has entered into a joint venture, together with the joint venture itself and any subsidiaries of it; • All companies where the reporting bank is a significant shareholder and holds over 20% of that a company's share capital; and • All companies where the reporting bank exercises management control. Enter the total only. Note that the sum of C.5.6, D.7, E.10, E.11 and A.13 on the sheet' 2.4 Off Balance Sheet' should equal the total of all amounts input relating to investments in financial institutions in the sheet '6.1 Capital Adequacy' – see Capital Ratios Guide.
E.11	**Capital investments in other banks.** Holdings of capital instruments issued by banks and other regulated financial services businesses. Enter the total only. Note that the sum of C.5.6, D.7, E.10, E.11 and A.13 on the sheet' 2.4 Off Balance Sheet' should equal the total of all amounts input relating to investments in financial institutions in the sheet '6.1 Capital Adequacy' – see Capital Ratios Guide.
E.12	**Other equity investments – corporate.** Marketable holdings of capital instruments, including equity, issued by non-banking companies.
E.13	**Securitisation exposures - equity tranches.** Marketable holdings of the equity tranches of securitisations. This should include any tranches for which a capital treatment applies. For the standardised approach to credit risk, this means all unrated tranches, tranches with a long term rating below BB- and tranches with a short term rating below A-3. Enter the total only. Note that this feeds into the sheet '6.1 Capital Adequacy', see the Capital Ratios Guide
E.0	**Investments Total.** Calculated as the sum of E.1 to E.13.
F	**Other Financial**
F.1	**Items in suspense.** Report all items in suspense.
F.2	**Settlement Balances.** Report all settlement balances due to the bank.
F.3	**Debtors and Prepayments.** Report debtors and prepayments.
F.4	**Operating leases.** Report capitalised assets relating to operational leases.
F.5	**All past due assets.** Report all past due assets here (more than 90 days).
F.6	**Mortgage Servicing Rights.** Any intangible asset held that arose in connection with providing mortgage servicing, typically in connection with the mortgage assets transferred to a securitisation vehicle. Enter the total only. Note that this feeds into the sheet '6.1 Capital Adequacy', see the Capital Ratios Guide.
F.7	**Deferred Tax Assets.** All deferred tax assets on the JIB's balance sheet.

Next Draft

Item	Guidance
	Enter the total only. Note that this feeds into the sheet '6.1 Capital Adequacy', see the Capital Ratios Guide.
F.8	**Defined-benefit pension fund net assets.** Applicable only for *JIBs* that have a defined benefit asset on their balance sheets. For each defined benefit pension fund that is an asset on the balance sheet, this is defined as that asset, net of any associated deferred tax liability which would be extinguished if the asset should become impaired or derecognised under the relevant accounting standards. Enter the total only. Note that this feeds into the sheet '6.1 Capital Adequacy', see the Capital Ratios Guide.
F.9	**Derivative assets.** All amounts reflected in the JIB's balance sheet relating to the replacement cost of derivatives where for any derivative this is an asset.
F.0	**Other Financial Assets Total.** Calculated as the sum of F.1 to F.9.
G.1	**Premises owned and occupied by the reporting bank.** The JIB's own premises should be included along with any property being developed for occupation. Also report here property owned by the registered person that is occupied by employees.
G.2	**Other land and property owned by the reporting bank.** Report here any other land and property owned by the JIB.
G.3	**Plant, equipment, leasehold premises, and motor vehicles.** Report here all other tangible fixed assets of the reporting bank.
G.4	**Goodwill.** Report here all Goodwill. Enter the total only. Note that this feeds into the sheet '6.1 Capital Adequacy', see the Completion Guide for Prudential Reporting of Capital Ratios.
G.5	**Intangible assets, other than Goodwill (and excluding mortgage servicing rights).** Report here all intangible fixed assets of the reporting bank, excepting goodwill. For the avoidance of doubt, do not report any intangible asset relating to mortgage servicing rights: this should be reported in F.6. Enter the total only. Note that this feeds into the sheet '6.1 Capital Adequacy', see the Completion Guide for Prudential Reporting of Capital Ratios.
G.0	**Other Assets Total.** Calculated as the sum of G.1 to G.5.
H.0	**Total Assets.** Calculated as the sum of A.0, B.0, C.0, D.0, E.0, F.0 and G.0.

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3 ‘2.3 BS Liabilities

Categorisation

3.1 The reporting institution should categorise its balance sheet liabilities by row according to the table below.

Detailed guidance

Item	Guidance
A	**Deposits due to:**
A.1	**Parent / Holding Company or Group.** Deposits from all companies of which the JIB is a subsidiary. The JIB is deemed to be a subsidiary of such a company if either: • The company is a shareholder of the JIB and controls the composition of its board of directors; • The company holds more than one half in nominal value of the JIB’s equity share capital; or • The JIB is a subsidiary of any other subsidiary of the company.
A.2	**Associated Banking Companies.** Deposits from regulated banks that are associated companies of the JIB. For the purpose of reporting this item in return, this comprises: • All companies with whom the JIB has entered into a joint venture, together with the joint venture itself and any subsidiaries; • All companies where the JIB holds over 20% of that company’s share capital; and • All companies where the JIB exercises management control.
A.3	**Associated Non-Banking Companies.** All other deposits from companies in the same group as the JIB. A company is considered to be in the same group as the JIB if it is a subsidiary of the ultimate parent of the reporting bank.
A.4	**Other Deposit Takers.** All deposits from banks and other deposit taking institutions, such as building societies.
A.5.1.	**Retail Accounts – individuals.** Deposits taken and held in accounts for named individuals. Calculated as the sum of the Balance Sheet Liabilities entered for Items RE.01, RE.02, RE.03 and RE.04 on the sheet ‘1.2 LCR-LMR’.
A.5.2.	**Retail Accounts – small businesses.** Deposits taken and held in accounts for small businesses. Calculated as the sum of the Balance Sheet Liabilities entered for Items RE.05, RE.06, RE.07and RE.08 on the sheet ‘1.2 LCR-LMR’.
A.5	**Retail Accounts.** Deposits taken and held in retail accounts. Calculated as the sum of A.5.1 and A.5.2.
A.6.1	**Operational deposits and Qualifying PIC deposits.** Non retail deposits falling into the operational deposit or PIC deposit categories. Calculated as the sum of the Balance Sheet Liabilities entered for Items OL.01, OL.02, OL.03 and OL.04 on the sheet ‘1.2 LCR-LMR’.
A.6.2	**Unsecured wholesale: adjustment.** Nonretail deposits falling into categories for which adjustments are permitted in the LCR. Calculated as the sum of the Balance Sheet Liabilities entered for Items OL.06 and OL.07 on the sheet ‘1.2 LCR-LMR’.

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Item	Guidance
A.6	**Corporate and Fiduciary.** Deposits from corporates, trusts and other deposits that are potentially eligible for adjustment in the LCR. Calculated as the sum of A.6.1 and A.6.2.
A.7	**All Other Depositors.** All deposits not falling within any of the above categories.
A.0	**Total deposits.** Calculated as the sum of A.1, A.2, A.3, A.4, A.5, A.6 and A.7.
B.1	**Certificates of deposit issued.** Report here CDs issued by the JIB, other than Retail Bonds.
B.2	**Promissory notes, bills and other short term paper issued.** Report here all other short term paper (less than one year) issued by the JIB, other than Retail Bonds.
B.3	**Non - Capital term debt issued.** Report here all other debt issued by the JIB, other than Retail Bonds, excepting only where the debt is eligible for inclusion as regulatory capital.
B.4	**Retail Bonds.** All Retail Bonds issued by the JIB. Calculated as the sum of the Balance Sheet Liabilities entered for Items RE.09, RE.10 and RE.11 on the sheet '1.2 LCR-LMR'.
B.0	**Total CDs and other debt securities.** Calculated as the sum of B.1, B.2, B.3 and B.4.
C.1	**Interest payable.** Report interest accrued but not paid.
C.2	**Creditors and accruals.** Report amounts owed to all creditors of the registered person.
C.3	**Current taxation.** Report taxation accrued for the current year but not paid.
C.4	**Other taxation.** Report all other amounts accrued for taxation but not paid.
C.5	**Settlement balances.** Report here settlement amounts due to be paid.
C.6	**Items in suspense.** Report all amounts payable in suspense here.
C.7.1	**Deferred Tax Liabilities.** All deferred tax liabilities on the JIB's balance sheet, excepting only any that are netted in arriving at Item F.8 in the sheet '2.1 BS Assets'.
C.7.2	**Defined-benefit pension fund net liabilities.** Applicable only for JIBs that have a defined benefit liability on their balance sheets. For each defined benefit pension fund that is a liability on the balance sheet, this is defined as that liability (no adjustment allowed or required for any associated tax impacts).
C.7.3.	**Derivative liabilities.** All amounts reflected in the JIB's balance sheet relating to the replacement cost of derivatives where for any derivative this is a liability.
C.7.4	**Miscellaneous other liabilities.** Report any liability item not falling within one of the other above categories.
C.7	**Other liabilities.** Calculated as the sum of C.7.1 to C.7.4.
C.0	**Total creditors, accruals and other liabilities.** Calculated as the sum of C.1, C.2, C.3, C.4, C.5, C.6 and C.7.
D.1	**CET1 1 capital, before deductions.** Calculated, being equal to Item 6 in the sheet '6.1 Capital Adequacy'.

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Item	Guidance
D.2	**AT1 capital , before deductions.** Calculated, being equal to Item 36 in the sheet '6.1 Capital Adequacy'.
D.3	**Tier 2 capital, before deductions.** Calculated, being equal to Item 51 in the sheet '6.1 Capital Adequacy'.
D.4	**Capital items falling outside of regulatory capital.** Report here any items that are accounted for as capital, but that do not meet the JFSC's definition of regulatory capital.
D.0	**Total capital Items.** Calculated as the sum of D.1, D.2, D.3 and D.4
E.0	**Total Liabilities.** Calculated as the sum of A.0, B.0, C.0 and D.0.

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4 ‘2.4 Off-balance sheet exposures

Categorisation

4.1 The reporting institution should categorise off-balance sheet exposures by column according to the approach that is used for credit risk (Standardised Approach, FIRB and AIRB).

4.2 The column “of which, Trading Book” is for information purposes only and should include any Trading Book assets.

4.3 For each row, the figure in the “Total” column is calculated as the sum of the approach used to determine credit risk. The “Total” column does not include the column “of which, Trading Book” as this is for informational purposes only and doing so would result in the balances being double counted.

4.4 The only exception to this is that for exposures that would ordinarily fall within Items A.1 to A.11 but require capital treatment. These should be omitted from the relevant category and instead reported in A.12 to A.14, and then only in the “Total” column.

4.5 Exposures should be categorised by row according to the table below.

4.6 The sheet calculates the total exposure of the bank to each type of exposure and other subtotals as shown in the table.

Item	Guidance
A	**Off Balance Sheet Commitments**
A.1	**Direct Credit Substitutes.** Direct credit substitutes almost always relate to the financial wellbeing of a third party. In this case, the risk of loss to the reporting institution from the transaction is equivalent to a direct claim on that party, i.e. the risk of loss depends on the creditworthiness of the third party.
A.2	**Transaction Related Contingencies.** Transaction related contingents relate to the ongoing trading activities of a counterparty where the risk of loss to the reporting institution depends on the likelihood of a future event that is independent of the creditworthiness of the counterparty. They are essentially guarantees that support particular financial obligations, rather than supporting customers’ general financial obligations.
A.3	**Trade Related Contingencies.** These comprise short-term, self-liquidating trade related items, such as documentary letters of credit issued by the reporting institution, which are, or are to be, collateralised by the underlying shipment, i.e. where the credit provides for the reporting institution to retain title to the underlying shipment. Such items should be weighted according to the counterparty on whose behalf the credit is issued whether or not the terms and conditions of the credit have yet to be complied with.
A.4	**Asset sales with recourse.** Asset sales with recourse (where the credit risk remains with the bank) fall into the weighting category determined by the asset and not the counterparty with whom the transaction has been entered into. Put options written where the holder of the asset is entitled to put the asset back to the reporting institution, e.g. if the credit quality deteriorates, should be reported here, as should

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Item	Guidance
	put options written by the reporting institution attached to marketable instruments or other physical assets.
A.5	**Forward asset purchases.** Include commitments for loans and other balance sheet items with committed drawdown. Exclude foreign currency spot deposits with value dates one or two working days after trade date.
A.6	**Partly paid up shares and securities.** The unpaid part should only be included if there is a specific date for the call on that part of the shares and securities held.
A.7	**Forward deposits placed.** These comprise commitments to place deposits in the future. Where the reporting institution has instead contracted to receive the deposit, failure to deliver by the counterparty will result in an unanticipated change in its interest rate exposure and may involve a replacement cost. Such exposures should therefore be treated as interest rate contracts (see Item B.1).
A.8	**Note Issuance and Revolving Underwriting Facilities.** Note issuance facilities and revolving underwriting facilities should include the total amounts of the reporting institution's underwriting obligations of any maturity. Where the facility has been drawn down by the borrower and the notes are held by anyone other than the reporting institution, the underwriting obligation should continue to be reported at the full nominal amount.
A.9 and A.10	**Other commitments split into those with original maturity of less than 1 year (A.9) and 1 year or over (A.10).** The JIB is regarded as having a commitment from the date the customer is advised of the facility (e.g. the date of the letter advising the customer), regardless of whether the commitment is revocable or irrevocable, conditional or unconditional and in particular whether or not the facility contains a "material adverse change" clause. Facilities subject to annual review should only be classified within A.9, rather than A.10, if the bank is confident there is no client expectation of automatic renewal.
A.11	**Commitments that are unconditionally cancellable without prior notice.** Commitments (including the undrawn portion of any binding arrangements which obligate the reporting institution to provide funds at some future date) that are unconditionally cancellable without prior notice other than for "force majeure" reason, or that effectively provide for automatic cancellation due to deterioration in a borrower's creditworthiness. This also includes any revolving or undated/open-ended commitments, e.g. overdrafts or unused credit card lines, provided that they can be unconditionally cancelled at any time and are subject to credit review at least annually. Facilities should only be classified here, rather than in A.9/10, if the bank is confident that the client is aware of both the review process and has confirmed that the facility may be withdrawn at any time.
A.12	**Any of the above exposures that require capital treatment: Securitisation.** Off balance sheet exposures reported in A.1 to A.11 where the exposure relates to equity tranches of securitisations, where an on-balance sheet exposure fall within Credit Portfolio K. This should include any tranches for which a capital treatment applies. For the standardised approach to credit risk, this means all unrated tranches, tranches with a long term rating below BB- and tranches with a short term rating below A-3. Enter the total only. Note that this feeds into the sheet '6.1 Capital Adequacy', see the Capital Ratios Guide.
A.13	**Any of the above exposures that require capital treatment: Financials.** Off balance sheet exposures reported in A.1 to A.11 where the exposure relates the capital of financial

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Item	Guidance
	institutions or associates of the JIB, where an on-balance sheet exposure fall within Credit Portfolio K. Enter the total only. Note that the sum of C.5.6, D.7, E.10, E.11 on the sheet '2.1 BS Assets' and A.13 should equal the total of all amounts input relating to investments in financial institutions in the sheet '6.1 Capital Adequacy' – see Capital Ratios Guide.
A.14	**Any of the above exposures that require capital treatment: Significant (non-financial).** Off balance sheet exposures reported in A.1 to A.11 where the exposure relates the significant investments, where an on-balance sheet exposure fall within Credit Portfolio K, excepting any that fall within A.13. Enter the total only Note that this feeds into the sheet '6.1 Capital Adequacy', see the Capital Ratios Guide.
A.0	**Total Off Balance Sheet Commitments.** Calculated as the sum of A.1 to A.14.
B.1 B.2 B.3 B.4 B.5	**Interest rate contracts, Foreign exchange and gold contracts, Equity contracts, Other precious metal contracts, Other commodity contracts.** Report the total nominal of all OTC contracts, sub-categorised by type, excluding only netted amounts that qualify for inclusion in D.1.
B.0	**Total OTC Contracts.** Calculated as the sum of B.1 to B.5.
C.1 C.2	**Total return swaps and Credit default swaps.** Report here the amounts of any such deals booked in the trading book. No amounts should be entered in other columns.
C.0	**Total Credit Derivatives in the Trading Book.** Calculated as the sum of C.1 and C.2.
D.0	**Total Netted Exposures.** Report the netted amount where OTC derivative transactions are covered by a valid bilateral netting agreement.
E.0	**Total Off-Balance Sheet Exposures.** Calculated as the sum of A.0, B.0, C.0, and D.0.

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5 Profit and loss account

5.1 Sheet '2.5 Profit & Loss' should be completed to detail the JIB's Profit and Loss Account for the current financial year up to the reporting date.

5.2 When reporting income, a positive figure should be input for an amount that gives rise to a profit and a negative item for a loss. The sole exception to this is A.1.1.2 where the absolute amount of the interest expense should be entered.

5.3 For Operating Expenses, Bad debts, Extraordinary Items, Taxation and Dividends, the assumption is that all these items are expenses and hence a positive figure should be entered for an amount that gives rise to a loss and a negative figure for a profit.

Item	Guidance
A.1.1.1	**Interest Income and Interest Expense (enter absolute value).** Include under these headings both interest actually received and paid and interest receivable and payable that has accrued but has not yet been received or paid. Amounts accrued should be based on the latest date to which these calculations were made; thus for an institution which accrues profits on a daily basis, accruals should include amounts up to and including the reporting date. Also include under this heading income accrued in respect of the amortisation of discounts (and premiums) on the purchase of fixed maturity investments which are not held for dealing (e.g. Treasury Bills).
A.1.1.2	
A.1.1	**Net Interest Income.** Interest income minus interest expense. Calculated as A.1.1.1 minus A.1.1.2
A.1.2	**Profit/loss on foreign exchange dealing and currency positions.** Report the net income derived from revaluations of foreign exchange positions and, if identifiable, fees and commissions relating to foreign exchange business.
A.1.3	**Profit/loss on investments held for dealing.** Report the net income derived from investments (excluding revaluation profits or losses) other than those arising from the sale of investments in subsidiary or associated companies, trade investments or the amortisation of premiums or discounts on the purchase of fixed maturity investments that are not held for dealing.
A.1.4	**Net Income from banking fees, charges and commissions.** Income from banking fees and commissions. Include charges made for services provided by the registered person, eg for the provision of current account facilities, corporate advice, investment management services, guarantees and indemnities, commission on the sale of insurance or travellers cheques etc, but not those disclosed separately in A.1.2 or A.2.
A.1.5	**Increase / decrease in book value of investments.** Report the net gains derived from the revaluation of investments other than those arising from the revaluation of investments in subsidiary or associated companies, trade investments or the amortisation of premiums or discounts on the purchase of fixed maturity investments that are not held for dealing.
A.1	**Total Banking Income.** Calculated as the sum of A.1.1 to A.1.5.

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Item	Guidance
A.2.1	**Investment management fees.** Enter here all fees/commissions received by the reporting institution for portfolio management services, (both for discretionary and non-discretionary portfolios). Include only fees/commissions agreed with the customer for the management of portfolios.
A.2.2	**Trust and company administration fees.** Enter here all fees received by the reporting institution for administering companies on behalf of clients/trusts, including those charged for the provision of registered office, directors, company secretary, etc.
A.2.3	**Trustee/Custodian fees.** Enter here all fees received by the reporting institution for acting as a Trustee or Custodian.
A.2.4	**Fund management fees.** Enter here all fees received by the reporting institution for acting in any role in relation to the management of a fund.
A.2.5	**Investment dealing profits and commissions.** Enter here all commissions and profits received/earned in investment transactions with, or on behalf of, clients. Include commission/profits from investment dealing transactions undertaken by the reporting institution where it acts as principal but buys/sells on a matched, (or virtually matched), basis to clients. (For example, where the reporting institution purchases a block of shares/investments from a broker and then sells these on to its own investment clients).
A.2.6	**Other.** Report here any other income from customers.
A.2	**Total Non- Banking Income.** Calculated as the sum of A.2.1 to A.2.6.
A.3.1	**Dividends/share of profits (or losses) from subsidiaries and associated companies (report a loss as a negative).** Companies reporting on an unconsolidated basis should include only the dividends received from other group companies. Those reporting on a consolidated basis should include the share of profits from associated companies where equity accounting is used.
A.3.2	**Other Income.** Report here all other income.
A.3	**Dividends and other income.** Calculated as the sum of A.3.1 and A.3.2.
A.0	**Total Income.** Calculated as the sum of A.1, A.2 and A.3.
B.1	**All Operating Expenses except:** All ordinary business expenses not falling under any category below.
B.2	**Directors Remuneration.** Include **all** costs relating to both Executive and Non Executive Directors.
B.3	**Management Charge.** Include in this heading general management charges paid to the Parent or Group that are not specifically allocated under any other heading.
B.4	**Staff costs.** Include salary costs, employer's social security contributions, the employer's contribution to any pension scheme and the costs of staff benefits paid on a per capita basis such as private medical insurance, staff travel concessions etc. General staff benefits, such as subsidised restaurants, would fall outside this category and be included in "Operating Expenses".

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Item	Guidance
B.5	**Depreciation.** Include here the amount charged to revenue by way of provision for depreciation or diminution in the value of fixed assets.
B.6	**Premises & Equipment.** Include rates, rent, buildings' insurance, lighting, heating and maintenance costs.
B.7	**Audit & Legal fees.** Audit and Legal fee expenses should be reported on this line.
B.0	**Total Operating Expenses.** Calculated as the sum of B.1 to B.7.
C.1	**Bad Debts (Provisions).** Enter here the net charge for specific and general bad debt provisions
C.0	**Profit before extraordinary items.** Calculated as the sum of A.0 minus B.0 and minus C.1
D.1	**Extraordinary Items.** Extraordinary items should be reported net of attributable taxation. Enter net extraordinary income as a negative figure, and net extraordinary costs as a positive figure.
D.2	**Taxation.** For reports covering less than a year, the taxation charge should be estimated by applying a reasonable estimate of the registered person's effective tax rate applicable for the year in question.
D.0	**Profit after tax.** Calculated as the sum of C.0 minus D.1 and minus D.2
E.1	**Dividends.** Report only dividends declared that have been paid out of current year profits. All other dividends should be deducted directly from disclosed reserves.
E.0	**Profit retained.** Calculated as the sum of D.0 minus E.1.

Near final draft

Glossary

The following abbreviations are used within the document:

AIRB	Advanced Internal Rating Based approach to credit risk
CD	Certificate of Deposit
CP	Commercial Paper
FIRB	Foundation Internal Rating Based approach to credit risk
JFSC	Jersey Financial Services Commission
JIB	Jersey Incorporated Bank
MDB	Multilateral Development Bank
PSE	Public Sector Entity
SAC	Standardised Approach to Credit risk
SAM	Standardised Approach to Market risk

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