

## SCHEDULE 1

### Form and Content of Accounts of Banking Companies and Groups

## SECTION B

### Valuation Rules

#### *Fixed assets*

##### *Financial fixed assets*

31.—(1) Debt securities, including fixed income securities, held as financial fixed assets shall be included in the balance sheet at an amount equal to their maturity value plus any premium, or less any discount, on their purchase, subject to the following provisions of this paragraph.

(2) The amount included in the balance sheet with respect to such securities purchased at a premium shall be reduced each financial year on a systematic basis so as to write the premium off over the period to the maturity date of the security and the amounts so written off shall be charged to the profit and loss account for the relevant financial years.

(3) The amount included in the balance sheet with respect to such securities purchased at a discount shall be increased each financial year on a systematic basis so as to extinguish the discount over the period to the maturity date of the security and the amounts by which the amount is increased shall be credited to the profit and loss account for the relevant years.

(4) The notes to the accounts shall disclose the amount of any unamortised premium or discount not extinguished which is included in the balance sheet by virtue of sub-paragraph (1).

(5) For the purposes of this paragraph “premium” means any excess of the amount paid for a security over its maturity value and “discount” means any deficit of the amount paid for a security over its maturity value.