

PALAU FINANCIAL SERVICES AUTHORITY

CONFIDENTIAL PERSONAL FINANCIAL STATEMENT

A confidential personal financial statement report must be completed and filed by each person proposing to acquire a "significant interest" in a Palau financial institution. A "significant interest" means owning or controlling, directly or indirectly, twenty percent (20%) or more of the outstanding equity or any class of shares with voting rights of a financial institution. "Person" includes an individual, two (2) or more individuals acting in concert, any type of partnership, corporation, syndication, trust, or any other organization, or any combination of the forgoing, and the information required in this application is required for each member of the group. A confidential personal financial statement report must also be completed and filed by each "principal shareholder," "director," and "executive officer" proposed in connection with an application for a license to establish a new Palau financial institution.

Supporting schedules to the financial statement should be attached when necessary to itemize or clarify summarized data. Care should be taken to assure that the dates and total amounts shown on the supporting schedules correspond to those on the financial statement. Supporting schedules are included for real estate and related loans and for proprietary interest. The methods by which real estate market values are determined must be described. If investment securities are shown as an asset and if those securities represent twenty five percent (25%) or more of an individual's net worth, financial and cash flow statement of the company for the last two years must be provided, unless the company is publicly traded on a national exchange.

The cash flow statement (Schedule 7 to the Confidential Personal Financial Statement) should disclose in a separate line item the payments that will be required to service any loans to finance the purchase of stock.

Complete Section One (1) of the enclosed Confirmation Inquiry Form which authorizes any financial institution, brokerage firm, or any other entity in which you may have an account to confirm to the balance or market value of securities held in said account as of a certain date. If you have accounts at more than one institution, please complete the appropriate number of forms. After completing Section One (1) of the Confirmation Inquiry form, it should be submitted to the Executive Commissioner of the Financial Services Authority along with the completed Confidential Personal Financial Statement. Do not send the Confirmation Inquiry form directly to the confirming institution(s). All persons who have ownership interest in the account, for example, husband and wife, must sign the Confirmation Inquiry form. Otherwise, the confirming institution may return the form in blank to the Financial Institutions Commissioner, which may result in a delay in processing. Please provide account and loan numbers on forms.

The Executive Commissioner may require the submission of any other information, including appraisals, that it considers necessary to determine financial capability.

CONFIDENTIAL PERSONAL FINANCIAL STATEMENT Of

(Name)

(Date of Financial Information)
(Report all Amounts in Thousands of United States Dollars or Equivalent)

ASSETS		LIABILITIES	
Cash on Hand & in Banks (Schedule 1)	\$	Notes & Accounts Payable to Banks (Schedule 6)	\$
Government Securities		Rents & Interest Due	
Accounts, Loans & Notes Receivable (Schedule 2)		Real Estate Taxes Due (Schedule 4)	
Marketable Stocks & Bonds (Schedule 3)		Liens on Real Estate (Schedule 4)	
Real Estate (Schedule 4)		Other Taxes Due	
Automobiles – Number ()		Other Liabilities ¹	
Proprietary Interests (Schedule 5)			
Other Assets ¹			
		TOTAL LIABILITIES	
		NET WORTH	
TOTAL ASSETS	\$	TOTAL LIABILITIES & NET WORTH	\$

ANNUAL INCOME		CONTINGENT LIABILITIES	
Salary	\$	As Endorser or Co-Maker	\$
Bonus & Commissions		On Leases or Contracts	
Dividends & Interest		Legal Claims	
Real Estate Income		Provision for Income Taxes	
Other Income (Itemize)		Other Special Debts (Itemize)	
TOTAL INCOME	\$	TOTAL CONTINGENT LIABILITIES	\$

¹Itemize all amounts in excess of ten percent (10%) of the total amount reported in "other assets" and "other liabilities," respectively.

Assets valued at \$_____ have been pledged or hypothecated to secure notes or obligations aggregating \$_____.

I have additionally endorsed, guaranteed or am contingently liable for debts of others amounting to \$_____.

Schedule 1: Banking Relationships (List all bank accounts)

Name of Financial Institution	Address	Type of Account	Account Number	Account Balance
			Total	

Schedule 2: Accounts, Loans & Notes Receivable

Name and Address of Debtor	Date Originated	Description/Nature of Debt	Security Held	Maturity Date	Balance Due
				Total	

Schedule 3: Marketable Stocks and Bonds. Marketable stocks and bonds include only those listed on recognized national exchanges.

Face Value Bonds No. Shares of Stock	Description Of Security	Registered in Name of	Cost	Income Received Last Year	If Pledged, State to Who	Present Market Value
					Total	

Schedule 4: Real Estate. The legal and equitable title to all real estate listed in this statement is solely in the name of the signed except as follows:

Description or Street Number	Dimensions or Acres	Improvements Consist Of	Outstanding Mortgages or Liens	Due Dates & Payment Amount	Unpaid Taxes		Original Cost	Present Market Value
					Year	Amount		
							Total	

Schedule 5: Proprietary Interests

Provide the following information regarding all business enterprises in which you hold a beneficial interest. The term "business enterprise" includes any corporation, association, partnership, business trust, sole proprietorship or other business which shares are not listed on a securities exchange or otherwise regularly traded. Under the heading "Form of Business," state the legal form of the business. Under "Nature of Business and Percentage of Ownership," explain what the business enterprise does and percentage of your ownership interest. Submit year-end financial statement, including income and expense (profit and loss) and cash flow statements, for the last two years for each business interest in which you have an interest equal to twenty-five percent (25%) or more of your net worth.

Name and Address Of Business	Legal Form Of Business	Nature of Business and Percentage of Ownership	Date Acquired	Present Value
				Total

Schedule 6: Notes & Accounts Payable.

Name of Lender	Lender's Address	Due Dates & Payments	Security/Collateral	Outstanding Balance
			Total	

Schedule 7: Cash Flow Statement

Source of Cash	Prior Year _____	Prior Year _____	Current Year _____*	Projected Next Year
Net Salaries, Wages, Commissions, Bonuses, or Other Income from Employment				
Dividends				
Interest				
Royalties				
Distributions from Estates and Trusts				
Cash Received from Individual Business, Partnerships, or Joint Ventures				
Real Estate				
Other (Itemize any items amounting to 10% or more of total income)				
Total Cash Received				
Uses of Cash	Prior Year _____	Prior Year _____	Current Year _____	Projected Next Year
Personal Expenses (Management, Rent and Household, etc.)				
Bank Loan – Principal and Interest Payments				
Other Loans – Principal and Interest Payments				
Insurance Payments				
Income Taxes Not Covered by Withholding				
Other (Itemize any items amounting to 10% or more of total income)				
Total Cash Outlays				
Surplus (Deficit) Cash Flow				

I hereby declare under penalty of perjury under the laws of the Republic of Palau and any other sanction available under the Financial Institutions Act of 2001 and any amendments thereof, that I have read the foregoing Confidential Personal Financial Statement (or have had it translated to me), that I understand the contents thereof, and that the foregoing statements are true and correct.

Dated and signed this ____ day of _____, 20__.

(Signature)

(Print or Type Full Name)

Subscribed and sworn to before me this ____ day of _____, 20__.

(Seal)

(Notary Public Signature)

CONFIRMATION INQUIRY

Palau Financial Services Authority
 CONFIDENTIAL INFORMATION
 P. O. Box 6051
 Koror, Republic of Palau 96940

 (Date)

 (Name of Confirming Institution)

 (Mailing Address)

Gentlemen:

1. Please furnish directly to the Financial Services Authority at the address indicated above, the following information with respect to all accounts, including any loan accounts, maintained by me at your institution. If the answer to any item is "none," please so state.

 (Account Name/Print or Type)

 (Authorized Signature)

2. At the close of business on _____, 20____, our records showed the following balance(s) to the credit of the above named customer (include certificate(s) of deposit, money market certificate(s), stocks, bonds, etc.). In the event that we could readily ascertain whether there were any balances to the credit of the customer not designated in this request, the appropriate information is given below.

Account Name	Account Number	Account Balance

3. The customer was directly liable to us in respect of loans, acceptances, etc. at the close of business on that date in the total amount of \$_____ as follows:

Date of Loan	Due Date	Interest		Amount	Description of Liability, Collateral, Security, Loans, Endorsers, Etc.
		Rate	Paid to		

4. The customer was contingently liable as endorser of notes discounted and/or guarantor at the close of business that date in the total amount of \$_____ as follows:

Name of Maker	Date of Note	Due Date	Amount	Remarks

5. Other direct or contingent liabilities, open Letters of Credit, and relative collateral, were:

 (Date)

 (Confirming Institution)

 (Authorized Signature)