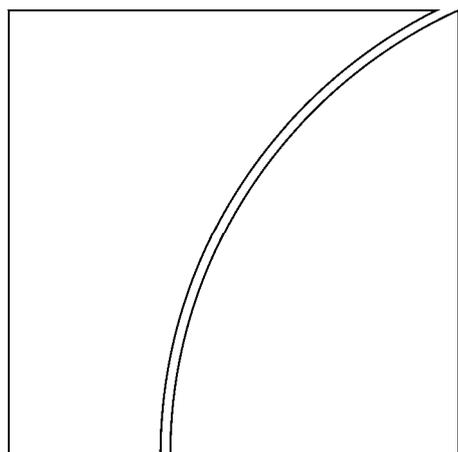




BANK FOR INTERNATIONAL SETTLEMENTS



Guidelines to the international consolidated banking statistics

Monetary and Economic Department

Public version

Update June 2012

Bank for International Settlements
Press & Communications
CH 4002 Basel, Switzerland

E-Mail: publications@bis.org

Fax: +41 61 280 9100 and +41 61 280 8100

© *Bank for International Settlements 2012. All rights reserved. Brief excerpts may be reproduced or translated provided the source is stated.*

ISBN 92 9197 728 4 (online)

Contents

Introduction to the international banking statistics	1
Box 1: Upcoming improvements to the International Banking Statistics	2
Historical background	3
Part I: Reporting requirements.....	4
A. General.....	4
B. Reporting requirements common to both sets of consolidated banking statistics	5
1. Reporting area	5
Table I.1	5
Reporting countries providing consolidated banking data*	5
2. Reporting institutions.....	5
3. Types of claims	6
3.1 Cross-border claims.....	6
Table I.2	6
Types of claims	6
3.2 Local claims	6
3.3 International and foreign claims	7
C. Positions on an immediate borrower basis.....	7
1. Reporting institutions.....	7
1.1 Domestic banks	7
1.2 Consolidated inside area foreign banks.....	7
Box 2: Consolidated and unconsolidated inside area foreign banks.....	8
1.3 Unconsolidated outside area foreign banks.....	8
1.4 Unconsolidated inside area foreign banks	8
Box 3: Annual banking list exercise	9
2. Business to be reported	9
2.1 On-balance sheet financial claims	9
2.2 Risk transfers	9
D. Positions on an ultimate risk basis	10
1. Reporting institutions.....	11
2. Business to be reported	11
2.1 On-balance sheet financial claims	11
2.2. Derivative contracts	12
2.3. Guarantees extended and credit commitments	12
Table I.3	14
Data requirements for the consolidated statistics	14

E.	Consistency between immediate and ultimate borrower statistics	15
F.	Counterparties' country, sector and maturity breakdowns.....	15
1.	General.....	15
2.	Country breakdown	15
3.	Sector breakdown	15
4.	Maturity breakdown (immediate borrower basis only).....	16
G.	Other reporting conventions	16
1.	Netting of assets.....	16
	Box 4: Examples for market or fair values of derivative contracts.....	17
2.	Valuation	17
3.	Arrears, provisions and write-offs	18
3.1	Arrears of interest and principal	18
3.2	Provisions.....	18
3.3	Write-offs of claims and debt forgiveness	18
4.	Currency conversion	18
5.	Breaks-in-series	18
6.	Observation confidentiality	19
H.	Specific reporting cases - questions and answers.....	19
1.	Questions about consolidation	19
2.	Specific questions	20
3.	Sector classification.....	21
4.	Immediate and ultimate risk	23
Annex 1	Examples for the reporting of individual transactions	24
A.	Loans and deposits	24
B.	Securities	27
C.	Derivatives	28
D.	Guarantees and credit commitments	29
Part II:	Reporting countries' practices	30
Table II-1	.....	30
Types and number of reporting institutions	.....	30
Table II-2	.....	35
Reporting of international claims (immediate borrower)	.....	35
Table II-3	.....	36
Reporting of risk transfer data	.....	36
Table II-4	.....	38
Reporting on an ultimate risk basis - gaps and valuation practices.....		38
Table II-5	.....	40

Gaps in the reporting of claims - immediate borrower basis	40
Table II-6	40
Gaps in the reporting of the maturity and sector breakdown:	40
Table II-7	41
Treatment of banks' claims on publicly owned enterprises (other than banks)....	41
Table II-8	42
Sector classification of banks' claims on foreign official monetary authorities	42
Table II-9	43
Reporting countries' consolidation practices	43
Table II-10	48
Reporting of credit derivatives under guarantees extended.....	48
Part III: Glossary of terms	49
Part IV: List of international organisations and official monetary authorities	58
A. International organisations	58
B. Official monetary authorities and other holders of foreign exchange reserves	62

Introduction to the international banking statistics

The BIS provides two sets of guidelines to the reporters of the international banking statistics: one relating to the reporting to the international *locational* banking statistics and one for the international *consolidated* banking statistics. These guidelines are intended to serve two main purposes: first, to provide compilers in [reporting countries](#) with definitions and guidelines for the reporting of data; and second, to give users a detailed account of current country practices regarding the [coverage](#) and disaggregation of the reported data. The two Guidelines are being updated on an ongoing basis. No hard copies are printed, and versions on the BIS website should be referred to in all cases.

The *consolidated statistics* described in the present Guidelines differ conceptually in many respects from the more traditional *locational statistics*. *The latter are described at <http://www.bis.org/statistics/locbankstatsguide.htm> and are consistent with the principles of national accounts, money and banking, balance of payments and external debt statistics.* The locational statistics provide aggregated international claims and liabilities of all [banks resident](#) in the reporting countries broken down by instrument, currency, sector, country of residence of counterparty, and separately by [nationality](#) of reporting banks. Both domestic and foreign-owned [banking offices](#) in the reporting countries report their positions on a gross, unconsolidated basis (except for derivative contracts for which a master netting agreement is in place), including those vis-à-vis own [affiliates](#).

In contrast, the consolidated statistics provide users with quarterly data, on a [worldwide consolidated basis](#), on international financial claims of domestically owned banks broken down by type of claims, sector of borrower and/or remaining maturity. They indicate the nature and extent of foreign claims of banks headquartered in most of the major financial centres.

In addition, they include information on exposures by country of immediate borrower and on the reallocation of claims (ie [risk transfers](#)) to the country of [ultimate risk](#). The latter is defined as the country where the guarantor of a claim resides and/or the country in which the head office of a legally dependent branch is located. The data mainly cover claims reported by [domestic bank head offices](#), including the exposures of their foreign affiliates, and are collected on a worldwide [consolidated](#) basis with [inter-office](#) positions being excluded. The statistics also provide separate data on international claims of resident foreign bank offices whose head offices are located outside the reporting countries on an unconsolidated basis.

Part I of the present Guidelines covers reporting requirements and Part II outlines country practices for the consolidated banking statistics, while Parts III and IV contain, respectively, a glossary of terms used in the locational and consolidated banking statistics and a list of international organisations and central banks.

The Guidelines were prepared by the IBFS unit of the BIS with the assistance of the central banks or official authorities contributing to the two sets of international banking statistics. The BIS is grateful to all these institutions for their cooperation and valuable advice in the preparation of these documents.

Box 1: Upcoming improvements to the International Banking Statistics

The Committee on the Global Financial System (CGFS) mandated the Ad Hoc Group on Statistics in early 2010 to investigate various options for improving the BIS International Banking Statistics (IBS). The Group followed a two stage approach. Stage 1 and Stage 2 enhancements were approved by the CGFS in April 2011 and January 2012 respectively. While the first stage is related to the implementation of enhancements to the locational banking statistics that do not require central banks to collect additional data from their reporting financial institutions, the enhancements in the second stage will require the reporting of additional data by these institutions for locational and consolidated banking statistics.

The Ad Hoc Group's recommendations to the Committee for enhancements in two Stages are designed to make a significant and long-lasting improvement to the IBS, without excessively increasing the reporting burden for financial institutions. Where possible, the enhancements tie in with other international data initiatives, particularly the IMF/FSB led work on statistics for the G20 finance ministers and central bank governors, and the FSB Working Group's development of a bank-level data set for large internationally active banks.

The Stage 1 enhancements are currently being implemented by the BIS and central banks. The first set of expanded data will be available in late 2012 (data for Q2 2012). The enhancements will focus on the Locational statistics, with the key extensions being:

- Broadening the statistics to cover the entire financial claims and liabilities in balance sheets of reporting banks, not just their international activities. This involves: adding banks' local currency positions vis-à-vis residents of the host country in the Nationality and Residency statistics, and refining the foreign currency breakdown (by adding pound sterling and Swiss franc positions) in the Nationality statistics.
- Adding a vis-à-vis country dimension in the Nationality statistics so as to see a more granular geography of banks' assets and liabilities. Users will be able to simultaneously see a bank's location, its nationality, the location of its counterparty, and the currency and type of claim/liability (for example, USD liabilities to Middle East oil exporters booked in the UK offices of Swiss-headquartered banks).

These enhancements will facilitate important analysis by the BIS and central banks. First, the addition of banks' domestic positions will make it easier to measure banks' sources and uses of a wider range of individual currencies. This will help in assessing the funding risks that are being taken on by major bank nationalities. It will also allow the scale of banks' international activities to be compared with their total balance sheets. This is important as dislocations in funding markets (particularly swaps and inter-bank markets) were a key feature of the 2008 financial crisis.

Second, the addition of the vis-à-vis country dimension in the Nationality statistics facilitates more detailed analysis of the transmission of funding shocks across countries through the banking system. If there is a major shock to a particular funding market (say US money market funds or petrodollars from the Middle East), the IBS could identify which office locations of specific national banking systems rely most heavily on that funding source, and which countries and counterparty sectors those banking offices lend to. More generally, it allows central banks to closely monitor trends in the supply of credit (both cross-border and domestically sourced) to the non-financial sector of their domestic economy.

The Stage 2 enhancements to the IBS extend the Locational and the Consolidated statistics to close key data gaps.

They are focused around three key banking and financial stability issues. First, better understanding banks' credit exposures to particular countries and counterparty sectors. Second, monitoring trends in the supply of bank credit (both cross-border and domestically sourced) to the different non-financial sectors of individual countries. Third, assessing banks' funding risk, including monitoring currency (and to a lesser extent maturity) mismatches in the assets and liabilities of major banking systems, and tracking the broad composition of banks' liabilities and equity.

Stage 2 recommendations are expected to be operational from Q4 2013 reporting quarter. Details will be incorporated in these guidelines when data will be close to be published, by early 2014 at the latest.

Historical background

The *locational banking statistics* were introduced at the beginning of the 1970s to provide information on the development and growth of the eurocurrency markets and included a breakdown by major individual currencies and a partial sectoral and geographical breakdown. In the subsequent years, the issue of recycling oil-related surpluses and the accompanying rise in international indebtedness shifted the emphasis in favour of a more detailed geographical breakdown and of flow data. The outbreak of the debt crisis in the early 1980s stimulated further efforts to refine both the geographical coverage of the data and the estimates of exchange rate adjusted flows. In the early 1990s, strong interest arose in making use of these statistics to improve the coverage and accuracy of the recording of balance of payments transactions. Following the financial crises in emerging market economies in the late 1990s the locational banking statistics became an important component of the Joint BIS-IMF-OECD-World Bank statistics on external debt, replaced by the Joint External Debt Hub (JEDH) in 2006, which were developed in response to requests for dissemination of more timely external debt indicators.

The *consolidated banking statistics* were introduced as a semi-annual reporting exercise in the late 1970s and early 1980s to provide information on the country risk exposures of major individual [nationality](#) banking groups to developing countries. Following the financial crises in emerging markets in the late 1990s, the consolidated statistics were enhanced to include complete country coverage of [banks'](#) on-balance sheet exposures, separate country data on an ultimate risk basis and a move to a quarterly reporting frequency. In response to recommendations of a working group of the Committee on the Global Financial System (CGFS), and in order to maintain the consolidated banking statistics as a key source of public information on international financial market developments, the measurement of commercial banks' consolidated country risk exposures on an ultimate risk basis has been added to the reporting requirements. Consequently, as from end-March 2005 the statistics cover more comprehensive data on country risk exposures inclusive of derivatives and some off-balance sheet positions (credit commitments and guarantees).

From 2008, at the peak of the financial crisis, an important effort to close information gaps in the BIS international banking statistics has been triggered under the coordination of the FSB and IMF. Important changes have already been recommended by the CGFS in the locational statistics in two stages from 2013 and 2014 and from 2014 in the consolidated statistics.

The BIS has invited a number of additional countries, in particular from emerging markets, to participate in the international banking statistics, depending on the importance of their cross-border banking activity or of their regional influence. This is intended to further increase the global coverage of the statistics. Since 1998, 19 economies have joined the locational banking statistics (Australia, Bermuda, Brazil, Chile, Chinese Taipei, Cyprus, Greece, Guernsey, India, the Isle of Man, Jersey, Macao SAR, Malaysia, Mexico, Panama, Portugal, South Africa, South Korea and Turkey) and 12 have joined the consolidated reporting (Australia, Brazil, Chile, Chinese Taipei, Greece, Hong Kong SAR, India, Mexico, Panama, Portugal, Singapore and Turkey) with more countries expected to be included in the near future.

Part I: Reporting requirements

A. General

The consolidated banking statistics are collected by BIS reporting countries on a bank-level worldwide-consolidated basis, including the exposures of bank's foreign offices (ie subsidiaries and branches) with [inter-office](#) positions being excluded. This data set is designed to provide comprehensive and consistent quarterly data on banks' financial claims on other countries on two different bases.

The first set of statistics collects data [on an immediate borrower basis](#), ie claims allocated to the country where the original risk lies, in order to provide a measure of country [risk transfer](#). The data cover on-balance sheet claims reported mainly by [domestic banks](#).

The second set collects data on an [ultimate risk](#) basis, ie claims allocated to the country where the final risk lies, in order to assess country credit risk exposures consonant with banks' own risk management systems (for a more detailed definition of the ultimate risk concept, see Section D below). The data cover on-balance sheet and some off-balance sheet claims/exposures reported only by domestic banks.

The consolidated banking statistics differ from the locational banking statistics in the following respects. On the one hand, they are in certain ways less comprehensive and less detailed than the locational statistics since they: (1) cover a smaller number of reporting countries; (2) provide only limited information on banks' international liability positions; and (3) do not contain a currency breakdown. On the other hand, the analytical concept of the consolidated banking statistics is more ambitious than that of the locational statistics because the former: (1) provide data on worldwide consolidated claims; (2) cover claims both on an ultimate risk and on an immediate borrower basis; (3) shed light on the [maturity structure](#) of banks' claims on an immediate borrower basis; (4) provide a more detailed sector classification ([banks](#), [public sector](#) [non-bank private sector](#) and unallocated by sector) of banks' positions; and (5) provide specific data on derivatives, guarantees and credit commitments on an ultimate risk basis. The additional sector and maturity information in the consolidated banking statistics (on an immediate borrower basis) can be used to supplement locational banking data when compiling and evaluating external debt statistics from the creditor side although, unlike the locational statistics, the reporting requirements underlying the consolidated statistics do not conform to balance of payments and external debt methodology.

The following sections set out guidelines for the reporting of these statistics. Section B deals with the reporting requirements common to both sets of consolidated statistics. This is followed by an account of the type of business to be reported on an immediate borrower and ultimate risk basis, and the consistency between these data sets (Sections C, D and E), the main types of disaggregation required (Section F), other reporting conventions applied (Section G) and a section on questions and answers related to specific cases (Section H). The Guidelines conclude with an annex that provides examples for the reporting of individual transactions (Annex 1).

B. Reporting requirements common to both sets of consolidated banking statistics¹

1. [Reporting area](#)

The consolidated banking statistics are a hybrid scheme combining features of a worldwide-consolidated reporting system with elements of a territorial/locational reporting system. For this reason it is not possible to speak of a “[reporting area](#)” that is well defined in terms of the location of the [banking offices](#) conducting the business in question. The worldwide consolidation of financial claims by many [reporting institutions](#) means that the activities of a great number of banking offices located outside the reporting countries are also covered. The expression “reporting area” is used for reasons of convenience to indicate the countries which submit data to the BIS.

Table I.1

[Reporting countries](#) providing consolidated banking data*

Australia (2003)	Germany (1983)	Norway (1994)
Austria (1983)	Greece (2003)	Panama (2002) ¹
Belgium (1983)	Hong Kong SAR (1997) ¹	Portugal (1999)
Brazil (2002) ¹	India (2001)	Singapore (2000)
Canada (1983)	Ireland (1983)	Spain (1985)
Chile (2002)	Italy (1983)	Sweden (1983)
Chinese Taipei (2000)	Japan (1983)	Switzerland (1983)
Denmark (1983) ¹	Luxembourg (1983) ¹	Turkey (2000)
Finland (1985)	Mexico (2003) ¹	United Kingdom (1983)
France (1983)	Netherlands (1983)	United States (1983)

¹ Provides only consolidated banking statistics on an immediate borrower basis.

2. [Reporting institutions](#)²

Reporting institutions, sometimes referred as “banks” or “banking offices” in these guidelines, are to a large extent defined in the same way as for the locational banking statistics, ie as the domestic banks and, for immediate borrower data only, foreign-owned institutions whose business it is to receive deposits and/or close substitutes for deposits and to grant credits or invest in securities on their own account. This definition of “banks” conforms to other widely used definitions, such as “deposit-taking corporations, except the central bank” in the System of National Accounts (SNA) and the new Balance of Payments Manual (BPM6), “other (than central bank) depository institutions” in the IMF money and banking statistics. Thus, the community of reporting institutions should include not only commercial banks but also savings banks, credit unions or cooperative credit banks, and other financial credit institutions.

¹ The technical requirements (code structure, reporting templates, confidentiality handling) for the submission of data to the BIS are provided by the BIS to central banks in specific documents on an annual basis.

² The types of reporting institutions covered under immediate borrower and ultimate risk bases are provided in Section C.1.

3. Types of claims

3.1 Cross-border claims

In the consolidated banking statistics claims that are granted or extended to [non-residents](#)³ are referred to as either *cross-border [claims on an “immediate borrower” basis](#)* or claims on an “ultimate risk” basis.

The criterion for claims on an “[ultimate risk](#)” basis is the residency of the ultimate obligor or guarantor and hence, those claims are cross-border when the ultimate obligor or guarantor resides in a country that is different from the residency of the reporting institution ([head office](#), branches or subsidiaries).

Table I.2
Types of claims

A	B	C	D
Cross-border claims	Local claims of foreign affiliates in foreign currency	Local claims of foreign affiliates in local currency	Domestic claims in the reporting country
International claims (A + B)			
Foreign claims (A + B + C)			

Note: The shaded area indicates claims excluded from the consolidated banking statistics; bold italics indicate claims published within the consolidated banking statistics. The definition and content of A, B and C differ according to whether the ultimate risk basis or the immediate borrower basis is being used, due to the influence of risk transfers.

3.2 Local claims

In the context of the consolidated banking statistics, *local claims* refer to claims of [domestic banks](#)' foreign [affiliates](#) (branches/subsidiaries) on the residents of the [host country](#) (ie country of residence of affiliates). For the purpose of reporting on an immediate borrower basis, local claims in foreign currencies are reported together with cross-border claims to make up international claims (A + B); in addition, local claims in foreign currency (B) and local claims in local currency (C) are reported separately.^{4, 5}

On an ultimate risk basis, claims should be classified as local claims (B + C) **only** if the ultimate obligor or guarantor resides in the host (residence) country where domestic banks' foreign [affiliates](#) (branches/subsidiaries) are located. In this case cross-border claims (A) and local claims in all currencies (B + C) are to be reported separately.

³ Non-resident is defined with reference to the [residence](#) of the counterparty of reporting banks' head office or of their foreign affiliates. Claims of foreign affiliates on residents in the parent reporting country are excluded from reporting.

⁴ Furthermore, head offices of banks are required to report the liabilities in local currency with local residents of foreign affiliates. The reason for requesting (in addition to international claims) the information on local claims and local liabilities in the local currency of foreign offices is that gross local claims are an additional source of country risk and local claims net of local liabilities are an additional source of transfer risk.

⁵ Once all reporting countries comply with the newly required separate reporting of local claims in foreign currency (B), it will be possible to derive total cross-border claims (A) on individual vis-à-vis countries.

3.3 International and foreign claims

As explained above, *international claims* (A + B) are defined as banks' cross-border claims (A) plus local claims of foreign affiliates in foreign currencies (B).

Foreign claims are defined as the sum of cross-border claims plus foreign offices' local claims in all currencies. Therefore, on an immediate borrower basis, this category can be calculated as the sum of international claims (A + B) and local claims in local currency (C), while on an ultimate risk basis, it is equivalent to the sum of local (B + C) and cross-border (A) positions (in all currencies).

On an immediate borrower basis, both a sector and maturity breakdown for international claims is requested, while for the ultimate risk data only a sector breakdown is requested for foreign claims.

Cross-border claims on an immediate borrower basis may be different from cross-border claims on an ultimate risk basis due to risk transfers between the countries of the immediate and ultimate borrowers.

C. Positions on an immediate borrower basis

1. Reporting institutions

For the purposes of the consolidated statistics on an immediate borrower basis, four groups of reporting banks are distinguished:

1.1 Domestic banks

Domestic banks are those which have their [head-office](#) located in the reporting country (see also Box 2).

Domestic banks should report their cross-border claims, except on-balance sheet derivatives, of all their offices worldwide vis-à-vis all other countries in all currencies and the local claims of their affiliates in other countries in non-local currency, which constitute together their international claims⁶.

1.2 Consolidated inside area foreign banks

Bank offices in the reporting countries whose activities are consolidated by their head office located in another reporting country listed in Table I.1 (ie inside area foreign banks) should report only their cross-border claims on residents in their [home country](#) on a non-consolidated basis (including inter-office positions). No data are requested on the claims of these foreign banks on any other countries because this would lead to double-counting of lending which is covered by the consolidated reporting of the relevant head offices.

However, inside area banks whose activities are not consolidated by their head-office should provide a full country breakdown of their international claims (see C.1.4 below).

⁶ For example, a US bank with a single foreign subsidiary, located in Thailand, reports the following "international claims": the lending of its US offices to residents of all countries other than the United States, plus the cross-border claims of its Thai subsidiary to residents of countries other than the United States, plus the local claims on residents of Thailand in foreign currencies. The data should be reported on a consolidated balance sheet basis, so that positions between different offices of the same bank are excluded.

Claims of foreign offices of inside area banks on their home country provide useful additional information about a component of external debt of the reporting countries, eg a breakdown of debt by remaining maturity, which is not available from the locational banking statistics.

Claims of inside area foreign banks are also useful for the reconciliation and measuring the consistency of claims reported in locational banking statistics and consolidated banking statistics.

Box 2: Consolidated and unconsolidated inside area foreign banks

In the particular case where a bank's activities are not consolidated by the home country, the bank's claims should be reported by the host country either under "*unconsolidated inside area foreign banks*" if the parent (non-bank or bank) is located in another reporting country, or under "*outside area foreign banks*" if the parent is located in a non-reporting country.

In the case where the host country's central bank does not reach an agreement with its counterpart in the home (inside area reporting) country to include an affiliate's claims in the parent country's consolidated data, the host country should report the consolidated positions of that affiliate separately under "*unconsolidated inside area banks*". Given the limited number of cases falling under this bank type, the BIS is not currently publishing the bilateral geographic breakdown of these claims separately, but only including the amounts in the global aggregate of international claims on an immediate borrower basis. If these specific claims grow in size, the BIS will endeavour, confidentiality permitting, to set out these data by nationality of home (parent) country separately in its publications.

1.3 Unconsolidated outside area foreign banks⁷

Banks' subsidiaries/offices in the reporting countries whose head offices are located in a non-reporting country⁸ (ie outside area foreign banks), or [consortium banks](#) of unidentified [nationality](#), should report their cross-border claims on all other countries including their home country on a non-consolidated basis (including inter-office positions). These data should include any positions the banks have vis-à-vis their own offices in other countries.

The unconsolidated claims of outside area foreign banks are requested to measure the importance and growth of their business relative to banks from BIS reporting countries and to provide a more comprehensive (short-term and total) reporting on external debt from the creditor country perspective.

1.4 Unconsolidated inside area foreign banks

As mentioned in C1.1 and 1.2 above, offices of inside area foreign banks whose activities are not consolidated by their [head-office](#) should provide a full country breakdown (including vis-à-vis parent country) of their international claims. Claims for this category of banks in the reporting country serve a number of purposes, e.g. (1) whether reporting of claims for various categories of banks (C.1.1 to C.1.4) are consistent with the banking list (see C.2 below), (2) the extent or proportion of claims that are not consolidated by the head-offices or by the parent country (e.g. for a non-bank parent) and (3) a better knowledge of importance or share of outside area banks in the reporting countries.

⁷ The data for (unconsolidated) outside area foreign banks and consolidated positions for unconsolidated inside area foreign banks are collected together and "unconsolidated inside area foreign banks" are reported separately as an "of which" bank type.

⁸ Country that does not provide consolidated banking data on an immediate borrower basis (for instance Hungary or South Korea).

Box 3: Annual banking list exercise

The purpose of the regular/annual banking list exercise is to improve data quality in the BIS international banking statistics, by ensuring proper parent country allocation in the locational statistics by nationality and the elimination of double- and undercounting in the consolidated banking statistics. In addition, the exercise identifies potential bilateral discrepancies, by providing each country's locational and consolidated reporting population. The exercise also provides information on current reporting coverage.

Overview of the process: a three-step exercise

1 - Central banks provide the list of institutions in their country that report the BIS locational banking statistics (the Locational list), with information on country of origin and classification in the consolidated and nationality statistics. From these reports the BIS produces a global locational list of the full reporting population.

2 - Using this global list, the BIS prepares lists of foreign offices by country, which are then validated by central banks as entities being consolidated by their local bank head offices. From this validation, the BIS produces a list of consolidated local and foreign offices as recognized by the parent consolidated reporting countries.

3 - The BIS then performs a series of cross-country and consistency checks on both lists to identify misreporting, ensure proper parent country allocation in the nationality statistics and identify double- and undercounting in the consolidated banking statistics. For instance, if a subsidiary is being consolidated by its parent institution abroad, the central bank in the subsidiary's country of residence should not include it in its consolidated banking statistics under bank type B. At the end of the process the BIS produces a country report including all remaining outstanding issues that should be investigated and solved by central banks on a best efforts basis.

2. Business to be reported

2.1 On-balance sheet financial claims

Reporting banks should provide data on their financial claims on an immediate borrower basis (ie allocated to the country where the original risk lies) as explained below. The data on financial claims should comprise all items which represent claims on other individual countries or economies. **If derivatives are recorded on-balance sheet**, they should be **excluded** from the reporting of on-balance sheet financial claims on an immediate borrower basis, to be consistent with foreign claims on ultimate risk basis (exclusive of derivatives).

As in the locational banking statistics, instruments include certificates of deposit (CDs), promissory notes and other negotiable paper issued by [non-residents](#), banks' holdings of international notes and coins, foreign trade-related credits, claims under sale and repurchase agreements with non-residents, deposits and balances placed with banks, loans and advances to banks and [non-banks](#), holdings of securities and [participations](#) including equity holdings in unconsolidated banks or non-bank subsidiaries. Similarly, borrowing and lending of securities, gold and other precious metals without [cash collateral](#) should not be reported as international banking business. Holdings of securities also include credit-linked notes and other collateralised debt obligations as well as asset-backed securities.

However, [inter-office](#) balances should not be reported.

2.2 Risk transfers

Reporting domestic banks are requested to provide information on the volume of their cross-border financial claims, except derivatives, and of the *local claims of their foreign offices in any currency* which have been reallocated from the country of the immediate borrower to the

country of ultimate risk as a result of guarantees, collateral or those credit derivatives that are part of the banking book.

Risk reallocation should also include that between different economic sectors: [banks](#), [public sector](#), [non-bank private sector](#) and unallocated by sector in the same country. Moreover, it should also cover loans to domestic borrowers which are guaranteed by foreign entities and which therefore represent inward risk transfers which increase exposure to the country of the guarantor. Equally, foreign lending which is guaranteed by domestic entities (eg a domestic export credit agency) should be reported as an outward risk transfer, which reduces the exposure to the country of the foreign borrower.

If all outward and inward risk transfers were to be reported, they would add up to the same total. However, because in the case of risk reallocations from or to a reporting bank's [home \(parent\) country](#) only the leg relating to the foreign counterparty country should be reported, inward and outward risk transfers will not necessarily balance in practice. Similarly, the issuer (or protection buyer) of credit-linked notes and other collateralised debt obligations and asset-backed securities should only report an outward risk transfer and no inward risk transfer because they are perceived to have received [cash collateral](#), which extinguishes their exposure to the original claim (see examples A.13 and B.6 in Annex 1).

In summary, the following three forms of risk reallocation should be distinguished:

- Lending to a non-resident which is guaranteed by a non-resident third party. In this case both the outward risk transfer from the original borrower and the inward risk transfer to the guarantor should be reported.
- Lending to a non-resident which is guaranteed by a resident third party or where the exposure is extinguished by receiving cash collateral. In this case **only** the outward risk transfer from the original non-resident borrower should be reported.
- Lending to a resident which is guaranteed by a non-resident third party. In this case only the inward risk transfer to the non-resident guarantor should be reported.

Detailed examples for the reporting of risk transfers are provided in Annex 1.

The information on the reallocation of claims should as a general standard be reported as net risk transfers, ie the difference between reallocated claims which increase exposure (inward risk transfers) and those which reduce exposure (outward risk transfers) vis-à-vis a given country. However, reporting countries may also decide, for their own purposes, to collect from their reporting banks and report separate data on outward and inward risk transfers to the BIS.

D. Positions on an [ultimate risk](#) basis

In line with the risk reallocation principle for measuring country exposure, the country of ultimate risk or where the final risk lies is defined as the country in which the guarantor of a financial claim resides and/or the country in which the [head office](#) of a legally dependent branch is located.⁹ Collateral may be considered as an indicator of where the final risk lies to the extent that it is recognised as a risk mitigant according to the supervisory instructions in

⁹ This means that domestic banks extending claims to such a branch have to reallocate the positions to the country of the branch's head office.

the reporting country. The list of recognised collateral under various approaches of credit risk mitigation is available in the Basel Capital Accord document.¹⁰

Similarly, if credit derivatives are used to cover for the counterparty risk of financial claims in the banking book, the country of ultimate risk of these positions is defined as the country in which the counterparty to the credit derivative contract resides. In addition, in the case of holdings of credit-linked notes and other collateralised debt obligations and asset-backed securities a “look-through” approach should be adopted and the country of ultimate risk is defined as the country where the debtor of the underlying credit, security or derivative contract resides. However, it is recognised that this “look-through” approach might not always be possible in practice. Accordingly, reporting institutions might only be able to provide estimates for the allocation of claims to the country where the debtor of the underlying resides or to allocate the claims to the country of the immediate borrower, which is the country where the issuer of the securities resides.

Furthermore, the issuer (or protection buyer) of credit-linked notes and other collateralised debt obligations and asset-backed securities should regard the issuance of a security backed by financial claims and sold to investors as cash collateral, which therefore extinguishes the exposure of the issuer to the underlying claim (see examples A.13 and B.6 in Annex 1) provided the securitisation is without recourse or guarantees and no residual exposure is retained by the issuing bank.

Claims on subsidiaries can only be considered as being guaranteed by the [head office](#) if the parent has provided an explicit guarantee. In contrast, claims on branches should, for the purposes of the consolidated banking statistics, always be considered as guaranteed by the [respective](#) head office, even if there is no legal guarantee.

In the specific case of a resale agreement the ultimate risk should be allocated to the country and the sector of the ultimate counterparty.

1. [Reporting institutions](#)

For the purposes of the consolidated statistics reported on an ultimate risk basis the reporting institutions are those defined in Section C.1.1.

2. **Business to be reported**

2.1 ***On-balance sheet financial claims***

Reporting domestic banks are requested to provide quarterly data on cross-border on-balance sheet financial claims, except financial derivatives, of their offices worldwide and the claims of their foreign affiliates on residents of the countries where the offices are located. The data should be reported on a consolidated and ultimate risk basis, ie inter-office positions should be excluded and the positions should be allocated to the country where the final risk lies.

The data on financial claims, except derivatives, should comprise all those balance sheet items which represent claims on residents in other individual countries or economies. As in the locational banking statistics, the instruments include certificates of deposit, promissory notes and other negotiable paper issued by non-residents, banks’ holdings of international

¹⁰ See Basel Committee on Banking Supervision, *International convergence of capital measurement and capital standards*, June 2006 (<http://www.bis.org/publ/bcbs128.pdf>), paragraphs 145 and 146.

notes and coins, foreign trade-related credits, claims under sale and repurchase agreements with non-residents, deposits and balances placed with banks, loans and advances to banks and non-banks, holdings of securities and [participations](#) including equity holdings in other banks or non-bank subsidiaries. As in the case of locational banking, borrowing and lending of securities, gold and other precious metals without [cash collateral](#) should not be reported as international banking business. Holdings of securities also include credit-linked notes and other collateralised debt obligations and asset-backed securities. If derivatives are booked on-balance sheet, they should not be included in the reporting of financial claims but listed separately under the item “Derivative contracts” (see 2.2 below).

Reporting domestic banks should also provide a breakdown between cross-border claims of all their offices on the one hand and local claims of their foreign offices on the other. If countries face difficulties reporting this distinction it is recommended that it be estimated on a best efforts basis.

2.2. Derivative contracts

Derivatives contracts with a positive market value¹¹ have to be reported separately, regardless of whether the derivative contracts are booked as off- or on-balance sheet items. Reporting domestic banks are requested to provide consolidated data on the cross-border financial claims resulting from derivative contracts of all their offices worldwide and the financial claims from derivative contracts of their foreign offices vis-à-vis residents of the countries where the offices are located. The data should be reported on a consolidated and ultimate risk basis, ie inter-office positions should be excluded, and the positions should be allocated to the country where the final risk lies. For the valuation of derivative contracts, see Section G.2.

The data should cover in principle all derivative contracts that are reported in the context of the BIS’s regular semi-annual OTC derivatives statistics¹². The data thus mainly comprise forwards, swaps and options relating to foreign exchange, interest rate, equity, commodity and credit derivative contracts. Credit derivatives, such as credit default swaps and total return swaps, should only be reported under the item “Derivative contracts” if they are held for trading by a protection-buying reporting bank. Credit derivatives that are not held for trading should be reported as “[Risk transfers](#)” by the protection buyer and all credit derivatives should be reported as “Guarantees” by the protection seller (see below).

2.3. Guarantees extended and credit commitments

Reporting domestic banks are requested to provide data on guarantees outstanding vis-à-vis non-residents of all their offices worldwide and the exposures of their foreign offices from guarantees vis-à-vis residents of the countries where these offices are located. Similar data should also be provided separately for credit commitments outstanding. Both types of data should be reported on an ultimate risk basis, ie inter-office positions should be excluded and – except when the exposure is mitigated by cash collateral or by exposure to a resident (ie home country) third party, in which case no foreign exposure is reported – the positions should be allocated to the country where the final risk lies. For the valuation of guarantees extended and credit commitments, see Section G.2.

Guarantees and credit commitments should be reported to the extent that they represent the unutilised portions of both binding contractual obligations and any other irrevocable

¹¹ Derivatives with negative market values represent financial liabilities and are therefore to be excluded from the reporting of financial claims.

¹² The main financial institutions (59 at end 2010) in the G10 countries participate in this survey; results with methodological notes are available on the BIS website (see: <http://www.bis.org/statistics/derstats.htm>).

commitments. They should only cover those obligations which, if utilised, would be reported in total cross-border claims and local claims of foreign offices in any currency. Performance bonds and other forms of guarantee should only be reported if, in the event of the contingency occurring, the resulting claim would have an impact on total cross-border claims and local claims of foreign offices in any currency.

A more detailed definition of guarantees and credit commitments and a non-exhaustive list of typical instruments that qualify as guarantees and credit commitments are provided below.

2.3.1 Guarantees extended

Guarantees extended are contingent liabilities arising from an irrevocable obligation to pay a third-party beneficiary when a client fails to perform some contractual obligation. They include secured, bid and performance bonds, warranties and indemnities, confirmed documentary credits, irrevocable and standby letters of credit, acceptances and endorsements. Guarantees extended also include the contingent liabilities of the protection seller of credit derivative contracts.

2.3.2 Credit commitments

Credit commitments are arrangements that irrevocably obligate an institution, at a client's request, to extend credit in the form of loans, participation in loans, lease financing receivables, mortgages, overdrafts or other loan substitutes or commitments to extend credit in the form of the purchase of loans, securities or other assets, such as backup facilities including those under note issuance facilities (NIFs) and revolving underwriting facilities (RUFs).

Table I.3

Data requirements for the consolidated statistics

Type of bank and breakdown of claims	Immediate borrower basis ¹					Ultimate risk basis			
	Intl. claims ²	Local positions of foreign affiliates in local currency		Local positions of foreign affiliates in foreign currency	Inward, outward and net risk transfers	Forgn. claims ³	Derivatives	Guarantees	Credit commitments
		Claims	Liabilities						
by individual vis-à-vis country									
Total	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
<i>By type of bank</i>									
<u>Domestic banks</u> ⁴	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Local branches and subsidiaries:									
Consolidated inside area foreign banks ⁵	Yes	No	No	No	No	No	No	No	No
Unconsolidated outside area foreign banks ⁶	Yes	No	No	No	No	No	No	No	No
Unconsolidated inside area foreign banks ⁷	Yes	No	No	No	No	No	No	No	No
<i>By maturity</i>									
Up to one year	Yes	No	No	No	No	No	No	No	No
Over one and up to two years	Yes	No	No	No	No	No	No	No	No
Over two years	Yes	No	No	No	No	No	No	No	No
Unallocated	Yes	No	No	No	No	No	No	No	No
<i>By borrowers' sector</i>									
<u>Banks</u>	Yes	No	No	No	No	Yes	No	No	No
Public sector	Yes	No	No	No	No	Yes	No	No	No
<u>Non-bank private sector</u>	Yes	No	No	No	No	Yes	No	No	No
Unallocated	Yes	No	No	No	No	Yes	No	No	No
Local/ cross-border claims	No	No	No	No	No	Yes	No	No	No

¹ As of 2004, international claims on banks with head offices outside the host country and undisbursed credit commitments/backup facilities are no longer mandatory. However, Brazil, Finland and the United Kingdom continue to provide these claims on a voluntary basis. ² See Table I.2 for definition. ³ See Table I.2 for definition. ⁴ See section C1.1 for definition and reporting requirements. ⁵ See section C1.2 for definition and reporting requirements. ⁶ See C1.3 for definition and reporting requirements. ⁷ See section C1.4 for definition and reporting requirements.

E. Consistency between immediate and ultimate borrower statistics

The risk transfer information on foreign claims on an immediate borrower basis is used to derive foreign claims on an ultimate risk basis. From a conceptual point of view, taking into account net risk transfers, foreign claims on an immediate borrower basis should be equal to foreign claims on an ultimate risk basis. This should hold for claims of banks on each individual vis-à-vis country.

F. Counterparties' country, sector and maturity breakdowns

1. General

Reporting banks are requested to provide three principal breakdowns of their banks' financial claims: by country, sector and maturity (see Section F.4). However, while a country breakdown is requested for all types of on- and off-balance sheet financial claims, sector and maturity breakdowns are only requested in the cases described below.

2. Country breakdown

A full breakdown by individual debtor country consistent with the balance of payments concept of [residence](#) of the counterparty is requested for all types of claims on immediate and ultimate risk in the context of the consolidated banking statistics. This includes all on- and off-balance sheet claims and the data on risk transfers.

3. Sector breakdown

Reporting banks are also requested to provide a sector breakdown by borrower for the following types of claims (derivatives are excluded from total claims):

- (i) Total international claims on an immediate borrower basis, ie cross-border claims plus local claims in foreign currency of foreign offices of reporting banks;
- (ii) Total foreign claims on an ultimate risk basis, ie cross-border claims plus total local claims in all currencies of foreign offices of reporting banks.

The following sectors should be identified separately:

- (i) [Banks](#);
- (ii) [Public sector](#)
- (iii) Non-bank [private sector](#);
- (iv) Unallocated (residual category for the claims that cannot be classified in the three previous sectors).

As in the locational statistics, it is recommended that the definition used by the country where the counterparty is resident be applied to determine whether or not the counterparty is a bank. In principle, the sectors are defined as follows for the purposes of the consolidated banking statistics:

- Banks are those institutions whose business it is to receive deposits and/or close substitutes for deposits and to grant credits or invest in securities on their own account;
- **Public sector** comprises the general government sector, central banks and multilateral development banks;
- **Non-bank private sector**¹³ is composed of non-bank financial institutions and non-financial corporations, be they private or public, and households, including non-profit institutions serving households.

¹³ Going forward, the BIS may adopt a split sectoral breakdown of the non-bank private sector into other financial corporations and non financial corporations (including the public corporations) consistent with the next

However, in contrast to the locational banking statistics, for the purpose of the consolidated statistics, claims on foreign [official monetary authorities](#) and multilateral development banks, as well as on other international organisations, should be placed in the public sector category, instead of the bank category, and claims on publicly owned enterprises other than banks should be allocated to the non-bank private sector. While positions of international institutions are requested separately as an exclusive member in the vis-à-vis country breakdown, the positions of official monetary authorities should be allocated to the respective countries of their residence.

Please note that the BIS and the ECB should be classified by reporters as public sector institutions resident in Switzerland and Germany respectively.

4. Maturity breakdown (immediate borrower basis only)

Reporting banks are also requested to provide a maturity breakdown for total international claims (cross-border claims plus local claims in foreign currency of foreign offices of reporting banks) on an immediate borrower basis based on the concept of remaining maturity. The following four maturity bands are distinguished:

- (i) up to and including one year (ie original maturity of up to one year plus original maturity of more than one year but falling due within the next 12 months);
- (ii) over one year and up to and including two years;
- (iii) over two years;
- (iv) unallocated.

Deposits or claims of banks that are receivable on demand should be allocated to the “up to and including one year” maturity bracket. Claims that cannot be classified by maturity, such as equities and participations, should be assigned to a residual category (“unallocated”).

The maturities should be defined on the basis of the time to the final payment of the relevant claim (with respect to the reporting period).

G. Other reporting conventions

1. Netting of assets

As with the locational statistics, financial claims should generally be reported on a gross basis. However, [head offices](#) of banks in the reporting countries should exclude from their reporting claims on their [own offices](#) in any other country. Financial claims resulting from derivative contracts should be netted only for those contracts that are with the same counterparty *and* that are covered under a legally enforceable netting agreement. For all other derivative contracts, the gross positive fair values must be reported. Negative market values of derivative contracts are considered to represent financial liabilities and are therefore excluded by definition from the reporting of financial claims. Reporting of financial claims resulting from derivative contracts should in principle be consistent with the “replacement value”, when compliant with accounting standards used to produce the balance sheet¹⁴.

Balance of Payments Manual BPM6. This has been agreed in principle by the reporting central banks at the 2008 Biennial meeting in Basel.

¹⁴ “Replacement value” is also referred as net mark-to-market value that can be either a gross positive or a gross negative value. Alternative valuation principle should be specified in Table II-13.

Box 4: Examples for market or fair values of derivative contracts

The following examples indicate how to calculate the market or fair value of various derivative contracts:

For a **forward**, a contract to purchase USD against EUR at a forward rate of 1.00 when initiated has a positive market value if the EUR/USD forward rate for the same settlement date is lower than 1.00 at the time of reporting. It has a negative market value if the forward rate is higher than 1.00 at the time of reporting, and it has a zero market value if the forward rate is equal to 1.00 at the time of reporting.

For **swaps**, which involve multiple (and sometimes two-way) payments, the market or fair value is the net present value of the payments to be exchanged between the counterparties between the reporting date and the contract's maturity, where the discount factor to be applied would normally reflect the market interest rate for the period of the contract's remaining maturity. Thus, a fixed/floating swap which, at the interest rates prevailing at the reporting date, involves net annual receipts by the reporter of eg 2% of the notional principal amount for the next three years has a positive marked to market (or replacement) value equal to the sum of three net payments (each 2% of the notional amount), discounted by the market interest rate prevailing at the reporting date. If the contract is not in the reporter's favour (ie the reporter would have to make net annual payments), the contract has a negative net present value.

Unlike forwards or swaps, **OTC options** have a market or fair value at initiation which is equal to the premium paid to the writer of the option. Throughout their life, option contracts can only have a positive market or fair value for the buyer and a negative market or fair value for the seller. If a quoted market price is available for a contract, the market value to be reported for that contract is the product of the number of trading units of the contract multiplied by that market price. If a quoted market price is not available, the market or fair value of an outstanding option contract at the time of reporting can be determined on the basis of secondary market prices for options with the same strike prices and remaining maturities as the options being valued, or by using option pricing models. In an option pricing model, current quotes of forward prices for the underlying (spot prices for American options) and the implied volatility and market interest rate relevant to the option's maturity would normally be used to calculate the "market" values. As with other derivative contracts, the fair value of options sold and purchased should not be netted against each other unless they are with the same counterparty and are covered by a qualified netting agreement.

2. Valuation

For the purpose of measuring [international banking business](#), in particular international lending and borrowing by banks, in a consistent and comparable way, it is recommended that the international assets and liabilities in local currency with local residents of domestic banks' foreign affiliates reported to the BIS be valued as far as possible according to uniform valuation principles. This would enhance consistency with other statistical systems such as the SNA, the balance of payments and the international investment position statistics. It is therefore recommended that, in principle, banks' international claims be valued at market prices. Where market values are not appropriate, contractual or nominal values should be used. For instance, loans in the banking books, which in principle should be assigned [nominal value](#), should be valued in accordance to the reporting countries' accounting standards.

In consolidated banking on an immediate borrower basis only local liabilities of foreign offices of domestic banks are reported. For these local liabilities, however, contractual or nominal rather than market values are considered more appropriate. It is also recognised that national accounting rules may require different valuation methods depending on the type of asset or liability.

Financial claims resulting from derivative contracts should be valued at market prices or fair values. Net positive fair values – ie positive fair values less negative fair values (or zero,

whichever is greater) – can be reported for only those contracts that are both with the same counterparty **and** covered under a legally enforceable netting agreement. For all other contracts, the gross positive fair values must be reported. Negative market values of derivative contracts are considered to represent financial liabilities and are therefore excluded by definition from the reporting of financial claims.

Contingent liabilities resulting from guarantees extended and credit commitments should be valued at [face value](#) or the maximum possible exposure.

3. Arrears, provisions and write-offs

The following reporting procedures are recommended for arrears, provisions and write-offs:

3.1 Arrears of interest and principal

Until they are written off, interest in arrears on financial claims and principal in arrears (including [capitalised interest](#)) should be included in the data on financial claims.

3.2 Provisions

International financial claims against which provisions have been made are normally reported as foreign assets at their gross value.

3.3 Write-offs of claims and debt forgiveness

Although an asset which has been written off may still be a legally enforceable claim, it is recommended that such items be excluded from the reported data. This is because the writing-off process can be seen as reflecting the judgment that the current or prospective price of the claim is zero. The same reporting convention is recommended for reductions in claims due to debt forgiveness, ie cancellations of claims via contractual arrangements between debtors and creditors.

4. Currency conversion

As is the case for the locational banking statistics, all data submitted to the BIS under the consolidated scheme need to be converted into US dollars. The reporting banks' positions in currencies other than the US dollar must therefore be converted into US dollars, using the exchange rate prevailing on the reporting date (ie end of quarter exchange rates), either by the banks themselves or by their official monetary authorities).

5. Breaks-in-series

A break-in-series refers to a change in reporting methodology in a given period. Pre- and post-break values (based on the previous and the current new reporting methodology) are provided for this period. The value/amount for an observation (series) may change from one quarter to the next simply because of change in reporting practice/methodology or change in reporting population/institutions. For example, the availability of detailed country breakdown or sector/ maturity breakdown, or the increase/decrease in the number of reporting institutions, or a change in accounting methodology, etc. will have an impact on positions. In such cases affected observations should be transmitted at the same reporting date with two values, one for pre-break data (ie prior to the change in methodology) and one for post-break data (ie after the change in methodology). This is crucial for the correct calculation of exchange rate value-adjusted changes in stocks (flows) and in order to know if the sudden movements in positions relate to normal business activities of reporting institutions.

The existence of a break-in-series and the associated pre and post-break data becomes a permanent feature of the data of the affected quarter. Therefore, if there is a need to revise the data of the affected quarter, even many periods later, the revised data must be reported with pre and post-break values for each revised observation being revised and affected by a break-in-series.

6. Observation confidentiality

The observation confidentiality is mandatory for countries (central banks or statistical/supervisory agencies) reporting international banking statistics to the BIS. The reporting countries must provide for each observation the appropriate value of confidentiality attribute (“Free, for publication”, “Not for publication, Restricted for internal use” or “Confidential, for BIS only”). If no confidentiality attribute is reported for a given observation, the BIS will set the default value “Restricted, not for publication, internal use only”. The attribute for observations not reported but estimated, aggregated or otherwise derived by the BIS is defined by the BIS, based on agreements with central banks and based on business rules. The detailed technical guidelines/instructions are made available to reporting countries by the BIS.

H. Specific reporting cases - questions and answers

1. Questions about consolidation

Q1: Are there any rules concerning consolidation across sectors (eg other financial intermediaries, non-banks) in the consolidated statistics?

A: The BIS has not issued any specific guidelines for consolidation in the context of the consolidated banking statistics. These rules are left to national discretion. For the purposes of the consolidated banking statistics, banks in the reporting country may therefore follow their national bank supervision rules. National practices are listed in a specific table (Table II-9).

Q2: Should national (ie reporting country) consolidation also include affiliates in third countries of affiliates to resident reporting banks?

A: The BIS does not prescribe any rule for consolidation. It is left to the central banks to follow national practices. If the national supervisory rules/requirements so require, the central banks should also include affiliates in third countries of affiliates to resident reporting banks.

Q3: How should the business among different branches worldwide of a bank be consolidated?

A: A bank may have branches in the reporting country and affiliates/offices in (other) different countries. While positions of a bank with their foreign offices/affiliates only are reported under “positions vis-à-vis related foreign offices” in the locational by nationality statistics, these positions and also positions among offices/affiliates of the same bank in same or different countries should not be reported in the consolidated banking statistics. For consolidated banking such positions constitute inter-office business. As requested in the guidelines to the locational banking by nationality, inter-office transactions (in foreign currencies) between different offices of a bank in the reporting country should not be reported.

Q4: Does “inside area” in consolidated banking refer to countries that provide either locational or consolidated banking statistics?

A: No, inside area only refers to countries that report consolidated banking statistics. Countries that only report locational banking statistics (11 out of 41) should be treated as outside area for the purpose of the consolidated banking statistics. In short, inside area refers to countries that are listed in Table I.1 (page 10).

2. Specific questions

Q5: Regarding gross or net reporting, should there be a difference between cross border claims on an unconsolidated basis reported by an consolidated inside area foreign office like Nordea (Swedish bank) in the consolidated statistics and total claims on Sweden in the locational banking statistics reported by the same bank?

A: No, both should be the same.

Q6: If a bank is taken over by a non-bank entity, should it discontinue reporting?

A: Only the banking business of the non-bank entity should be reported. In other words, the bank concerned should continue to report its banking business (see Section C.1: Reporting Institutions).

Q7: Can claims outstanding be negative and be reported as such?

A: Reporting of negative stock amounts may be acceptable in exceptional cases of short positions on derivative instruments and portfolio investment. It is expected these amounts would be reported on the asset side in the Other Assets instrument category.

Q8: How should the balances in dormant accounts be treated/reported?

A. The reporting bank should report dormant liabilities and claims to the country of the last indicated address.

Q9: How should loans related to movable assets (like loans to shipping companies) be reported?

A: The residence country of the owner of the movable assets should be treated as the immediate country exposure and the guarantor's country as the ultimate risk exposure.

Q10: How should euro banknotes and coins be reported in the consolidated banking?

A: Banks' holdings of international notes and coins that are in circulation and commonly used to make payments should be recorded as claims. In the case of the geographical allocation of euro banknotes and coins, due to the impossibility for the reporting banks to split their holdings according to the issuing countries, it is recommended to the non-euro area reporting countries to allocate these banknotes and coins as claims on the ECB, which is included under Germany in the country classification.

Q11: Should local positions in local currency of a subsidiary's subsidiary in the same country be reported?

A: For the purpose of reporting consolidated banking data, a subsidiary of a bank's subsidiary should be treated the same as branches/offices of reporting institutions. If the subsidiary's subsidiary resides in the same country as its parent institution, local claims should not be reported. Local claims relate only to foreign affiliates.

Q12: How should letters of credit confirmed by another bank be treated?

A: Letters of credit are to be treated as a guarantee; confirmation should be disregarded on an immediate borrower basis.

Q13: How should the value of a guarantee be reported when it exceeds that of the related asset?

A: The full guarantee value should be reported as a guarantee extended with the same ultimate risk allocation as the claims.

Q14: How should be allocated the holdings of bonds issued by the European Financial Stability Facility (EFSF) and Mechanism (ESFM), and how should be classified the European Stability Mechanism (ESM) which will replace both EFSF and ESFM from 2013?

On an immediate borrower basis, holdings of debt securities issued by EFSF and ESFM should, in the geographic allocation, be reported vis-à-vis Luxembourg / non-bank private sector up to 2013 and later on vis-à-vis International organisations / public sector, as the European Stability Mechanism (ESM) will fall under the international organizations category. On an ultimate risk basis, practical issues were recognised for the reporting on a pro-rata basis (vis-à-vis 17 euro area member states). It is therefore recommended to report vis-à-vis “Residual developed countries” (2R) / public sector up to 2013 and later on vis-à-vis “International organisations” (1C) / public sector.

Q15: How should credit default swaps be reported?

Credit default swaps (CDS), like other credit derivatives such as total return swaps, should be reported under the item “Derivatives contracts” at positive market value if they are held for trading by a protection-buying reporting bank. CDS that are not held for trading should be reported as risk transfers by the protection buyer and all CDS should be reported as “Guarantees extended” by the protection seller. CDS sold should be reported at gross (not net) notional values, net of cash collateral, under “guarantees extended” vis-à-vis the country of the underlying reference entity, where the final risk lies. However, positions vis-à-vis resident underlying reference entities on an ultimate risk basis should not be reported under the current reporting requirements.

3. Sector classification

Q16: In the new consolidated banking statistics how are the immediate/ultimate country and sector decided for mortgage-based loans?

A: As mentioned in Section D, collateral may be considered as an indicator of where the final risk lies to the extent that it is recognised as a risk mitigant according to the supervisory instructions in the reporting country. The lists of recognised collateral under various approaches of credit risk mitigation are available in the Basel Capital Accord document.

In the following example, it is assumed that mortgage-backed securities are recognised as a credit risk mitigant by the reporting central bank.

Based on this assumption, the situation could develop as follows:

In the case of a loan to a German company that is secured by real estate in the United States, the German non-bank private sector could be considered as the immediate borrower and the US unallocated sector as the ultimate borrower.

In the case of the same loan being secured by asset-backed securities issued by a US bank, which in turn are based on mortgage-backed loans to the non-bank private sector, the question arises as to whether these loans were extended to US companies and whether they are in turn backed by real estate in the United States. If both conditions were met, the treatment would be the same as before based on the look-through approach, whereby the immediate borrower is the German non-bank sector and the ultimate borrower is the US unallocated sector.

This is simply the result of the special treatment of mortgage-backed loans where the location of the mortgage determines the choice of country. The second difference is in the sector allocation. This should be different, as in both cases the loan is – directly or indirectly – secured by real estate located in the United States.

Q17: If a Japanese bank purchases emissions credits from a Brazilian power company in which sector should the bank report this position?

A. Under non-bank private sector vis-à-vis Brazil.

Q18: What sector should be used for fixed assets, such as equities and participations?

A: "Unallocated".

Q19: What should be the sector for quasi-government organisations, such as Ginnie Mae, Fannie Mae and Freddie Mac?

A: On an immediate borrower basis, quasi-government organisations should be classified as "non-bank private sector". This is consistent with SNA/BPM framework (Ref. External Debt Statistics Guide 2003, section 3.6, page 25 and section 5.5, page 39). On an ultimate risk basis, if claims on these institutions are covered by an explicit government guarantee, they should be reallocated to the public sector (e.g. Fannie Mae and Freddie Mac have an explicit government guarantee through end-2012).

Q20: What should be the sector for the balances arising from Repo transactions? And in the special case of resale agreements?

A1: In a repo agreement, on an immediate borrower basis (also for locational banking), the country as well as the sector would depend on the counterparty of the repo-contract and not on the underlying instrument. If the contract/transaction is with a bank, then the sector is "bank" and if with a central bank then the "public" sector. The inward risk transfers and the country/sector on ultimate risk basis would depend on the issuer of underlying instrument, ie if the underlying asset/instrument is US bonds/securities of a private company, then the country of ultimate risk would be the US (inward risk transfer) and the sector, the non-bank private one.

A2: In a resale contract, only claims should be reported, ie only when a bank is entering in an agreement to resale securities that it initially purchased. Then, on an immediate borrower basis, the country and the sector would depend on the counterparty to the agreement as indicated above in A1. Same as above is requested regarding the ultimate risk allocation.

4. Immediate and ultimate risk

Q21: What should be the country of immediate exposure of claims on [brass plate companies](#)?

A: The country of immediate exposure is the country where the company is officially registered.

Q22: How should [risk transfer](#) be reported when gold is used as collateral?

A: If the country in which the collateral is held differs from the country of the immediate borrower, then the collateral will result in an outward risk transfer from the country of the immediate borrower (and an inward risk transfer for the country in which the collateral is held). Same reporting applies also to other precious metals when used as collateral. As in the case of locational banking, borrowing and lending of securities and gold without [cash collateral](#) should not be reported as international banking business.

Q23: What should be the country/sector of ultimate risk for a cash balance?

A: This should be classified as a claim on the currency issuing authority. For example, for cash balances in US dollars, the country of immediate and ultimate risk is the United States. Similarly, the sector of immediate and ultimate risk is “public sector” (claim on the US Federal Reserve).

Q24: What should be the country/sector of ultimate risk for cheques purchased?

A: This depends on the type of cheque (customer/private cheque, banker’s cheque?). Private cheques drawn on a bank should be reported as off-balance sheet items (as these are sent on collection). Even if a bank purchases cheques (banker’s cheques or other types of cheque), these should be classified based on where the final risk lies (ie the issuer’s [parent country](#)/sector). Please note that the sector of a [parent institution](#) could be different from that of the immediate counterparty.

Q25: What is the country of ultimate risk for [cash collateral](#) (received against loans extended)?

A: Ultimate risk data are required only for domestic banks. If deposits or cash are used as collateral, the cash collateral holder is the (domestic) bank itself and hence there is no need to report inward risk (as per BIS guidelines).

Annex 1

Examples for the reporting of individual transactions¹⁵

Reporting country: United States <i>A. Loans and deposits</i>	Immediate borrower reporting					Ultimate risk reporting		
	Type of bank	Type of claim	Sector	Vis-à-vis country	Type of risk transfer	Type of claim	Sector	Vis-à-vis country
1. A US bank has extended a loan to a corporate in Japan which is backed by a guarantee from a bank in the UK	Domestic	International	Non-bank private	Japan	Inward: UK outward: Japan	Cross-border	Bank	UK
2. A US bank has extended a loan to a corporate in Japan which (a) is backed by a guarantee from a bank in the US or (b) has provided US Treasury paper as collateral	Domestic	International	Non-bank private	Japan	Outward: Japan	None	None	None
3. A US bank has a deposit with a branch of a Japanese bank in the UK	Domestic	International	Bank	UK	Inward: Japan outward: UK	Cross-border	Bank	Japan
4. A US bank has extended a loan to a corporate in Japan. The corporate has provided UK government securities as collateral	Domestic	International	Non-bank private	Japan	Inward: UK outward: Japan	Cross-border	Public	UK
5. A US bank has extended a loan to a corporate in Japan. In order to hedge the counterparty risk, the US bank has bought a credit derivative issued by a bank in the UK	Domestic	International	Non-bank private	Japan	Inward: UK outward: Japan	Cross-border	Bank	UK

¹⁵ Please note that the term “bank” only refers to either head offices of banks or their legally independent and incorporated subsidiaries, but not to branches of banks, which are referred to separately. In addition, the term “none” should be read as meaning “no reporting required”.

Reporting country: United States A. Loans and deposits	Immediate borrower reporting					Ultimate risk reporting		
	Type of bank	Type of claim	Sector	Vis-à-vis country	Type of risk transfer	Type of claim	Sector	Vis-à-vis country
6. A subsidiary of a US bank in Japan has a deposit in local currency with a branch of a UK bank in Japan	Domestic	Local claims in local currency	Bank	Japan	Inward: UK outward: Japan	Cross-border	Bank	UK
7. A subsidiary of a US bank in Japan has extended a loan in foreign currency to a corporate in Japan. The corporate has provided US government securities as collateral	Domestic	International	Non-bank private	Japan	Outward: Japan	None	None	None
8. A subsidiary of a US bank in Japan has extended a loan to a corporate in the UK guaranteed by a bank in Japan	Domestic	International	Non-bank private	UK	Inward: Japan outward: UK	Local	Bank	Japan
9. A branch of a US bank in Japan has a deposit with a branch of a Japanese bank in the US	Domestic	None	None	None	Inward: Japan	Local	Bank	Japan
10. A Japanese bank in the US has extended a loan to a corporate in Japan (reporting by the Japanese bank's branch in the US)	Consolidated inside area	International	Non-bank private	Japan	None	None	None	None
11. A Japanese bank in the US has extended a loan to a corporate in the UK (reporting by the Japanese bank's branch in the US)	Consolidated inside area	None	None	None	None	None	None	None
12. A Philippine bank in the US has extended a loan to a bank in Japan (reporting by the Philippine bank's branch in the US)	Unconsolidated Outside area	International	Bank	Japan	None	None	None	None

Reporting country: United States A. Loans and deposits	Immediate borrower reporting					Ultimate risk reporting		
	Type of bank	Type of claim	Sector	Vis-à-vis country	Type of risk transfer	Type of claim	Sector	Vis-à-vis country
13. A subsidiary of a US bank in Canada acquires credit card claims in local currency on customers in Canada. Subsequently, the bank issues asset-backed securities against these claims and sells the securities in Canada ¹	Domestic	Local currency	Non-bank private	Canada	Outward: Canada	None	None	None
14. The business of a subsidiary of a UK bank in the US has not been consolidated by the parent ² . This subsidiary has extended a loan to a corporate in Japan guaranteed by a bank in Canada	Unconsolidated inside area ²	International	Non-bank private	Japan	None	None	None	None
15. A US bank has extended a loan to a subsidiary of a Japanese bank in the UK. The subsidiary has not received an explicit guarantee from its head office	Domestic	International	Bank	UK	None	Cross-border	Bank	UK
16. A US bank has extended a loan to a subsidiary of a Japanese bank in the UK. The subsidiary has received an explicit guarantee from its head office	Domestic	International	Bank	UK	Inward: Japan outward: UK	Cross-border	Bank	Japan
17. A US bank has a sale and repurchase transaction (repo) involving the sale of a USD denominated security with a commitment to repurchase the same asset ³ with a branch of an UK bank in Austria.	Domestic	International	Bank	Austria	Inward: UK outward: Austria	Cross-border	Bank	UK

¹ Provided the securitisation is without recourse or guarantees and no residual exposure is retained by the issuing bank. ² This subsidiary remains unconsolidated in the UK reporting (known from the banking list) and the US will report all cross-border position on a consolidated basis under "unconsolidated inside area foreign banks" (please also see C 1.4). ³ Securities lent can be deducted from the portfolio (as recommended under GAAP) or not (as under IFRS).

Reporting country: United States B. Securities	Immediate borrower reporting					Ultimate risk reporting		
	Type of bank	Type of claim	Sector	Vis-à-vis country	Type of risk transfer	Type of claim	Sector	Vis-à-vis country
1. A US bank has purchased securities issued by a Japanese bank against credit card claims on Japanese non-banks	Domestic	International	Bank	Japan	Inward: Japan outward: Japan	Cross-border	Non-Bank	Japan
2. A US bank has purchased securities issued by a branch of a Japanese bank in the US	Domestic	None	None	None	Inward: Japan	Cross-border	Bank	Japan
3. A Japanese bank in the US has purchased Japanese government securities (reporting by the Japanese bank in the US)	Consolidated Inside area	International	Public	Japan	None	None	None	None
4. A Japanese bank in the US has purchased UK government securities (reporting by the Japanese bank in the US)	Consolidated inside area	None	None	None	None	None	None	None
5. A Philippine bank in the US has purchased UK government securities (reporting by the Philippine bank in the US)	Unconsolidated) outside area	International	Public	UK	None	None	None	None
6. A US bank in Japan has purchased securities issued by a subsidiary of a Japanese bank in Canada and the issue of securities has been explicitly guaranteed by the parent	Domestic	International	Bank	Canada	Inward: Japan outward: Canada	Local	Bank	Japan
7. A Japanese bank in the UK has sold securities to, and entered into a repurchase agreement with, a US bank in the UK	Domestic	International/local if in pounds	Bank	UK	Inward: Japan outward: UK	Cross-border	Bank	Japan
8. A US bank in the US has purchased Italian Government securities under a resale agreement with a German bank in the UK	Domestic	International	Bank	UK	Inward: German outward: UK	Cross-border	Bank	Germany

Reporting country: United States C. Derivatives (Should be reported on a consolidated and ultimate risk basis)	Immediate borrower reporting ¹					Ultimate risk reporting	
	Type of bank	Type of claim	Sector	Vis-à-vis country	Type of risk transfer	Type of claim	Vis-à-vis country
1. A US bank has bought credit derivatives issued by a bank in the UK which are recorded in the trading book of the US bank	Domestic	None	None	None	None	Derivatives	UK
2. A US bank has bought interest rate derivatives issued by a branch of a Japanese bank in the UK	Domestic	None	None	None	None	Derivatives	Japan
3. A US bank has bought equity derivatives issued by another US bank. The bank has provided UK government securities as collateral	Domestic	None	None	None	None	Derivatives	UK
4. A branch of a US bank in Japan has bought interest rate derivatives issued by a branch of a UK bank in Japan	Domestic	None	None	None	None	Derivatives	UK
5. A subsidiary of a US bank in Japan has bought equity derivatives issued by a branch of a US bank in Japan	Domestic	None	None	None	None	None	None
6. A Japanese bank in the US has bought credit derivatives issued by a bank in Japan which are recorded in the trading book of the Japanese bank in the US	Consolidated inside area	None	None	None	None	None	None
7. A Philippine bank in the US has bought credit derivatives issued by a bank in Japan which are recorded in the trading book of the Philippine bank in the US	Unconsolidated outside area	None	None	None	None	None	None

¹ Derivatives (on- and off-balance sheet) should not be reported on an immediate borrower basis.

Reporting country: United States <i>D. Guarantees and credit commitments</i>		Immediate borrower reporting				Ultimate risk reporting		
		Type of bank	Type of claim	Sector	Vis-à-vis country	Type of risk transfer	Type of claim	Vis-à-vis country
1.	A US bank has guaranteed a loan extended by a bank in Japan to the branch of a UK bank in Hong Kong SAR	Domestic	None	None	None	None	Guarantee	UK
2.	A US bank has made a credit commitment to a corporate in the UK	Domestic	None	None	None	None	Credit commitment	UK
3.	A US bank has made a credit commitment to a branch of a UK bank in Japan	Domestic	None	None	None	None	Credit commitment	UK
4.	A US bank has sold a credit derivative on a German corporate to a branch of a Japanese bank in the UK (see also Q15)	Domestic	None	None	None	None	Guarantee	Germany
5.	A subsidiary of a US bank in Japan has guaranteed a loan extended by a Japanese bank to a branch of a UK bank in Japan	Domestic	None	None	None	None	Guarantee	UK
6.	A branch of a US bank in Japan has made a credit commitment to a corporate in Japan	Domestic	None	None	None	None	Credit commitment	Japan
7.	A Philippine bank in the US has guaranteed a loan extended by a Japanese bank to a corporate in the Philippines	Unconsolidated outside area	None	None	None	None	None	None
8.	A Japanese bank in the US has guaranteed a loan extended by a UK bank to a corporate in France	Consolidated inside area	None	None	None	None	None	None

Part II: Reporting countries' practices

Table II-1

Types and number of reporting institutions

Reporting countries	Types of reporting institutions	Percentage coverage of foreign claims	Percentage coverage of international claims	Inclusion of non-financial affiliates in consolidated reporting	Number of reporting banks at end-2011		
					All banks	of which:	
						Foreign banks with head offices in other reporting countries	Foreign banks with head offices outside the reporting area
Australia	All licensed banks plus selected large money market corporations and finance companies	Nearly 100	Over 90	No	63	39	9
Austria	Commercial banks, savings banks and specialised credit institutions	Nearly 100	Nearly 100	Primarily no (only 7 banks use IFRS)	87	15	2
Belgium	All domestic banks and all foreign affiliates	100	100	Yes	108	82	6
Brazil	Commercial banks and savings banks	Nearly 100	Nearly 100	No	76	28	8
Canada	All commercial banks operating in Canada	Nearly 100	Nearly 100	No	74	48	4
Chile	All commercial banks	Nearly 100	Approx 95	No	24	11	1
Chinese Taipei	All domestic banks which have cross-border claims, and all foreign banks branched in Chinese Taipei	Nearly 100	Nearly 100	No	66	28	3

Table II-1 (cont)

Types and number of reporting institutions

Reporting countries	Types of reporting institutions	Percentage coverage of foreign claims	Percentage coverage of international claims	Inclusion of non-financial affiliates in consolidated reporting	Number of reporting banks at end-2011		
					All banks	of which:	
						Foreign banks with head offices in other reporting countries	Foreign banks with head offices outside the reporting area
Denmark	All authorised banks	Nearly 100	Approx 96	No	127	17	1
Finland	All credit institutions with relevant cross-border activities or with at least one foreign branch or subsidiary	Nearly 100	95	No	41	30	2
France	Banks, savings banks, Caisse des Dépôts et Consignations, financial companies, specialised financial institutions	Nearly 100	About 95	No	419	141	33
Germany	All credit institutions	Nearly 100	100	No	1,903	170	21
Greece	All commercial and cooperative banks, as well as foreign branches and subsidiaries	Nearly 100	Nearly 100	No	57	21	7
Hong Kong SAR	All authorised institutions	Nearly 100	100	No	194	123	56
India	Scheduled commercial and cooperative banks authorised to deal in foreign exchange	Nearly 100	Approx 80	No	87	20	12
Ireland	All credit institutions	Nearly 100	Nearly 100	No	75	65	0

Table II-1 (cont)

Types and number of reporting institutions

Reporting countries	Types of reporting institutions	Percentage coverage of foreign claims	Percentage coverage of international claims	Inclusion of non-financial affiliates in consolidated reporting	Number of reporting banks at end-2011		
					All banks	of which:	
						Foreign banks with head offices in other reporting countries	Foreign banks with head offices outside the reporting area
Italy	All banks	100	100	No	747	91	9
Japan	In principle, all banks authorised to conduct business in the Japan Offshore Market	Nearly 100	Nearly 100	No	150	34	15
Luxembourg	All licensed banks	100	100	No	141	124	12
Mexico	All licensed commercial and development banks	Nearly 100	100	No	49	16	0
Netherlands	All credit institutions supervised by the central bank	100	100	No	92	52	9
Norway	All banks	95	95	No	9	8	0
Panama	Commercial banks, including offshore banks	Nearly 100	100	No	77	14	40
Portugal	All monetary financial institutions other than central banks	100	100	No	64	29	2
Singapore	All licensed commercial banks	Nearly 100	100	No	115	78	31

Table II-1 (cont)

Types and number of reporting institutions

Reporting countries	Types of reporting institutions	Percentage coverage of foreign claims	Percentage coverage of international claims	Inclusion of non-financial affiliates in consolidated reporting	Number of reporting banks at end-2011		
					All banks	of which:	
						Foreign banks with head offices in other reporting countries	Foreign banks with head offices outside the reporting area
Spain	Banks, savings banks, credit cooperative banks and the Official Credit Institute, with cross-border claims or liabilities above EUR 5 million or with at least one foreign branch or subsidiary	Nearly 100	Nearly 100	No	169	85	8
Sweden	Credit institutions	Nearly 100	Approx 95	No	14	2	0
Switzerland	All banks with total foreign assets or fiduciary claims vis-à-vis other countries above CHF 1 billion	Approx 95	Approx 95	No	55	24	5
Turkey	Banks and participation banks	Approx 94	93	No	47	13	9
United Kingdom	All domestic MFIs, foreign MFI subsidiaries and branches with external business of at least GBP 300 million in all currencies	98	98	No	290	170	82

Table II-1 (cont)

Types and number of reporting institutions

Reporting countries	Types of reporting institutions	Percentage coverage of foreign claims	Percentage coverage of international claims	Inclusion of non-financial affiliates in consolidated reporting	Number of reporting banks at end-2011		
					All banks	of which:	
						Foreign banks with head offices in other reporting countries	Foreign banks with head offices outside the reporting area
United States	US banks and bank holding companies with claims on foreign residents exceeding USD 30 million (consolidated reporters). ¹⁶	Nearly 100	Nearly 100	No	450	400	21
Total					5814	1978	408

¹⁶ Also, branches and agencies of foreign banks with claims on all foreign residents exceeding USD 50 million or claims on residents of any single foreign country exceeding USD 25 million (unconsolidated reporters).

Table II-2

Reporting of international claims (immediate borrower)

Reporting countries	Inclusion in international claims		
	Debt securities	Equities, participations, working capital	Foreign currency claims of domestic banks' foreign affiliates on local residents
Australia	Yes	Yes	Yes
Austria	Yes	Yes	Yes
Belgium	Yes	Yes	Yes
Brazil	Yes	Yes	Yes
Canada	Yes	Yes	Yes
Chile	Yes	Yes	No
Chinese Taipei	Yes	Yes	Yes
Denmark	Yes	No	Yes
Finland	Yes	Yes	Yes
France	Yes	Yes ¹	Yes
Germany	Yes	Yes	Yes
Greece	Yes	Yes ²	Yes
Hong Kong SAR	Yes	No ³	No
India	Yes	Yes	Yes
Ireland	Yes	Yes	Yes
Italy	Yes	Yes	Yes
Japan	Yes	Yes	Yes
Luxembourg	Yes	Yes	Yes ⁴
Mexico	Yes	Yes ⁵	Yes
Netherlands	Yes	Yes	Yes
Norway	Yes	No	Yes
Panama	Yes	Yes	Yes
Portugal	Yes	Yes	Yes
Singapore	Yes	Yes	Yes
Spain	Yes	Yes ⁶	Yes
Sweden	Yes	Yes	Yes
Switzerland	Yes	Yes	Yes
Turkey	Yes	Yes	Yes ⁴
United Kingdom	Yes ⁷	No ³	Yes
United States	Yes	Yes	Yes ⁸

¹ Equities only; [participations](#) and [working capital](#) are included from June 2003 onwards. ² Not including participations in consolidated credit institutions. ³ Portfolio investments in shares and other equity are included. ⁴ Only foreign currency positions of banks' foreign branches on local residents, ie excludes positions of banks' foreign subsidiaries. ⁵ Equities and participations only. ⁶ Equities and participations. Working capital is not included, because it represents flows between offices that are netted out in the consolidation process. ⁷ Portfolio investments only. ⁸ From March 2006 (previously included with local currency claims).

Table II-3

Reporting of risk transfer data

Reporting countries	Separate reporting of risk transfers	Breakdown of outward and inward risk transfers	Type of banks ¹	Deviations from the recommended definition ²	
				Exclusions	Inclusions
Australia	Yes	Yes			Contingent liabilities/credit commitments
Austria	Yes	Yes	Domestic banks only		
Belgium	Yes	Yes	Domestically owned banks		
Brazil	Yes	Yes			
Canada	Yes	Yes	Domestic banks		
Chile	Yes	Yes	Domestic banks	Local claims of domestic banks' foreign affiliates	
Chinese Taipei	Yes	Yes	Domestic banks		
Denmark	No	No			
Finland	Yes	Yes	Domestic banks		
France	Yes ³	Yes ³		Guaranteed claims, ⁴ local claims of domestic banks' foreign affiliates	
Germany	Yes	No	Domestic banks only		
Greece	Yes	Yes	Domestic banks		
Hong Kong SAR	Yes	Yes	Domestic banks only	Non-bank branches, local claims of domestic banks' foreign affiliates denominated and funded in local currency	
India	Yes	Yes	Domestic banks		
Ireland	Yes	Yes	Domestic banks		
Italy	Yes	Yes	Domestic banks		

For footnotes refer to the end of the table.

Table II-3 (cont)

Reporting of risk transfer data

Reporting countries	Separate reporting of risk transfers	Breakdown by outward and inward risk transfers	Type of banks ¹	Deviations from the recommended definition ²	
				Exclusions	Inclusions
Japan	Yes	No	Domestic banks only		
Luxembourg	No	No			
Mexico	No	No			
Netherlands	Yes	Yes	Domestic banks only		
Norway	Yes	Yes	Domestic banks		
Panama	No				
Portugal	Yes	Yes	Domestic banks only	None	None
Singapore	Yes	Yes	Domestic banks only		
Spain	Yes	Yes	Domestic banks		
Sweden	Yes	Yes	Domestic banks only		
Switzerland	Yes	No	All banks		
Turkey	Yes	Yes	Domestic banks	Local claims of domestic banks' foreign affiliates	
United Kingdom	Yes	Yes	Domestic banks		
United States	Yes	Yes	All banks other than branches of foreign banks	Local claims of domestic banks' foreign affiliates ⁵	None

¹ Recommended only for domestic banks. ² The Guidelines recommend a reclassification of guaranteed claims and claims on branches to the country of ultimate risk. ³ Yes, from June 2003 onwards, for domestic banks only. ⁴ Included from June 2003 onwards. ⁵ Applicable only up to December 2005.

Table II-4

Reporting on an ultimate risk basis - gaps and valuation practices

Reporting countries	Gaps in sector and type breakdown of foreign claims	Valuation rules applied	
		Derivative contracts ¹	Guarantees ²
Australia	None	Positive fair value	Face value or maximum possible exposure
Austria	values for "sectors unallocated" are on immediate borrower basis	credit equivalent values	Face value
Belgium	None	Valuation as recommended by Guidelines (sum of positive market values after netting agreements, includes protection buyer of credit derivatives if belonging to trading book)	Valuation as recommended by Guidelines (face value, includes protection seller of credit derivatives)
Brazil ³	.		
Canada	None	Positive market value	Face value
Chile	None	Market value	Only contingent guarantees are reported at face value
Chinese Taipei	None	Valuation as recommended by Guidelines (sum of positive market values after netting agreements, includes protection buyer of credit derivatives if belonging to trading book)	Valuation as recommended by Guidelines (face value, includes protection seller of credit derivatives)
Denmark ^{3,4}	.		
Finland	Yes	Positive market value. Includes protection seller of credit derivatives	Contractual value, In the case of guarantees, standby facilities and other corresponding items, the contractual value is the amount the credit institution may be liable to pay under the contract. Excludes protection seller of credit derivatives.
France	None		

Table II-4 (cont)

Reporting on an **ultimate risk** basis - gaps and valuation practices

Reporting countries	Gaps in sector and type breakdown of foreign claims	Valuation rules applied	
		Derivative contracts ¹	Guarantees ²
Germany	None	Credit equivalent values	Face value of the guarantees
Greece	None	Market value	Face value
Hong Kong SAR ³	.		
India	None	Marked to market	Book value
Ireland	None	Positive market value	Book value
Italy	None	Positive market value	Face value
Japan	None	Positive market value	Face value
Luxembourg ³	.		
Mexico ³			
Netherlands	None	Positive market value	Face value
Norway	None	Market value	Market value
Panama ³	.		
Portugal	None	Market price or fair value	Face value
Singapore	None	Marked to market or fair value	Nominal issued amount
Spain	None	Fair value	Maximum amount guaranteed
Sweden	None	Fair value	Fair value
Switzerland	None	Swiss GAAP, IFRS or US GAAP	Swiss GAAP, IFRS or US GAAP
Turkey	None	Valuation as recommended by Guidelines (sum of positive market values after netting agreements, includes protection buyer of credit derivatives if belonging to trading book)	Valuation as recommended by Guidelines (face value, includes protection seller of credit derivatives)
United Kingdom	None	Marked to market or fair value	Face value
United States	None	Marked to market or fair value	Face value

Note: . = not applicable.

¹ Includes protection buyer of credit default swaps. ² Includes protection seller of credit default swaps. ³ Not reporting on an ultimate risk basis as of 2006 Q1. ⁴ Denmark is still not reporting on an ultimate risk basis; it is monitoring the situation, and so far still believes that the benefits to be gained from collecting data on an ultimate risk basis are too low compared to the costs.

Table II-5***Gaps in the reporting of claims - immediate borrower basis***

Reporting countries	Local currency positions of reporting banks' foreign affiliates with local residents
Austria	Yes ¹
Chile	nr
Denmark	Yes ²
Hong Kong SAR	nr
Luxembourg	nr
Panama	nr

Note: nr = not reported or not reported using standard definitions.

¹ From December 2010. ² From December 2005.

Table II-6***Gaps in the reporting of the maturity and sector breakdown: immediate borrower basis***

Reporting countries	Maturity	Sector
Denmark	1-2 year bracket	None
Germany	1-2 year bracket	None
Japan	No breakdown for consolidated inside area foreign banks	No breakdown for consolidated inside area foreign banks
Panama	None	Public sector
Spain	No breakdown	None
United States	1-2 year bracket	None

Note: None = no gaps.

Table II-7

**Treatment of banks' claims on publicly owned enterprises
(other than banks)**

Reporting countries	Treated as claims on the <u>non-bank private sector</u> ¹	Treated as claims on the <u>public sector</u>
Australia	X	
Austria		X
Belgium	X	
Brazil		X
Canada		X
Chile		X
Chinese Taipei		X
Denmark	X	
Finland	X	
France	X	
Germany	X	
Greece	X	
Hong Kong SAR		X
India	X	
Ireland		X
Italy	X	
Japan		X
Luxembourg	X	
Mexico	X	
Netherlands	X	
Norway		X
Panama		X
Portugal	X	
Singapore	X	
Spain	X	
Sweden	X	
Switzerland	X	
Turkey	X	
United Kingdom		X
United States	X	X ²

¹ Recommended in the Guidelines on the new consolidated banking statistics. ² Applicable only up to December 2005.

Table II-8

Sector classification of banks' claims on foreign official monetary authorities

Reporting countries	Treated as claims on banks	Treated as claims on the <u>public sector</u> ¹
Australia		X
Austria	X	
Belgium		X
Brazil	X	
Canada		X
Chile	X	
Chinese Taipei		X
Denmark	X	
Finland	X	
France	X	
Germany		X
Greece	X	
Hong Kong SAR		X
India		X
Ireland	X	
Italy		X
Japan		X
Luxembourg	X	
Mexico		X ²
Netherlands		X
Norway		X
Panama		nr
Portugal		X
Singapore		X
Spain		X ³
Sweden		X ⁴
Switzerland		X
Turkey		X
United Kingdom		X
United States		X

Note: nr = not reported.

¹ Recommended in the Guidelines on the new consolidated banking statistics. ² From December 2005. ³ From June 2005. ⁴ From 2007 Q1.

Table II-9

Reporting countries' consolidation practices

Reporting countries			
	Inclusion of non-financial affiliates in the reporting population	Inclusion of other non-bank financial institutions	Consolidation practice
Australia	No	Yes (Australian-owned reporting entities include subsidiaries involved in hire-purchase, factoring, bank-funded "warehousing", leasing, bond trading and those who trade in or underwrite securities; estimated share is negligible)	As per Australian accounting standards.
Austria	No	No	National Accounting Rules or International Accounting Standards adjusted through national law.
Belgium ¹	Yes (eg real estate companies that are consolidated directly or indirectly by their banking parents)	Yes (eg leasing companies that are consolidated directly or indirectly by their banking parents)	National supervisory practice according to which non-bank financial and non-financial institutions are included in the reporting population.
Brazil	No	No	As per BIS guidelines.
Canada	Yes (information services, internet activities, engaged in promotion/ sale/ delivery or distribution or products of financial services to public. Bank-related data processing, dealing real property, specialized business management/ advisory services, promoting merchandise or services to card holders, selling lottery/ urban transit tickets, acting as custodian/ receiver/ liquidator/ sequestrator of property, any service to bank; estimated share is negligible)	Yes (eg securities dealers and financial companies). Since 2006 all Canadian reporting banks' investment dealer subsidiaries are included with the international banking statistics.)	As per accounting principles outlined in the Canadian Institute of Chartered Accountants (CICA) handbook. As of January 2011, reporting banks are converging towards IFRS. This is also in line with the domestic supervisory requirements. Also, insurance-related assets are excluded from the international banking statistics.
Chile	No	Yes (estimated share is negligible)	As per Chilean National Accounting Rules.
Chinese Taipei	No	No	Domestic supervisory rules

Table II-9 (cont)
Reporting countries' consolidation practices

Reporting countries			
	Inclusion of non-financial affiliates in the reporting population	Inclusion of other non-bank financial institutions	Consolidation practice
Denmark	No	No	As per BIS guidelines.
Finland	No	Yes	National Accounting Rules/ Domestic supervisory rules.
France	No	No	National Supervisory Rules
Germany	No	No	Individual reports of domestic headquarters, foreign branches, and foreign subsidiaries are aggregated after positions between headquarters/branches/subsidiaries of the same group have been eliminated.
Greece	No	Yes	Domestic supervisory rules.
Hong Kong SAR	Yes (estimated share is negligible)	No	As per the BIS guidelines and not as per national practice.
India	No	No	As per the BIS guidelines and not as per national practice.
Ireland	No	Yes (for example credit granting, SPVs, investment funds, asset management, holding companies, leasing, etc)	All respondents use (Domestic) Banking Supervision rules on consolidation.
Italy	No	Yes (other and auxiliary financial intermediaries excluding insurance and pension funds; share about 3.5% of total foreign claims on an ultimate risk basis)	National banking supervisory rules (based on EU and BCBS regulations)

Table II–9 (cont)
Reporting countries' consolidation practices

Reporting countries			
	Inclusion of non-financial affiliates in the reporting population	Inclusion of other non-bank financial institutions	Consolidation practice
Japan	Yes (estimated share is negligible)	Yes (eg financial services companies, securities dealers and leasing corporations; the estimated share is roughly 7 percent)	<p>Japanese consolidation practice follows the ministerial ordinance under the Foreign Exchange and Foreign Trade Act and the bulletin for the reporting banks.</p> <p>Regardless of financial/non-financial institutions, all of the affiliates in foreign countries over which the reporting institutions have effective control are included.</p> <p>Also, among the financial institutions located in Japan, those whose parent banks are our reporting institutions and who invest their parent companies' asset on behalf of their parent companies are included in the reporting population.</p>
Luxembourg	No	No	As per rules of national banking supervisory authority.
Mexico	No	No	Domestic supervisory rules
Netherlands	No	Yes (eg, leasing, factoring, unit trust, special purpose entity, data processing; estimated share is 2 percent maximum)	National banking supervisory rules.
Norway	No	No	As per BIS guidelines. National supervision comprises only parent banks and not subsidiaries abroad.
Panama	No	No	As per BIS guidelines.

Table II–9 (cont)
Reporting countries' consolidation practices

Reporting countries			
	Inclusion of non-financial affiliates in the reporting population	Inclusion of other non-bank financial institutions	Consolidation practice
Portugal ²	Yes (estimated share is negligible)	Yes (estimated share is negligible)	As per BIS guidelines.
Singapore	No	Yes (estimated share less than 2 percent)	Domestic bank branches: As per the rules stated in consolidated financial statements and accounting for investments in subsidiaries (Singapore Financial Reporting Standards (FRS 27). This is also consistent with IAS 27.
Spain	No	All non-bank financial institutions, including auxiliaries' financial institutions, except insurance companies and pension funds are consolidated, according to the prudential (BCBS) regulatory consolidation and European Directives. Thus, majority-owned or -controlled banking entities, securities entities and other financial entities different from insurance companies are fully consolidated. Even, entities as SPVs are consolidated when controlled or supported by the group.	Domestic supervisory rules as per directives of the European Parliament/Council.
Sweden	No	Yes (housing credit institutions and other monetary credit market corporations; they cover about 10% of the reported consolidated claims by Sweden)	As per Riksbank rules.
Switzerland	No	No	Consolidation depends on types of analysis, either only banks or all activities
Turkey	No	No	Domestic supervisory rules

Table II-9 (cont)
Reporting countries' consolidation practices

Reporting countries			
	Inclusion of non-financial affiliates in the reporting population	Inclusion of other non-bank financial institutions	Consolidation practice
United Kingdom	No	Yes (Consolidation includes all UK and foreign subsidiaries whose business is financial and whose prime function is to grant credit or whose assets are largely of types to include loans and advances; balances; amounts receivable under finance-leases; claims under sale and repurchase agreements; commercial bills drawn on non-residents; certificates of deposit; promissory notes and other negotiable paper; lending under ECGD bank guarantee; portfolio investments; acceptances. This includes subsidiaries involved in banking; factoring; bank-funded "warehousing"; leasing; bond-trading; and those which trade in or underwrite securities. Insurance broking and similar companies are excluded.)	Separate guidelines which may differ from national practice.
United States	No	Yes (e.g. primary security brokers and dealers. However, there is at least one case in which an insurance company is consolidated.) For large trading banks this activity is significant.	As per national banking supervisory rules.

¹ Share of non-financial and non-bank financial institutions is 2 percent maximum.

Table II-10

Reporting of credit derivatives under guarantees extended

Reporting countries	Inclusion of credit derivatives in the reporting of guarantees extended	Exceptions to the reporting of credit default swaps as guarantees extended ¹	Reporting of credit protection sold at notional amount ²	Netting of any offsetting positions against credit protection sold
Australia	Yes	No	Yes	Yes
Austria	Yes	No	Yes	some banks ⁶
Belgium	Yes	No	Yes	Yes
Brazil ³	-	-	-	-
Canada	Yes	No	some banks ⁴	some banks ⁴
Chile	No	-	-	-
Chinese Taipei	Yes	No	Yes	No
Denmark ³	-	-	-	-
Finland	No	-	-	-
France	No	-	-	-
Germany	Yes	No	Yes	No
Greece	No	-	-	-
Hong Kong SAR ³	-	-	-	-
India	Yes	No	No ⁵	Yes
Ireland	some banks	No	Yes	No
Italy	No	-	-	-
Japan	Yes	No	Yes	Yes
Luxembourg ³	-	-	-	-
Mexico ³	-	-	-	-
Netherlands	No	-	-	-
Norway	No	-	-	-
Panama ³	-	-	-	-
Portugal	Yes	No	Yes	No
Singapore	Yes	No	Yes	some banks ⁶
Spain	Yes	No	Yes	No
Sweden	No	-	-	-
Switzerland	Yes	No	Yes	some banks ⁶
Turkey	Yes	-	Yes	Yes
United Kingdom	Yes	No	Yes	No
United States	Yes	No	Yes	No

Note: - = no information or not applicable.

¹ Such as credit default swaps included in the banking book. ² Credit protection sold should be reported at gross notional amount by the country of the underlying reference entity. ³ Not reporting on an ultimate risk basis. ⁴ Notional amount with no netting or net mark-to-market value after offsetting against the credit protection bought and sold vis-à-vis the same counterparty. ⁵ Reporting on a fair value basis. ⁶ Banks in the respective country are allowed to follow different accounting standards. Depending on the standard, netting is allowed under certain conditions, eg under IFRS.

Part III: Glossary of terms

A

Affiliates (of [banks](#)) *Branches, subsidiaries and [joint ventures](#).* However, in these Guidelines, a clear distinction is made between the various types of affiliates.

B

Banking offices Includes [banks'](#) [head offices](#), branches and subsidiaries (same observation as for [affiliates](#)).

Banks or deposit-taking corporations, or monetary financial institutions MFIs Generally defined as institutions whose business it is to receive deposits and/or close substitutes for deposits, and to grant credits or invest in securities on their own account. Within the scope of the BIS locational banking statistics only, [official monetary authorities](#) including the BIS and the ECB are also regarded as banks. Can refer to banks' head offices or affiliates. Money market funds, investment funds and pension funds are excluded from this category.

Branches Unincorporated entities wholly owned by a parent credit institution incorporated in another country

Brass plate companies Brass plate companies are those used to register ownership of shipping vessels or to raise capital through the issuance of securities. Such companies may register in a country but for all practical purposes have no operational presence in that country. Moreover, books or accounts may be maintained elsewhere rather than in the [host country](#).

C

Capitalised interest The conversion of accrued interest and interest in arrears, by agreement with the debtor, into a financial claim.

Cash collateral It refers to collateral consisting of cash, **negotiable instruments** (e.g. negotiable securities), documents of title, deposit accounts, or other cash equivalents. It includes any negotiable assets that may be converted into liquid assets if necessary. In bankruptcy proceedings cash collateral is important for presenting an accurate picture of the financial condition related to the action. Depending on the type of bankruptcy that is being filed, conversion of assets into cash may be required. This cash collateral is then used to discharge part of the outstanding indebtedness, leaving the court to address the disposition of any remaining credit.

Claims (of banks) on a contractual basis or on an immediate borrower basis	Financial assets (on-balance sheet items only) including, as a minimum, deposits and balances with other banks, loans and advances to non-banks as well as banks, and holdings of debt securities. Excludes derivatives and off-balance sheet transactions.
Consolidated reporting of international banking business	Application of a comprehensive reporting principle whereby the coverage includes the cross-border claims on, and liabilities to, individual countries, or groups of countries, of all the offices worldwide of banks with head offices in reporting countries, but excludes positions between different offices of the same bank.
Consortium bank	A joint venture in which no single owner has a controlling interest.
Countries	Both territorial entities that are states, as understood by international law and practice, and territorial entities that are not states but for which statistical data are maintained and provided internationally on a separate and independent basis.
Coverage	Refers to either the number of countries that report, or to the number of reporting institutions in each country, or to the extent of balance sheet reporting by individual banks, thus indicating the degree of comprehensiveness of the information collected.
Credit derivative contract	Derivative whose redemption value is linked to specified credit-related events, such as bankruptcy, credit downgrade, non-payment, or default of a borrower. For example a lender might use a credit derivative to hedge the risk that a borrower might default. Common credit derivatives include Credit Default Swaps, Total Return Swaps, Credit Spread Options.
Cross-border operations	Transactions between residents of different countries ; also referred to as “international” operations, which include, in addition to external business, positions vis-à-vis residents in foreign currency.
Cross-border positions	Asset and liability positions vis-à-vis banks and non-banks located in a country other than the country of residence of the reporting banking office; also referred to as “external” positions.

D

Debt securities	Instruments other than equity shares, investment fund shares or units and financial derivatives. All financial assets that are bearer instruments, usually negotiable and traded on secondary markets, not granting the holder any ownership rights to the institutional unit issuing them.
Deposit-taking corporations	See banks .
Derivative instrument	A financial instrument whose value depends on some underlying financial asset, commodity index or predefined variable. Some of the main uses of derivative instruments are to fix future prices in the present (forwards and futures),

to exchange cash flows or modify asset characteristics (swaps) and to endow the holder with the right but not the obligation to engage in a transaction (options).

Domestic bank Bank whose [head office](#) is located inside the [reporting country](#).

E

“En pension” acquisition Transaction in which the pension provider transfers assets – such as bills of exchange, receivables or securities – in return for payment of a sum of money, to a recipient of a pension, on the understanding that the pension provider is obliged, or even entitled, to re-transfer the assets on a specific date or on a date yet to be defined. Mostly consists of loan transactions with fixed-interest securities over a fixed period.

Exchange rate adjustment Procedure adopted to eliminate the valuation effects arising from movements in exchange rates from data expressed in a common currency (generally the US dollar). When calculating exchange rate adjusted changes in stocks, the BIS applies end of period dollar exchange rates to the (non-dollar) positions outstanding at the beginning of the period.

External positions See “[Cross-border positions](#)”.

F

Face value See “[Nominal value](#)”.

Final owner The ultimate owner of a branch or subsidiary in a chain of participations.

Financial derivatives Financial assets based or derived from a different underlying instrument, be it a financial asset, a commodity or an index.

Flow figures Data on transactions as opposed to changes in amounts outstanding; not to be confused with exchange rate adjusted changes in stocks. In contrast to amounts outstanding, flow figures relate to periods of time and not to a particular date.

Foreign bank Bank whose [head office](#) is outside the country in which the bank is located (see “[Affiliates](#)”).

Foreign currency transactions Transactions denominated in a currency other than the [local \(domestic\) currency](#) of the country in which the banking office is located.

G

General Government Includes the central government, state government, local government and social security funds.

Guarantees Contingent liabilities arising from an irrevocable obligation to pay to a third-party beneficiary when a client fails to perform some contractual obligations.

H

Head office A parent exercising control over and/or ownership of one or more [affiliates](#). However, the nationality of a bank depends on the ultimate controlling parent, be it a bank or non-bank.

Hedge funds Any collective investment undertakings or private investment funds, often leveraged, and often engaging in active trading strategies (including arbitrage) to achieve positive absolute returns and whose managers are remunerated in relation to the funds' performance.

Home country This term is used in two different ways: (1) regarding the sector classification of counterparties, it refers to the country where the foreign counterparty of a [reporting bank](#) is located; (2) regarding the reporting of financial claims in the consolidated banking statistics, it relates to the country of residence of the head office of a reporting bank. Also called "Parent country".

Host country The country of residence of a foreign banking [affiliate](#).

I

Inside area bank A bank in a BIS reporting country whose [head office](#) is located in another country reporting consolidated banking statistics to the BIS (Table I.1 in page 10).

Interbank positions Asset and liability positions which banks have with other banks (example: positions between the reporting "[offshore](#)" financial centres and banks in the other reporting countries).

International banking business In this context, the term "international" refers to banks' transactions in any currency with [non-residents](#) (ie their external or [cross-border](#) business) plus their transactions in foreign (non-local) currency with residents.

International banking facility (IBF) A banking unit in the United States conducting [cross-border](#) business unrestricted by many of the rules and regulations applied in ordinary banking with [residents](#). Similar institutions exist in Japan. IBFs and similar institutions are considered residents of the country in which they are located.

International interbank market	An international money market in which banks lend to each other – either cross-border or locally in foreign currency – large amounts of money, usually at short term, between overnight and six months.
Inter-office business	Business between different offices of the same banking organisation; in BIS statistics this is usually covered only to the extent that it is cross-border or local in foreign currency and the data are not consolidated.
Intrabank business	See “ Inter-office business ”.
Investment companies	Companies that actively manage a pool of assets for their shareholders and that issue redeemable securities that represent an undivided interest in the assets managed by the company.
Investment funds	Investment fund shall mean all collective investment undertakings investing in financial and non-financial assets to the extent that their sole objective is the investment of capital raised from the public. This definition excludes pension funds and money market funds , the latter being classified as “other depository institutions”. Hedge funds are considered as being part of this category of funds.

J

Japan Offshore Market	See “ International banking facility ”.
Joint venture	A (banking) enterprise in which two or more parties hold major interests. One of those parties may, but need not, be of the country in which the joint venture operates.

L

Local (domestic) currency transactions	Banking business carried out in the currency of the country in which the banking office is located.
Local foreign currency business	Banking business in non-local currency between a bank located in a particular country and other entities (both banks and non-banks) resident in the same country.
Long-term	Maturity concept used in the consolidated banking statistics which refers to remaining maturities exceeding one year.

M

Monetary financial institutions	See banks .
--	-----------------------------

Maturity structure	In the consolidated banking statistics, breakdown of claims according to their remaining maturity (ie the time to final maturity of claims) as opposed to contractual or original maturity (ie maturity at initiation of contract); also referred to as “maturity profile” or “maturity distribution”.
Money market funds	Funds that issue highly liquid liabilities of a monetary nature and are assimilated to financial institutions (“other depository corporations”).
Mutual funds	Investment companies that issue and sell redeemable securities which represent an undivided interest in the assets held by the fund.

N

Nationality (of banks)	Classification according to the location of the head office rather than the location of the banking unit.
Nominal value/face value	The price of a share, bond or stock when it was issued, rather than its current market value. In practice, nominal value is often considered to be the same as face value. However, the two concepts are distinguished from each other in <i>2008 SNA</i> . Face value is defined as the amount of principal to be repaid (<i>2008 SNA</i> 3.154 (d)). It is equivalent to the redemption price of a debt security excluding accrued interest (<i>2009 Handbook on Securities Statistics Part1</i>).
Non-bank branches	Legally dependent offices of enterprises other than banks.
Non-bank private sector	All entities (including individuals) other than those defined as “banks” and “Public sector”. It includes public corporations.

O

Official deposits	Foreign currency deposits obtained by reporting banks from official monetary authorities .
Official monetary authorities	Central banks or similar national and international bodies, such as the BIS, are classified as banks in the BIS locational banking statistics, but as public sector in the BIS consolidated banking statistics.
Offshore centres	An expression used to describe countries with banking sectors dealing primarily with non-residents and/or in foreign currency on a scale out of proportion to the size of the host economy.
Outside area countries	Countries and territories located outside the BIS reporting countries or countries and territories which do not report international consolidated banking statistics to the BIS.
Own offices	Different offices of the same bank, including head offices , branch offices and subsidiaries. Also called “ related offices ”.

P

Parent country	Country where the head office of a reporting branch or subsidiary of a bank is located. A classification of reporting banks by parent country is required in the nationality structure part of the locational banking statistics (see Section F of the Guidelines to the locational banking statistics). Also called “Home country”.
Parent institution	Head office of a bank.
Participation	Permanent holding of financial interests in other undertakings, eg through the acquisition of shares.
Private sector	For the purposes of the consolidated banking statistics, the non-bank private sector is composed of non-bank financial institutions, non-financial corporations and households, including non-profit institutions serving households. These include public non-bank financial institutions and public corporations.
Public sector	For the purposes of the consolidated banking statistics, the public sector comprises the general government sector, central banks and multilateral development banks. The general government sector consists mainly of central, state and local government units together with social security funds imposed and controlled by those units. In addition, it includes non-profit institutions engaged in non-market production that are controlled and mainly financed by government units and social security funds. Public non-bank financial institutions and public corporations are to be classified as non-bank private sector (see above).

R

Redepositing of funds	On-lending of funds to other banks.
Related offices	See “ Own offices ”.
Reporting area	The whole group of countries which report to the BIS. The reporting area is different for the locational and the consolidated banking statistics.
Reporting centre/country	The terms “reporting country” and “reporting centre” are used interchangeably and refer to the countries which participate in the locational and/or consolidated banking statistics.
Reporting institutions	Generally all those deposit-taking corporations /institutions within a BIS reporting country.
Repos (repurchase agreements)	Repos are money market operations based on arrangements involving the sale of (financial) assets at a specified price with a commitment to repurchase the same or similar assets at a fixed price on a specified future date (usually short-term) or on a date subject to the discretion of the purchaser.

Resale agreements	Open market operations in which a bank purchases securities with a commitment to repurchase it from the seller the following day.
Resident/non-resident	The criterion for residence is whether a banking, non-bank or official monetary sector entity is permanently located, physically and/or by way of law or registration, inside or outside a country's borders. In other words, the residence of an institutional unit is determined by the location where it has its centre of predominant economic interest. This concept is similar to the one used for balance of payments purposes. It should not be confused with the nationality criterion.
Risk transfers	Requirement in the consolidated banking statistics for the reporting of data on the reallocation of international claims from the country of the immediate borrower to the country of " ultimate risk ". Data are requested separately on outward and inward risk transfers.

S

Short-term	Maturity concept used in the consolidated banking statistics which relates to remaining maturities of up to and including one year.
Short-position	In finance, short selling is the practice of selling securities the seller does not then own, in the hope of repurchasing them later at a lower price.
Sovereign Wealth Funds	Special purpose government vehicles/investment funds that do not have any explicit pension liabilities and that should be classified as "other depository/financial corporations".
Stock figures	Amounts outstanding on a particular date as opposed to flows for a given period.
Subsidiaries	Separate incorporated entities in which another entity has a majority or full participation.
Swaps (currency swaps)	Contract which commits two counterparties to exchange streams of interest payments in different currencies for an agreed period of time and to exchange principal amounts in different currencies at a pre-agreed exchange rate at maturity. On balance-sheet accounts are not affected at inception.
Swaps (foreign exchange currency swaps)	Transaction which involves the actual exchange of two currencies (principal amount only) on a specific date at a rate agreed at the time of conclusion of the contract (the short leg), and a reverse exchange of the same two currencies at a date further in the future and at a rate (generally different from the rate applied to the short leg) agreed at the time of the contract (the long leg). Both spot/forward and forward/forward swaps are included. Short-term swaps carried out as "tomorrow/next day" transactions are also included in this category. Only the currency composition of the on balance-sheet accounts is affected at inception.

T

Trustee business Funds received and/or invested on a trust basis in a bank's own name but on behalf of third parties.

U

Ultimate risk Analytical concept for measuring country risk exposure in the context of the consolidated banking statistics. In contrast to the country where the actual borrower resides, the country of ultimate risk is defined as the country in which the guarantor of a financial claim resides and/or the country in which the [head office](#) of a legally dependent branch is located.

Undisbursed (unused) credit commitments Open lines of credit which are legally binding for the lending banks.

V

Vis-à-vis country Country of location of the counterparty to a financial contract. The asset of a reporting bank will be the liability of an entity in the vis-à-vis country and vice versa.

W

Working capital Funds of a permanent debt nature provided by the [head office](#) of a bank to a legally dependent, unincorporated branch for the purpose of supporting its day-to-day operations.

Part IV: List of international organisations and official monetary authorities

A. International organisations

In the country-by-country breakdown of reporting banks' claims, the total positions vis-à-vis the international organisations listed below should be shown as a separate item in the public sector. It is reminded that organisations (multilateral development banks) which should be treated as banks in the locational banking data for the sector classification of international claims and liabilities, but as [public sector](#) in the consolidated banking statistics, are shown in italics. The city location indicated for each institution is meant for information only and is not related to reporting of counterparty (vis-à-vis) country breakdown (aggregated positions vis-à-vis all these institutions should be reported under "International organisations" without any country breakdown).

EU organisations

European Atomic Energy Community (Euratom)	Brussels
European Union (EU)	Brussels
<i>European Investment Bank (EIB)</i>	<i>Luxembourg</i>
<i>European Financial Stability Facility, from 2013 European Stability Mechanism (ESM)</i> ¹⁶	<i>Luxembourg</i>

Other European organisations

Council of Europe (CE)	Strasbourg
European Free Trade Association (EFTA)	Geneva
European Organization for Nuclear Research (CERN)	Geneva
European Space Agency (ESA)	Paris
European Telecommunications Satellite Organization (EUTELSAT)	Paris
Western European Union (WEU)	Brussels

Intergovernmental organisations

African Union (AU)	Addis Ababa (Ethiopia)
Association of Southeast Asian Nations (ASEAN)	Jakarta
Caribbean Community and Common Market (CARICOM)	Georgetown

¹⁶ European Financial Stability Facility (EFSF) / European Financial Stabilisation Mechanism (EFSM) bonds in banks' portfolios should be reported vis-à-vis Residual developed country (2R) and the public sector up to 2013 and under international organisations (1C) later on.

Central American Common Market (CACM)	(Guyana)
Colombo Plan	Guatemala City
Economic Community of West African States (ECOWAS)	Colombo (Sri Lanka)
Latin American Association of Development Financing Institutions (ALIDE)	Lagos (Nigeria)
Latin American Economic System (SELA)	Lima
Latin American Integration Association (LAIA)	Caracas
League of Arab States (LAS)	Montevideo
North Atlantic Treaty Organisation (NATO)	Cairo
Organisation for Economic Co-operation and Development (OECD)	Brussels
Organization of American States (OAS)	Paris
Organization of Central American States (OCAS)	Washington
Organisation of Eastern Caribbean States (OECS)	San Salvador
South Asian Association for Regional Cooperation (SAARC)	Castries (St Lucia)
West African Economic Community (WAEC)	Kathmandu (Nepal)
	Ouagadougou (Burkina Faso)
	New York

United Nations (UN)

Various committees, funds and programmes of the UN including

United Nations Conference on Trade and Development (UNCTAD)	Geneva
United Nations Children's Fund (UNICEF)	New York

Specialised Agencies of the UN

Food and Agriculture Organization (FAO)	Rome
International Atomic Energy Agency (IAEA)	Vienna
<i>International Bank for Reconstruction and Development (IBRD)</i>	<i>Washington</i>
International Civil Aviation Organization (ICAO)	Montreal
<i>International Development Association (IDA)</i>	<i>Washington</i>
<i>International Finance Corporation (IFC)</i>	<i>Washington</i>
International Fund for Agricultural Development (IFAD)	Rome
International Labour Organization (ILO)	Geneva
International Maritime Organization (IMO)	London
<i>International Monetary Fund (IMF)</i>	<i>Washington</i>
International Telecommunication Union (ITU)	Geneva
United Nations Educational, Scientific and Cultural Organization (UNESCO)	Paris
Universal Postal Union (UPU)	Berne

World Health Organization (WHO)	Geneva
World Intellectual Property Organization (WIPO)	Geneva
World Meteorological Organization (WMO)	Geneva
World Trade Organization (WTO)	Geneva
World Tourism Organization (UN WTO)	Madrid

Regional aid banks and funds

<i>African Development Bank Group</i>	<i>Abidjan (Côte d'Ivoire)</i>
<i>Andean Development Corporation (ADC)</i>	<i>Caracas</i>
<i>Arab Bank for Economic Development in Africa (BADEA)</i>	<i>Khartoum</i>
<i>Arab Fund for Economic and Social Development (AFESD)</i>	<i>Kuwait</i>
<i>Arab Monetary Fund (AMF)</i>	<i>Abu Dhabi</i>
<i>Asian Clearing Union (ACU)</i>	<i>Tehran</i>
Asian Development Bank (ADB)	Manila
Caribbean Development Bank (CDB)	St Michael (Barbados)
Central African States Development Bank (CASDB)	Brazzaville (Congo)
Central American Bank for Economic Integration (CABEI)	Tegucigalpa DC (Honduras)
Council of Europe Development Bank	Paris
East African Development Bank (EADB)	Kampala
European Bank for Reconstruction and Development (EBRD)	London
Inter-American Development Bank (IADB)	Washington
Islamic Development Bank (IDB)	Jeddah (Saudi Arabia)
Latin American Reserve Fund (LARF)	Santafé de Bogotá
Nordic Investment Bank (NIB)	Helsinki
OPEC Fund for International Development (OFID)	Vienna
West African Economic and Monetary Union (WAEMU)	Ouagadougou (Burkina Faso)
West African Monetary Agency (WAMA)	Freetown (Sierra Leone)

Commodity organisations

Intergovernmental Council of Copper Exporting Countries (CIPEC)	Paris
International Cocoa Organization (ICCO)	London
International Coffee Organization (ICO)	London
International Cotton Advisory Committee (ICAC)	Washington
International Jute Study Group (IJSJG)	Dhaka (Bangladesh)
International Lead and Zinc Study Group (ILZSG)	Lisbon

International Olive Oil Council (IOOC)	Madrid
International Rubber Study Group (IRSG)	Wembley
International Sugar Organization (ISO)	London
International Grains Council (IGC)	London
Latin American Energy Organization (OLADE)	Quito (Ecuador)
Organization of Arab Petroleum Exporting Countries (OAPEC)	Safat (Kuwait)
Organization of the Petroleum Exporting Countries (OPEC)	Vienna

Other

International Committee of the Red Cross (ICRC)	Geneva
World Council of Churches (WCC)	Geneva
International Maritime Satellite Organization (INMARSAT)	London

The above list covers the most important organisations, but it is not exhaustive.

B. Official monetary authorities and other holders of foreign exchange reserves

Reporting banks' positions (cross-border or local) vis-à-vis official monetary authorities listed below should be reported under the respective countries in which they are located. As opposed to locational banking, such positions are not requested separately under any specific memorandum item. These institutions should be treated as banks in the locational banking statistics (in a memo item of counterparty country breakdown in the residence statistics and as an "of which" sector of banks in the nationality statistics) for the sector classification of international assets and liabilities, but as public sector in the consolidated banking statistics.

Developed countries

Europe

Austria	Austrian National Bank	Vienna
Belgium	National Bank of Belgium	Brussels
Denmark	National Bank of Denmark	Copenhagen
Finland	Bank of Finland	Helsinki
France	Bank of France	Paris
Germany	European Central Bank	Frankfurt
	Deutsche Bundesbank	Frankfurt
Greece	Bank of Greece	Athens
Iceland	Central Bank of Iceland	Reykjavík
Ireland	Central Bank & Financial Services Authority of Ireland	Dublin
Italy	Bank of Italy	Rome
Luxembourg	Central Bank of Luxembourg	Luxembourg
Netherlands	Netherlands Bank	Amsterdam
Norway	Central Bank of Norway	Oslo
Portugal	Bank of Portugal	Lisbon
San Marino	San Marinense Institute of Credit	San Marino
Spain	Bank of Spain	Madrid
Sweden	Sveriges Riksbank	Stockholm
Switzerland/Liechtenstein	Swiss National Bank	Zurich
	Bank for International Settlements	Basel
United Kingdom	Bank of England	London

Other developed countries

Australia	Reserve Bank of Australia	Sydney
Canada	Bank of Canada	Ottawa

Japan	Bank of Japan Ministry of Finance	Tokyo Tokyo
New Zealand	Reserve Bank of New Zealand	Wellington
United States	Board of Governors of the Federal Reserve System (the Federal Reserve Board, the Federal Reserve Bank of New York and the 11 other Federal Reserve Banks)	Various locations

Offshore centres

Aruba	Central Bank of Aruba	Oranjestad
Bahamas	Central Bank of The Bahamas	Nassau
Bahrain	Central Bank of Bahrain	Manama
Barbados	Central Bank of Barbados	Bridgetown
Bermuda	Bermuda Monetary Authority	Hamilton
Cayman Islands	Cayman Islands Monetary Authority	Georgetown
Curaçao (formerly Netherlands Antilles)	Centrale Bank Von Curaçao En Sint Maarten	Willemstad, Curaçao
Hong Kong SAR	Hong Kong Monetary Authority	Hong Kong SAR
Lebanon	Central Bank of Lebanon	Beirut
Macao SAR	Monetary Authority of Macao	Macao SAR
Mauritius	Bank of Mauritius	Port Louis
Panama	National Bank of Panama	Panama
Samoa	Central Bank of Samoa	Apia
Singapore	Monetary Authority of Singapore	Singapore
Vanuatu	Reserve Bank of Vanuatu	Port Vila

Developing economies

Africa and Middle East

Algeria	Bank of Algeria	Algiers
Angola (Republic of)	National Bank of Angola	Luanda
Botswana	Bank of Botswana	Gaborone
Burundi	Bank of the Republic of Burundi	Bujumbura
Cape Verde	Bank of Cape Verde	Praia
Cameroon	Bank of Central African States (Central Africa: Cameroon, Central African Republic, Chad, Congo, Equatorial Guinea, Gabon)	Yaoundé
Comoros	Central Bank of The Comoros	Moroni
Congo, Democratic Rep.	Central Bank of Congo	Kinshasa
Djibouti	National Bank of Djibouti	Djibouti
Egypt	Central Bank of Egypt	Cairo

Eritrea	National Bank of Eritrea	Asmara
Ethiopia	National Bank of Ethiopia	Addis Ababa
The Gambia	Central Bank of The Gambia	Banjul
Ghana	Bank of Ghana	Accra
Guinea	Central Bank of the Republic of Guinea	Conakry
Iran	The Central Bank of the Islamic Republic of Iran	Tehran
Iraq	Central Bank of Iraq	Baghdad
Israel	Bank of Israel	Jerusalem
Jordan	Central Bank of Jordan	Amman
Kenya	Central Bank of Kenya	Nairobi
Kuwait	Central Bank of Kuwait	Kuwait
Lesotho	Central Bank of Lesotho	Maseru
Liberia	National Bank of Liberia	Monrovia
Libya	Central Bank of Libya	Tripoli
Madagascar	Central Bank of Madagascar	Antananarivo
Malawi	Reserve Bank of Malawi	Lilongwe
Mauritania	Central Bank of Mauritania	Nouakchott
Morocco	Bank of Morocco	Rabat
Mozambique	Bank of Mozambique	Maputo
Namibia	Bank of Namibia	Windhoek
Nigeria	Central Bank of Nigeria	Abuja
Oman	Central Bank of Oman	Ruwi, Muscat
Qatar	Qatar Central Bank	Doha
Rwanda	National Bank of Rwanda	Kigali
São Tomé and Príncipe	Central Bank of São Tomé and Príncipe	São Tomé
Saudi Arabia	Saudi Arabian Monetary Agency	Riyadh
Senegal	Central Bank of West African States (West African Economic and Monetary Union: Benin, Burkina Faso, Côte d'Ivoire, Guinea- Bissau, Mali, Niger, Senegal and Togo)	Dakar
Seychelles	Central Bank of Seychelles	Victoria
Sierra Leone	Bank of Sierra Leone	Freetown
Somalia	Central Bank of Somalia	Mogadishu
South Africa	South African Reserve Bank	Pretoria
South Sudan	Bank of South Sudan	Juba
Sudan	Bank of Sudan	Khartoum
Swaziland	The Central Bank of Swaziland	Mbabane
Syria	Central Bank of Syria	Damascus
Tanzania	Bank of Tanzania	Dar es Salaam
Tunisia	Central Bank of Tunisia	Tunis

Uganda	Bank of Uganda	Kampala
United Arab Emirates	Abu Dhabi Investment Authority	
	Central Bank of the United Arab Emirates Government of Dubai (Abu Dhabi, Dubai, Sharjah, Ajman, Umm Al Quaiwain, Ras al Khaimah, Fujairah)	Abu Dhabi
Yemen	Central Bank of Yemen	Sana'a
Zambia	Bank of Zambia	Lusaka
Zimbabwe	Reserve Bank of Zimbabwe	Harare

Asia and Pacific

Afghanistan	The Central Bank of Afghanistan	Kabul
Armenia	Central Bank of Armenia	Yerevan
Azerbaijan	National Bank of Azerbaijan	Baku
Bangladesh	Bangladesh Bank	Dhaka
Bhutan	Royal Monetary Authority of Bhutan	Thimphu
Brunei	Brunei Monetary Board	Bandar Seri Begawan
Cambodia	National Bank of Cambodia	Phnom Penh
China	The People's Bank of China	Beijing
	State Administration of Foreign Exchange	Beijing
Chinese Taipei	The Central Bank of China	Taipei
Fiji	Reserve Bank of Fiji	Suva
French Polynesia	Institut d'Emission d'Outre-Mer	Papeete
Georgia	National Bank of Georgia	Tbilisi
India	Reserve Bank of India	Mumbai
Indonesia	Bank Indonesia	Jakarta
Kazakhstan	National Bank of the Republic of Kazakhstan	Almaty
Kiribati	Bank of Kiribati	Tarawa
North Korea	Central Bank of Korea	Pyongyang
South Korea	The Bank of Korea	Seoul
Kyrgyz Republic	The National Bank of the Kyrgyz Republic	Bishkek
Laos	Bank of the Lao People's Democratic Republic	Vientiane
Malaysia	Bank Negara Malaysia	Kuala Lumpur
Maldives	Maldives Monetary Authority	Male
Mongolia	The Bank of Mongolia	Ulan Bator
Myanmar	Central Bank of Myanmar	Rangoon
Nauru	Bank of Nauru	Nauru
Nepal	Central Bank of Nepal	Kathmandu
New Caledonia	Institut d'Emission d'Outre-Mer	Nouméa

Pakistan	State Bank of Pakistan	Karachi
Papua New Guinea	Bank of Papua New Guinea	Port Moresby
Philippines	Central Bank of the Philippines	Manila
Solomon Islands	Central Bank of Solomon Islands	Honiara
Sri Lanka	Central Bank of Sri Lanka	Colombo
Tajikistan	National Bank of the Republic of Tajikistan	Dushanbe
Thailand	Bank of Thailand	Bangkok
Tonga	National Reserve Bank of Tonga	Nuku'alofa
Turkmenistan	State Central Bank of Turkmenistan	Ashgabat
Tuvalu	National Bank of Tuvalu	Funafuti
Uzbekistan	Central Bank of the Republic of Uzbekistan	Tashkent
Vietnam	State Bank of Vietnam	Hanoi
Wallis and Futuna Islands	Institut d'Emission d'Outre-Mer	Mata-Utu

Europe

Albania	Bank of Albania	Tirana
Belarus	National Bank of the Republic of Belarus	Minsk
Bosnia and Herzegovina	Central Bank of Bosnia and Herzegovina	Sarajevo
Bulgaria	Bulgarian National Bank	Sofia
Croatia	Croatian National Bank	Zagreb
Cyprus	Central Bank of Cyprus	Nicosia
Czech Republic	Czech National Bank	Prague
Estonia	Bank of Estonia	Tallinn
Hungary	Central Bank of Hungary	Budapest
Latvia	Bank of Latvia	Riga
Lithuania	The Bank of Lithuania	Vilnius
Macedonia	National Bank of the Republic of Macedonia	Skopje
Malta	Central Bank of Malta	Valletta
Moldova	National Bank of Moldova	Chisinau
Poland	National Bank of Poland	Warsaw
Romania	National Bank of Romania	Bucharest
Russia	Central Bank of the Russian Federation	Moscow
Serbia	National Bank of Serbia	Belgrade
Slovakia	National Bank of Slovakia	Bratislava
Slovenia	Bank of Slovenia	Ljubljana
Turkey	Central Bank of the Republic of Turkey	Ankara
Ukraine	National Bank of Ukraine	Kiev

Latin America and Caribbean area

St Kitts and Nevis	Eastern Caribbean Central Bank (Anguilla, Antigua and Barbuda, Dominica, Grenada, Montserrat, St Kitts and Nevis, St Lucia, St Vincent and the Grenadines)	Basseterre, St Kitts
Argentina	Central Bank of Argentina	Buenos Aires
Belize	Central Bank of Belize	Belize City
Bolivia	Central Bank of Bolivia	La Paz
Brazil	Central Bank of Brazil	Brasília
Chile	Central Bank of Chile	Santiago de Chile
Colombia	Bank of the Republic	Santafé de Bogotá
Costa Rica	Central Bank of Costa Rica	San José
Cuba	Central Bank of Cuba	Havana
Dominican Republic	Central Bank of the Dominican Republic	Santo Domingo
Ecuador	Central Bank of Ecuador	Quito
El Salvador	Central Reserve Bank of El Salvador	San Salvador
Guatemala	Bank of Guatemala	Guatemala City
Guyana	Bank of Guyana	Georgetown
Haiti	Bank of the Republic of Haiti	Port-au-Prince
Honduras	Central Bank of Honduras	Tegucigalpa
Jamaica	Bank of Jamaica	Kingston
Mexico	Bank of Mexico	Mexico City
Nicaragua	Central Bank of Nicaragua	Managua
Paraguay	Central Bank of Paraguay	Asunción
Peru	Central Reserve Bank of Peru	Lima
Suriname	Central Bank of Suriname	Paramaribo
Trinidad and Tobago	Central Bank of Trinidad and Tobago	Port-of-Spain
Uruguay	Central Bank of Uruguay	Montevideo
Venezuela	Central Bank of Venezuela	Caracas