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Manual on **Monetary Reporting**

Statistics Division
De Nederlandsche Bank

DeNederlandscheBank

EUROSYSTEEM

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Manual for monetary reporting

Foreword

The manual for monetary reporting provides a complete overview of all reports that monetary financial institutions (MFIs) in the Netherlands are legally required to submit to DNB in connection with the Eurosystem's need for monetary information, and of the reports that DNB and the MFIs have agreed with regard to country risk, the OTC derivatives market and the quarterly sector accounts. This manual therefore does not contain any reports that are received by DNB in the context of its microprudential supervision. Besides reporting requirements, the manual also provides a full overview of all forms used for the relevant reports. The different parts of the manual cover general guidelines and terms as well as specific guidelines for individual reports. All of these elements are combined to form the manual on monetary reporting.

The following files also form part of this manual: The classification of entities belonging to the government sector ('Sectortoekenning NL Overheid'), the ECB Sector Manual and the annual delivery calendar.

More information, for example the delivery calendar, is available on the DNB website and the Digitaal Loket Rapportages (DLR, the Dutch acronym which stands for Digital Reporting Portal) DLR: statistical reporting, <https://www.dnb.nl/en/login/dlr/statistical-reporting/>. More information about the DLR and e-Herkenning (which allows you to authorize employees to submit reports) can be found on <https://www.dnb.nl/en/login/dlr/>.

For further information on the reporting manual or the reports covered by the manual, please contact the Monetary Statistics (MON) department within the Statistics Division (e-mail Monrap@dnb.nl).

Part 1: General

Background and purpose of monetary reports

By way of an introduction, this part of the manual explains who reports what, the reasons why, how this information needs to be reported, and when this needs to be done. It also provides a brief explanation of the background and purpose of each of the monetary reports and also explains how they relate to each other.

Who has to report information, and for what purpose?

De Nederlandsche Bank (DNB) collects financial and economic data from monetary and other financial institutions, acting on behalf of, and under the auspices of, the European Central Bank (ECB). These data are used to determine monetary policy within the Economic and Monetary Union (EMU). The primary objective of the ECB's monetary policy is to achieve price stability within the EMU. Trends in monetary aggregates form one of the main pillars of its monetary policy.

In this context, frequent, timely, high-quality statistics on the financial sector are crucial. All MFIs and non-MFI credit institutions that are active within the EMU are required to report data to their national central banks. This reporting obligation was made legally binding in the ECB Regulations, which can be found on the ECB's website (<http://www.ecb.europa.eu/home/html/index.en.html>).¹

In addition, socio-economic data is also used to meet the data needs of other national and international institutions:

- The socio-economic data form the basis for statistics on international lending that are compiled on behalf of, and under the auspices of, the **Bank for International Settlements (BIS)**.
- The socio-economic data are used by **Statistics Netherlands (CBS)** for the purpose of compiling the sector accounts.
- The data collected by DNB are also used by international organisations such as the **IMF**, the **OECD** and **Eurostat**.
- Some of the socio-economic data are also used when compiling the Dutch balance of payments.
- Furthermore, the socio-economic data is frequently used on an aggregate level for studies carried out for DNB's Financial Stability Division, the Ministry of Finance and other parties.

¹ For a list of MFIs, go to <http://www.ecb.int/stats/money/mfi/general/html/elegass.en.html>

Reporting obligations: the legal framework

For each report, DNB determines the reporting obligation of each reporting entity, using the statutory framework as a basis. DNB notifies each reporting entity of their reporting obligation by letter. In this letter, DNB informs the reporting entity that it is included in the sample selected for the relevant report, except in the case of reports applying to all banks.

Laws and regulations

Most monetary reports have a legal basis that is laid down in Regulations of the ECB.² These regulations provide the basis for the reports. The manual is merely a tool that clarifies the regulations, transposes the reporting obligations to the Dutch situation and at the same time provides an explanation of the reporting forms.

The most important laws and regulations, including any corresponding subsequent amendments, that form the basis for the monetary reports are as follows:

- Regulation (EU) 2021/379 of the ECB of 22 January 2021 on the balance sheet items of credit institutions and of the monetary financial institutions sector (recast) (ECB/2021/2);
- Guideline of the ECB of No. 2021/830 of 26 March 2021 on balance sheet item statistics and interest rate statistics of monetary financial institutions (ECB/2021/11);
- Regulation (EU) No. 1072/2013 of the ECB of 24 September 2013 concerning statistics on interest rates applied by monetary financial institutions (recast) (ECB/2013/34);
- Regulation (EU) No. 549/2013 of the European Parliament and of the Council of 21 May 2013 on the European system of national and regional accounts in the European Union;
- Regulation (EU) 2022/1917 of the European Central Bank of 29 September 2022 on infringement procedures in cases of non-compliance with statistical reporting requirements and repealing Decision ECB/2010/10 (ECB/2022/31)
- Decision (EU) 2022/1921 of the European Central Bank of 29 September 2022 on the methodology for the calculation of sanctions for alleged infringements of statistical reporting requirements (ECB/2022/32)
- Regulation (EC) No. 951/2009 of 9 October 2009 amending Regulation (EC) No. 2533/98 concerning the collection of statistical information by the European Central Bank;
- Regulation (EU) No 1075/2013 of the European Central Bank of 18 October 2013 concerning statistics on the assets and liabilities of financial vehicle corporations engaged in securitisation transactions (recast) (ECB/2013/40);
- Regulation (EC) No. 1161/2005 of the European Parliament and of the Council of 6 July 2005 on the compilation of quarterly non-financial accounts by institutional sector;
- Act of 20 November 2003 establishing an act on the Central Bureau of Statistics (Statistics Netherlands) (*Wet van 20 november 2003, houdende vaststelling van een wet op het Centraal bureau voor de statistiek*), also known as the Act on the Central Bureau of Statistics (Statistics Netherlands) (*Wet op het Centraal bureau voor de statistiek*). Under Section 33 (5) of the Act, the data DNB collects from the Dutch banking sector is to be made available to Statistics

² Regulations are general decisions that are binding in their entirety. In contrast to directives (which are aimed at the EU Member States) and EU decisions (which state explicitly to whom they are addressed), regulations have general application. Regulations are directly applicable, which means that they are immediately law in all EU Member States with the same force as national law, without the need for any action on the part of national authorities. Regulations are adopted either jointly by the Council of the European Union and the European Parliament, or solely by the European Commission.

Netherlands. The acquisition of other information related to the Dutch banking sector takes place following consultation with DNB;

- Regulation (EC) No. 1745/2003 of the European Central Bank of 12 September 2003 on the application of minimum reserves (ECB/2003/9);
- European Central Bank Regulation (EC) No. 2157/99 of 23 September 1999 on the powers of the European Central Bank to impose sanctions (ECB/1999/4);
- Council Regulation (EC) No. 2532/98 of 23 November 1998 concerning the powers of the European Central Bank to impose sanctions;
- External Financial Relations Act. The External Financial Relations Act 1994 (*Wet financiële betrekkingen buitenland 1994*) lays down rules that are crucial for compiling the balance of payments in the Netherlands. Section 7 of this Act creates the obligation to provide DNB with information and data that are essential for compiling the Dutch balance of payments, in accordance with the instructions issued by DNB.

In addition, the ECB has also published the following notice:

- Notice of the ECB on the imposition of sanctions for infringements of balance sheet statistical reporting requirements OJ C 195, 31.7.2004, p. 8.

How to report data: using Digitaal Loket Rapportages (DLR)

Banks have to submit reports to DNB online using a special, secured reporting tool: Digitaal Loket Rapportages (DLR), our Digital Reporting Portal. In order to use the DLR, you need E-Herkenning (E-Recognition). This allows you to authorize employees to submit reports. For more information about E-Herkenning: <https://www.eherkenning.nl/>. The DLR can be accessed through the statistics section of DNB's website.³ User manuals and the terms and conditions for the use of the applications can also be found in this section of the website.

In DLR the amounts have to be reported in euros (rounded off to whole numbers, i.e. no decimals), except where otherwise indicated. Claims and/or liabilities in foreign currency have to be converted into euro. Moreover, negative amounts cannot be entered for some items. The data has to be checked before you submit them using the applications. Some control rules have a blocking effect, certain margins are observed to allow for potential rounding differences. If the rules are not complied with, the data cannot be submitted until the necessary corrections have been made. The Legal Entity Identifier Code (LEI code) in your report must match with the code of your institution (as known by DNB). This is a blocking validation rule. In addition, you must specify the correct reporting period start and end date in the XBRL file (note: you must enter the last day in the reporting period as both the start and end date). This is also a blocking validation rule. You have only fulfilled your reporting obligation in the DLR when it has the status 'Completed'/'Voldaan'.

³ <https://www.dnb.nl/en/login/dlr/statistical-reporting/>

Taxonomy entry points

The BSI taxonomy⁴ has seven entry points (see table). An entry point consists out of an combination of templates. You will be informed of which entry point is relevant for your institution. Furthermore your entry point is part of your reporting obligation in the DLR.

BSIM-FULL	BSIM-LTD	BSIQ-FULL	BSIQ-LTD	MRRM	BSI-SIF	BSI-SIF-LTD
BSI monthly reporting full	BSI monthly reporting limited	BSI quarterly reporting full	BSI quarterly reporting limited	Minimum reserve monthly	BSI-Systemic Investment Funds	BSI-Systemic Investment Funds limited

Reporting obligations for new institutions

All institutions that have been assigned credit institution status, including MFIs as well as non-MFI credit institutions, by DNB are directly subject to the reporting obligations in the context of minimum reserves. Reporting obligations will be created for the first month-end or end-of-quarter following the date on which the credit institution licence came into effect. No exemption of any kind may be granted from this statistical reporting obligation, even if DNB has granted the institution an exemption (temporary or otherwise) from the reporting obligations under the Financial Supervision Act (*Wet op het Financieel Toezicht* or *Wft*). If an institution hives off part of its business to create another institution, this new institution has to maintain minimum reserves immediately, as a result of which it will be necessary to report data using form⁵ 8097.

Reporting obligation in the event of a merger or acquisition

In the event of a merger or acquisition, all of the subsidiary's reporting obligations are transferred to the acquiring or newly formed parent institution. The reporting obligations of the acquiring institution and the institution that has been taken over will continue to exist as separate obligations until the next month-end or end-of-quarter, when the merged institutions have to submit consolidated reports.

Example 1: Merger of two monthly reporting entities

Two reporting institutions merge with effect from 1 October. They still have to submit separate reports for September, but will have to submit consolidated reports for October. This is the case irrespective of whether the reports in question are monthly reports or quarterly reports, although in the case of quarterly reporting entities the consolidated reports will relate to the next quarter.

⁴ [Balance Sheet Items \(BSI\) \(dnb.nl\)](https://dnb.nl/en/balancesheetitems)

⁵ In the manual the forms and tables (e.g. form 8097 or T8097) are used interchangeably.

Example 2: Merger of two quarterly reporting entities that continue to report quarterly following consolidation

In this case, the first quarterly report following the merger will be a consolidated report. In order that any breaks in the provision of information can be processed properly in statistics, the new institution will be required to submit a report based on the old situation as well as one based on the new situation for the first reporting period. In exceptional situations, DNB will agree customised arrangements with the relevant reporting institutions.

Failure to comply with reporting obligations

Regulation (EU) 2021/379 of the ECB (ECB/2021/2, referred to below as the Regulation) enables national central banks to collect statistical information for the purpose of the fulfilment of the tasks of the European System of Central Banks (ESCB). This Regulation contains articles on minimum standards for transmission, accuracy, compliance with concepts, and revisions.

Logging procedure in the Regulation

Under ECB law on non-compliance with statistical reporting requirements, the ECB may impose sanctions in the event that reporting institutions fail to meet their statistical reporting obligations. The conditions, details and procedures for such cases are laid down in the legal acts referred to above.

Based on the aforementioned legal acts, the ECB or the national central bank of the Member State where the infringement occurred is authorised to launch an infringement procedure against reporting institutions that fail to fulfil their obligations.

The right to decide whether to impose sanctions following the conclusion of the infringement procedure is reserved by the Executive Board of the ECB. The ECB has established a uniform procedure (logging procedure) for this purpose. This procedure enables all national central banks of euro area Member States to monitor cases of non-compliance with the ECB's statistical reporting requirements, to keep coherent records of this and to report the results to the ECB. The national central banks carry out the logging procedure separately for each institution. The logging procedure is designed to provide sufficient information to ensure that when the Executive Board of the ECB exercises its right to impose sanctions it is able to take the specific circumstances of each individual infringement into consideration (such as whether the institution acted in good faith when interpreting and fulfilling their obligations, the gravity of the consequences of the infringement, whether the infringements are repeated or not, and the frequency and duration of the infringements), whereby the principle of equal treatment of reporting institutions within the euro area will serve as a guide.

Measures in the event of non-compliance with reporting requirements

Non-compliance by institutions with their reporting obligations is logged by DNB. A log is made in the event of non-compliance with the standards related to reporting. Examples include submitting reports after the deadline, failing linear constraints embedded in the reporting framework, and failing to pass on corrections to reported data to DNB in time (i.e. delivery after DNB has submitted the data to the ECB). In the event of cumulative non-compliance being logged, DNB will present the file on the relevant

institution to the ECB, which will then take over the procedure. This may result in a decision being made on whether or not to impose a fine, including the size of any such fine. The management of the relevant institution is then notified of the ECB's decision.

DNB has decided, in consultation with the banks, to take additional measures in order to avoid having to report institutions to the ECB. If an institution is in the danger zone and has to be reported to the ECB in the event of another infringement, DNB will send the institution in question a warning letter, which will be addressed to the manager of the responsible department. In this way, the institution is given an opportunity to sort matters out and thereby avoid being reported to the ECB. If, despite this, another alleged infringement occurs, DNB will be forced to pass the file on, in writing, to the ECB. The management of the institution will be informed of this immediately.

General reporting guidelines

Basis of consolidation

All parts of the domestic group that are MFIs have to be included in the monetary reports in consolidated form. This means that all branches (MFI business units of the domestic group that do not have independent legal status) and all MFI subsidiaries (parts of the group that have independent legal status) that are located within the territory of the Netherlands have to be included in a consolidated monetary report (see figure 1). Together, this is referred to as the domestic MFI's business. This can be contrasted with the scope of consolidation for prudential reporting for supervision purposes (see figure 2), in which the foreign MFI business and the domestic non-MFI business are also included. This is illustrated in the following tables.

Although legally speaking foreign branches cannot issue any securities, from a statistical viewpoint these are financial liabilities issued by independent foreign institutional entities. Therefore, all securities issued by foreign branches must not be recorded as issued liabilities in the balance sheet of the domestic MFI business.

Figure 1: Scope of consolidation for monetary reports

	Netherlands	Foreign
MFI	Consolidation	Counterparty
Non-MFI	Counterparty	Counterparty

Figure 2: Scope of consolidation for prudential reporting

	Netherlands	Foreign
MFI	Consolidation	Consolidation
Non-MFI	Consolidation	Consolidation

Consolidation of securities depositories

To the extent that they are active for the institution itself, securities depositories that do not have independent legal status are to be included in the consolidated reports of the MFI business. The securities depository itself (i.e. the securities held in safekeeping for clients) must not be reported.

In the case of securities depositories that have independent legal status, the claims and liabilities of the institution vis-à-vis the securities depository have to be reported as a position vis-à-vis the private sector and classified under the OFI sub-sector. The securities depository itself (i.e. the securities held in safekeeping for clients) must not be reported.

Consolidation of non-MFI subsidiaries

- The reports only relate to MFIs established in the Netherlands. Group subsidiaries that are not MFIs themselves may not be included in the consolidated reports (nor may they be netted off). Consequently, in the report all amounts owed to these non-MFI subsidiaries must not be reported as interbank liability positions, and instead they have to be reported as a position with the private sector.

DNB regularly examines the consolidated entities included in the monetary reports in order to safeguard the quality of the monetary reports.

Maturity

In the monetary reports, distinctions are made between different maturity categories. The forms often include a maturity breakdown based on the original maturity, but in some cases a breakdown is also made on the basis of the residual maturity.

Breaks in data and revision policy

The law on statistics requires that the reports of reporting institutions meet a number of minimum standards in areas such as accuracy and conceptual compliance. This means, among other things, that the presentation of the statistical data has to take account of the definitions and classifications as described and referred to in the Regulation and as also outlined in this manual.

Reporting entities sometimes report changes in trends. Examples include:

- the rectification of the incorrect allocation of counterparties to sectors;
- the correction of incorrect classifications due to the use of residual maturities instead of original maturities;
- the correction of the incorrect reporting of securitisation as synthetic (loans for house purchase are reported in the MFI's balance sheet) when it was in fact a true sale securitisation (loans for house purchase are no longer reported in the MFI's balance sheet);
- the acquisition of portfolios from non-MFIs and other restructurings.

Previously submitted data may also be revised due to changes in understanding or due to the introduction of new IT systems that result in improved observations. For example, a reporting entity may acquire a business or business unit but does not reflect this development in its report for several months. DNB aims to publish sound statistics. Breaks or "jumps" in published statistics due to corrections to previous reports rather than trends in the real economy are undesirable. In such cases, DNB wants to receive parallel submissions (i.e. two reports for the same reference periods) with the same start date. Reporting entities

also have to provide an explanation for such breaks. This allows for an estimate to be made of the scale of the change in trend so that DNB can correct previous figures for the series. In some cases, DNB may ask the reporting entity to resubmit previously reported observations that turned out to be incorrect. Parallel submissions and resubmissions are produced in consultation with DNB. The period to be covered by re-reports is also decided in consultation with DNB.

Netting

Reports on the domestic MFI business involve the reporting of gross data. This means that netting off (i.e. offsetting the claims and liabilities between two parties) is not permitted. Notional cash pooling always has to be reported on a gross basis, i.e. before any netting takes place. For further guidance on reporting cash pooling activities, also see Colangelo (2016).⁶

Time of recording

A loan must be recorded when disbursement is made to the borrower. This also applies to financial leases, which must be reported as loans. One exception to these rules is the recording date of new contracts for interest rate statistics purposes in form 9004. Loan amounts and interest rates must be reported on the contract date.

Securities must be recorded in line with the annual financial statements, i.e. settlement or trade date. If the exact settlement date is unknown, the date of payment can be used.

In accordance with ESA 2010, the recording date for dividend income and expenses is the date they are declared. The same applies to interim dividends: here, too, the recording date is the date the dividends are declared (ex-dividend date), rather than the date they are paid out or the period to which they relate. Declared dividends on resident and non-resident participating interests must also be recorded as dividend income here. If the declaration date is unknown, dividend income may be recorded on the date of receipt.

Valuation of deposits and loans

Deposit liabilities and loans have to be reported at the nominal amount outstanding (amount of principal outstanding) at the end of the reporting period. Only those write-offs that have actually been made are to be deducted from this amount. Provisions that have been formed in connection with possible future write-offs do not have any impact on the stocks of outstanding loans and therefore have no impact on the assets side of the balance sheet. The amount set aside has to be reported under "capital and reserves" on the liabilities side of the balance sheet, but since such provisions are charged to undistributed profit that is also included under capital and reserves this has no impact on the balances on that side of the balance sheet. If a loan for which a provision has been formed eventually has to be written off, "loans granted and deposits placed" will decline by the amount set aside, and on the liabilities side of the balance sheet "capital and reserves" will decline by the same amount owing to the provision being used. Loans acquired should also be valued at the principle amount outstanding (nominal) and not the acquisition value. Accrued interest must not be included in the principal amount of the deposits and loans, and instead has to be reported under "other assets" or "other liabilities". Deposit liabilities and loans may not be offset against any assets or liabilities.

⁶ Colangelo, A. (2016) "The statistical classification of cash pooling activities", Statistics Paper Series no. 16, juli 2016

Valuation of debt securities held and issued

Debt securities held have to be reported at current market value, while changes in the value of the outstanding total balance due to price movements have to be reported in form 9007HK1. Debt securities issued have to be reported at nominal value. For debt securities issued, the item 'other liabilities' has a sub-item in 9001HK6 for the reporting of the different accounting principles; 'Valuation debt securities (market-nominal)'. This differs from any other type of balance sheet discrepancies arising due to differences in valuation principles (SE reporting versus accounting rules), which have to be reported under "other liabilities" in the sub-item "Adjustment for accounting/statistical discrepancies".

Hybrid instruments

As a rule, deposits and debt securities with embedded derivatives (hybrid instruments) must be broken down into two individual components and recorded separately as deposits/debt securities and derivatives. This applies equally to assets and liabilities positions, which results in a difference with respect to the assets positions under IFRS 9. If breakdown is impossible, the position may be recorded entirely as either deposits/debt securities or derivatives, based on the contract's main characteristics.

Asset valuation rules and other accounting rules

Unless otherwise indicated, the accounting rules to be followed by MFIs for the monetary report are laid down in the transposition into national law of Council Directive 86/635/EEC of 8 December 1986 on the annual accounts and consolidated accounts of banks and other financial institutions, and in various applicable international standards.

Negative amounts

Negative amounts may arise in some reporting forms. These include form 9001 (negative valuation of equity), form 9005 (negative revaluation), form 9001 (adjustment for net positive accounting/statistical discrepancies) and form 9007 (negative result).

What needs to be reported, and when?

Dutch MFIs and non-MFI credit institutions have to produce a wide range of socio-economic reports (see Table 1). The definition of "credit institution" in Article 4(1)(1) of the CRR was amended with effect from June 2021 to include systemically important investment firms (SIFs). Such firms deal on their own account, underwrite financial instruments or place financial instruments on a firm commitment basis and they meet certain thresholds in terms of size at the individual or group level. Investment firms meeting these criteria must be authorised credit institutions, but are considered non-MFIs credit institutions as they may not necessarily engage in taking deposits or other repayable funds from the public. The concepts and reporting requirements applicable to MFIs explained in this manual are therefore also applicable to non-MFI credit institutions.

Table 1: Reports and related deadlines

Report	Form	Frequency	Reporting population	Reporting deadline
Deposits treated as savings	8076	Monthly	Largest MFI	12th working day after month end

Report	Form	Frequency	Reporting population	Reporting deadline
		Quarterly	Smaller MFI	11th working day after month end
Determination of minimum reserves to be maintained	8097	Monthly	Largest MFI	12th working day after month end
		Quarterly	Smaller MFI	11th working day after quarter end
Balance sheet stocks (BSI)	9001	Monthly	Largest MFI ⁷	12th working day after month end
		Quarterly	Smaller MFI	11th working day after quarter end
MFI interest rate statistics (MIR)	9004	Monthly	Largest MFI	15th working day after month end
		Quarterly	Smaller MFI	15th working day after quarter end
Write-offs, price changes and other changes	9007	Monthly	Largest MFI	12th working day after month end
MFI securitisations: stocks and flows	9013	Monthly	Largest MFI	12th working day after month end
		Quarterly	Smaller MFI with securitisations	11th working day after quarter end
Write-offs/price changes on outstanding amounts of securitised/transferred loans	9017	Monthly	Largest MFI	12th working day after month end
		Quarterly	Smaller MFI	11th working day after quarter end

Interlinkages between monetary reports (reconciliation model)

The reporting institution has to ensure that the information on flows and stocks provided in different forms are logically consistent. DNB will perform a combined check of these data wherever possible, using a reconciliation model. Data contained in the following forms are checked in this way: 8076, 8097, 9001, 9004, 9007, 9013 and 9017. The micro-consistency of data therefore has to be safeguarded, and this leads to improvements in data quality. Elements of the model will become apparent in communication between DNB and the reporting institution.

Example of reconciliation:

Example 1: Reconciliation of loans for house purchase on balance sheet of MFI

All elements that affect the stocks of loans for house purchase are identified separately. These are assessed in conjunction with data reported in forms 9001, 9007 and 9013, and the ultimate outcome of this is the transaction (balance of new loans and repayments of existing loans, column 8).

⁷ To be determined at the discretion of DNB; under the ECB Regulation at least 95% of the national balance sheet total of the domestic banking business of MFIs have to be covered by a detailed report.

Reconciliation of loans granted and deposits placed by MFIs
Figures in millions of euro's

Balance sheet item:	Loans and deposits								
Reporting entity:									
Sub item:	Loans for house purchase								
Counterparty sector:	Households								
Country:	Netherlands								
Reconciliation-component:	Opening balance = Closing balance (t-1)	Reclassifi- cation (t)	Write-off (t)	Transfer to SPVs (t) (sale)	Transfer from SPVs (t) (buy-back)	Transfer to non-SPVs (t) (sale)	Transfer from non-SPVs (t) (buy-back)	Transaction (t)	Closing balance (t)
Source:	9001HK1 1	Intern analysis (DNB) 2	9007 3	9013HK1 4	9013HK1 5	9013HK1 6	9013HK1 7	Result (9-1-2+3+4-5+6-7) 8	9001HK1 9

Part 2: Terms and definitions

This part of the manual contains definitions of a large number of terms that appear in several reports. Items that appear in only one report are not described in this part of the manual, although descriptions may be found in the notes to the relevant report.

In most cases, the terms relate to balance sheet items that need to be provided in various reports and these items are described below.

Balance sheet items - assets

Cash

Holdings of euro and foreign currency banknotes and coins in circulation that are commonly used to make payments. Transactions under *irrevocable payment commitments (IPC)* vis-à-vis the Single Resolution Board (SRB) with cash collateral are charged to the cash item and countered by an entry under loans granted.

Shares / units issued by money market and investment funds

This item relates to holdings of shares and units that are issued by money market and investment funds. Definitions of money market funds and investment funds can be found in the section on sector classification. Money market funds established within the euro area are included in the list of MFIs.⁸

Shares held

Shares held represent ownership rights in corporations or quasi-corporations⁹. They entitle the holders to a share in the profits of the corporations and to a share in their net assets, following the settlement of the claims of other creditors, in the event of liquidation. Shares are broken down into those that are listed on an exchange (listed shares),¹⁰ and unlisted shares. Holdings of depository receipts for shares and units issued by money market and investment funds have to be reported in a separate row ("Shares / units"). Shares that are held as equity must not be reported here as they are reported under "equity". Shares that are lent out under securities lending operations or sold under a repurchase agreement remain on the original owner's balance sheet (and are not to be recorded on the balance sheet of the temporary acquirer) where there is a firm commitment to reverse the operation, and not simply an option to do so. Where the temporary acquirer sells the securities received, this sale has to be recorded as an outright transaction in securities and entered in the balance sheet of the temporary acquirer as a negative position in the securities portfolio, and also has to be reported separately in row "of which: short positions". Shares held have to be valued in accordance with the accounting guidelines used by reporting institutions for annual reporting purposes.

⁸ <http://www.ecb.int/stats/money/mfi/general/html/elegass.en.html>.

⁹ Quasi-corporations are entities which keep a complete set of accounts, have no legal status, behave in a way that is similar to corporations and have autonomy of decision.

¹⁰ Shares that are listed on an officially recognised stock market and are also traded on that exchange.

A corporation may decide to issue new or additional shares by holding an issue of subscription rights. Subscription rights entitle the holders of existing shares to subscribe for the issue at an issue price that is lower than the current market price of the existing shares. In the report, the subscription rights are treated as a purchased call option or warrant, and they have to be entered as such in the report under "financial derivatives".

Contrary to the usual gross reporting of positions in the monetary statistics, own holdings of debt securities (domestic MFI consolidation scope) must be netted against total issuance, i.e. they must be deducted from both assets and liabilities positions. This exception also applies to other own instruments issued, such as treasury shares. It is not permitted to net debt securities issued or held by entities outside the domestic consolidation circle, e.g. affiliated domestic FVCs or foreign MFI subsidiaries/branches.

Other equity (participations)

A holding is classified as equity if the reporting institution (the domestic banking business) holds an interest in the capital of a corporation (either domestic or foreign) that provides it with 10% or more of the voting rights. This is in line with the criteria on influence and control described in BPM6 (*Balance of Payments and International Investment Position Manual*, edition 6).¹¹

An interest that represents less than 10% of the voting rights is classified as an investment and has to be reported under "Shares held" (as either listed or unlisted).

This also means that interests representing a small percentage of capital (e.g. of less than 10%) have to be reported as equity if the holding represents at least 10% of the voting rights. Joint ventures also have to be reported as equity in the event that the interest exceeds 10%. The value of the joint venture has to be reported pro rata (i.e. in proportion to the percentage interest in the joint venture). Ideally, the valuation is made on the basis of the net asset value. If this is not available, historical cost or the equity method (i.e. historical cost plus accumulated undistributed profits) may be used.

The working capital provided by the reporting institution to foreign entities that do not have independent legal status (offices and branches) also has to be classified as equity and at the same time be reported under "of which: working capital for foreign branches". Any negative working capital also has to be reported as equity and as a negative item on the asset side of the balance sheet in both rows.

Working capital consists chiefly of the funds used by a business in order to remain operational in the short term (e.g. equity and long-term resources obtained from the parent for these purposes). Resources (whether short or long term) obtained from the parent or other corporations for funding the main business of the branch (granting loans, buying securities and derivatives) does not count as working capital.

Since the Dutch MFI business forms the basis for consolidation for statistical reporting by MFIs, majority interests in Dutch MFI subsidiaries and working capital at Dutch offices are, by definition, not reported as equity in the reports. These corporations and offices have to be included within the scope of consolidation, so that the positions with these parties (intra-group positions) are eliminated.

¹¹ <https://www.imf.org/external/pubs/ft/bop/2007/pdf/bpm6.pdf>

Cross-holdings (equity held by the reporting institution in a foreign parent) have to be reported as equity. Subordinated and perpetual loans are not considered equity, and have to be reported under "loans granted and deposits placed".

Debt securities held

Debt securities held consist of holdings of securities which give the holder the unconditional right to a fixed or contractually determined income in the form of coupon payments and/or a stated fixed sum at a specific date or dates, or starting from a date defined at the time of issue. In principle, these securities have to be negotiable on secondary markets. One indication that a debt security is negotiable in principle is the existence of an ISIN for that security. If a reporting institution holds debt securities that are not available for trading but are still negotiable in principle, the debt securities have to be reported under "debt securities held" for statistical reporting purposes. This also applies to debt securities that are difficult or impossible to trade owing to market conditions.

In addition, these financial instruments may not grant the holder any ownership rights over the issuing institution. Debt securities that are lent out under securities lending operations or sold under a repurchase agreement remain on the original owner's balance sheet (and are not to be recorded on the balance sheet of the temporary acquirer) where there is a firm commitment to reverse the operation, and not simply an option to do so. Where the temporary acquirer sells the securities received, this sale has to be recorded as an outright transaction in securities and entered in the balance sheet of the temporary acquirer as a negative position in the securities portfolio, and also has to be reported separately in row "of which: short positions".

Accrued interest, however, may not be added to the stocks of debt securities, but instead has to be reported separately in the relevant of-which row under other assets "interest receivable on securities".

Own holdings of debt securities issued (domestic MFI consolidation scope) must be netted against total issuance, i.e. they must be deducted from both assets and liabilities positions. It is not permitted to net debt securities issued or held by entities outside the domestic consolidation circle, e.g. affiliated domestic FVCs or foreign MFI subsidiaries.

The total market value of own holdings of debt instruments deducted from the item "Debt securities held" must be recorded under the item "of which: correction for own holdings of debt securities" (9001HK6). The own holdings of debt securities (the correction) must be recorded in positive numbers.

Loans granted and deposits placed

Loans granted and deposits placed consist of all funds provided by the reporting institution in the form of loans granted or deposits placed.

Subordinated debt in the form of loans and deposits provide a subsidiary claim on a debtor that can only be exercised after all claims with a higher status have been satisfied, giving them some of the characteristics of shares or equity. For statistical purposes, subordinated debt is to be classified as "loans granted and deposits placed". Subordinated debt in the form of negotiable debt securities has to be reported under "debt securities held".

In many cases, debt securities (and securities in general) are created so that they can be traded on secondary markets. In the exceptional cases where debt securities are in principle not negotiable, these instruments have to be treated as loans granted and deposits placed in the statistical reports.

Loans that are granted on the basis of a trust agreement (trust loans / fiduciary loans) are loans made in the name of the reporting institution on behalf of a third party ("the beneficiary"). For statistical purposes, trust loans are not to be recorded on the balance sheet of the reporting institution if the risks and rewards of ownership of the funds remain with the beneficiary. The risks and rewards of ownership remain with the beneficiary if the beneficiary assumes the credit risk of the loan (i.e. the reporting institution is responsible only for the administrative management of the loan) or if the beneficiary's investment is guaranteed against loss, should the reporting institution go into liquidation (i.e. the trust loan is not part of the assets of the reporting institution that can be included in the settlement in the event of bankruptcy).

- Of which: notional cash pooling

The part of loans granted and deposits placed that relates to notional cash pooling activities. For statistical purposes, notional cash pooling is defined as a cash pooling arrangement provided by an MFI (or MFIs) to a group of entities (hereinafter the 'pool participants'), none of them MFI-entities, where:

- (a) the pool participants each maintain separate accounts;
- (b) the interest to be paid or received by the MFI is calculated on the basis of a 'notional' net position of all accounts in the pool (this net position is not itself an account of the pool participants); and
- (c) pool participants may draw down overdrafts backed by deposits of other pool participants, without a transfer of funds between accounts.

Positions under physical cash pooling and/or single legal account cash pooling should not be reported under this item. See also Colangelo (2016) for more information on the statistical classification of cash pooling activities.

- Of which: repurchase agreements

Repurchase agreements (also known as repos) are agreements under which the reporting institution provides funds in exchange for securities it purchases at a given price purchased under a firm commitment to resell the same (or similar) securities at a fixed price on a specified future date. Amounts provided by the reporting institution in exchange for securities obtained from a third party have to be reported under "repurchase agreements" where there is a firm commitment to reverse the operation, and not merely an option to do so. This implies that the third party retains all risks and rewards of the underlying securities during the operation. The characteristic feature of repurchase agreements and similar products is that the economic ownership does not change and the rewards revert to the economic owner as a consequence. Where this is not the case, the instrument cannot be considered a repurchase agreement. There are a number of different kinds of products that have the characteristics of a repurchase agreement. There are instruments where dividends are passed on to the economic owner immediately upon distribution (true repurchase agreements) and instruments where dividends are passed on when the securities are repurchased (in this case, known as a sell/buy back, the economic owner does not pay as much in order to buy the securities back). In the past, sell/buy backs were used within the financial community in the case of dividend stripping. In this strategy, a party enters into a sell/buy back transaction just before a dividend is paid, as the profit on a sell/buy back can be recognised as a gain on a sale, which contrasts with a repurchase transaction where the dividend that is passed on is treated as dividend and also subject to dividend tax. By entering into a sell/buy back, a party avoids having to pay dividend tax.

Reporting institutions have to report sell/buy backs under "repurchase agreements" as the construction of this instrument shows strong similarities to a true repurchase agreement. A crucial feature of these instruments is that the economic ownership of the securities does not change. The following variants of repurchase-type operations are classified as repurchase agreements:

- amounts provided in exchange for securities received from a third party on a temporary basis in the form of borrowing bonds against cash collateral;
- amounts provided in exchange for securities received from a third party on a temporary basis in the form of a purchase/sale agreement.

Securities obtained on a temporary basis must not be reported on the balance sheet of the reporting institution as there is no change in the economic ownership of the securities.

- Of which: syndicated loans

A syndicated loan is an agreement covering a single loan in which several institutions participate as lenders. Syndicated loans only cover cases where the borrower knows, from the loan contract, that the loan is made by several lenders. For statistical purposes, only amounts actually disbursed by lenders (rather than total credit lines) are regarded as syndicated loans. The syndicated loan is usually arranged and coordinated by one institution (often called the 'lead manager') and is actually made by various participants in the syndicate. All participants, including the lead manager, have to report their share of the loan vis-à-vis the borrower, i.e. not vis-à-vis the lead manager, under syndicated loans.

- Of which: other loans granted and deposits placed

This item covers all loans granted and deposits placed other than notional cash pooling, repos and syndicated loans. When aggregated with the above mentioned of-which positions, the sum equals total loans granted and deposits placed.

Overnight deposits (asset)

Overnight deposits consist of all funds that are lent by MFIs and are transferable on demand without restriction or penalty. They also include day-to-day money and call money repayable within one day. In the case of exposures to a central bank due to monetary policy operations, various types of deposits are possible. Overnight deposits include exposures to central banks due to holding minimum reserves in the cash account. Exposures to central banks owing to the deposit facility also have to be reported here.

Other deposits

Other deposits include all holdings of MFIs other than overnight deposits or loans. Exposures due to deposits related to margin calls at a central bank are also classified as other deposits, as are fixed-term deposits.

Loans

Loans consist of funds provided which are not evidenced by documents or which are represented by a single document. All loans granted that were initiated by the receiving party have to be reported in the MFI counterparty sector under loans. In the case of the private sector, this item consists of loans for house purchase, loans for consumption (personal), revolving credit, overdrafts, card credit and other loans. In principle, loans granted to central banks will not appear under this item, unless these reflect reverse repos. These reverse repurchase agreements are amounts recorded as loans to reflect a transaction in which the reporting

MFI lends out cash in exchange for securities purchased at a given price, under a firm commitment to resell the securities at a fixed price on a specified future date.

Loans for house purchase

Loans for house purchases are credit extended for the purpose of investing in houses for own use or rental, including building, conversion improvement and maintenance. This item comprises loans secured on residential property and other loans for house purchases made on a personal basis or secured against other forms of assets. It also includes loans granted for the purpose of purchasing a houseboat.

In the case of savings-based mortgages, the accumulated savings are transferred via a deed of assignment (or agreement with a similar purpose) to an insurer or other entity. If, according to the deed of assignment (or agreement with a similar purpose) the risk of default for these transferred claims remains with the bank, and the bank will bear any possible losses, then these claims must continue to be accounted for as a mortgage on the bank's balance sheet. This also applies to securitised savings-based mortgages.

Therefore, in that case the bank must report the full amount of the principal of savings-based mortgages, and this must include any transferred savings or mortgage claims. This approach applies to statistical reporting and may deviate from the way you report for other purposes, such as for supervision.

The category includes (without being separately identified) housing loans to sole proprietors or unincorporated partnerships without legal status, if the housing is predominantly used for personal accommodation.

Consumer credit

Consumer credit is a collective term that consists of four elements: loans for consumption (personal), revolving credit, card credit and overdrafts (current account overdraft). It generally covers all loans granted to households for personal consumption purposes.

Loans for consumption (personal)

This item consists of loans for consumption that are granted to households for the purpose of use in consumer spending and does not include revolving credit, card credit or overdrafts (current-account overdraft). NB. Loans for consumption (personal) must not be confused with "other loans".

Revolving credit

Revolving credit has the following features:

1. the borrower may use the credit up to a pre-approved limit without giving prior notice to the bank;
2. the total amount of credit withdrawn may rise and fall as funds are borrowed and repaid;
3. the credit may be used repeatedly;
4. there is no obligation to make regular repayments.

Revolving credit therefore includes the amounts withdrawn through a line of credit or a credit facility. The unused or repaid part of a credit line may not be included under the outstanding amounts. Revolving credit does not include card credit. With regard to the maturity breakdown, revolving credit is classified as having an original maturity of one year or less as standard.

Overdrafts (current account)

Overdrafts are debit balances on current accounts. This item excludes card credit. With regard to the maturity breakdown, overdrafts are classified as having an original maturity of one year or less as standard.

Card credit

This item consists of credit granted to households or non-financial corporations either via delayed debit cards (i.e. cards offering convenience credit as described below), or via credit cards (i.e. cards offering convenience credit and extended credit). All card credit is to be reported under this item and may not be included under loans for consumption (personal), revolving credit or overdrafts. With regard to the maturity breakdown, card credit is classified as having an original maturity of one year or less as standard.

Convenience credit

Convenience credit is defined as amounts that are outstanding at 0% interest between the time the payment transaction is made with the credit card and the time when the resulting card credit has to be repaid.

Extended credit

Extended credit is described as the amount left outstanding following the aforementioned settlement at 0% interest, and on which amount interest is charged by definition. In practice, extended credit arises where the amount is repaid in instalments (e.g. a small amount a month) or where the balance in the relevant account is insufficient to enable automatic settlement to take place.

Other loans

This item consists of loans granted to non-financial corporations or households. In the case of loans granted to households, these are loans granted for purposes *other than* house purchase and consumption (i.e. other than loans for consumption (personal), revolving credit, overdrafts or card credit). Other loans include loans granted for purposes such as education and the purchase of securities. In the case of loans granted to non-financial corporations, this item consists of loans that cannot be classified under revolving credit, overdrafts or card credit.

Non-financial fixed assets

All tangible (e.g. buildings, machinery) and intangible (e.g. software, programmes) fixed assets that are not financial in nature are to be reported under non-financial fixed assets. Financial fixed assets can also be classified as either tangible or intangible. Tangible financial fixed assets comprise loans, deposits, securities and equity, in other words all normal items on the bank's balance sheet, and are therefore not included under non-financial fixed assets. Intangible financial fixed assets have to be reported under other assets, where there is a special focus on goodwill as a separate of-which item.

Financial derivatives

All derivatives positions subject to on-balance-sheet recording that were concluded for the reporting institution's own account and have a positive market value at the end of the reporting month, and therefore represent a claim, have to be reported under financial derivatives on the asset side of the balance sheet. Positions in financial derivatives have to be recorded as gross values wherever possible, including in cases where two different currencies (i.e. each leg of the transaction is in a different currency) are involved, such as a cross-currency interest rate swap. This means that opposing positions in contracts of the same type, for the same sector and the same country must not be netted. Derivatives contracts include

contracts that are traded on an exchange and over-the-counter (OTC) contracts, irrespective of the nature of the underlying financial instrument (e.g. a security, index, commodity or other financial asset). Financial derivatives have to be recorded at their current market value in the report. Internal valuation models and accounting rules may be followed when determining the market value of derivatives contracts.

The breakdown by currency is performed on the basis of the currency in which settlement or redemption by the reporting institution takes place. In the case of derivatives transactions where both legs are in different currencies (e.g. a cross-currency interest rate swap), this is the currency that the reporting institution delivers at the time of the transaction (see also the example below). See also the Guidelines for Reporting the BIS International Banking Statistics.¹²

Example: Reporting a cross-currency interest rate swap (CCS)

The CCS provides for the exchange of €1000 for GBP 800 at a given moment, but at the time of reporting the EUR/GBP exchange rate is 0.70. This means that the swap has a gross positive market value (balance of the two legs) of GBP 100. The bank reports the derivative contract's positive market value under item "Financial derivatives - of which: euro" in euros (€143).

Credit lines (off-balance item)

Credit lines (credit limits) are agreements between banks and non-MFI sector counterparties that specify the maximum amount the counterparty may borrow from the bank. The counterparty may increase its borrowings up to the agreed maximum amount at any time. MFI credit lines that have to be reported are described in Regulation (EU) No 575/2013 as undrawn credit facilities, and are classified as medium risk, medium/low risk or low risk.

Other assets

This is a residual item on the asset side of the balance sheet that is defined as assets not included elsewhere. This item may include the following:

- accrued interest receivable on loans granted and deposits placed;
- interest receivable on debt securities held;
- accrued rent on buildings;
- amounts receivable which do not relate to the main business of the MFI or FVC;
- amounts receivable which relate to suspense items and accruals (transit items);
- dividends to be received;
- amounts receivable in respect of future settlements of securities transactions;
- intangible financial assets;
- goodwill.

- Of which: interest receivable on securities

Reporting institutions have to record interest receivable on their own holdings of securities under "other assets", in the appropriate of-which item ("interest receivable on securities"). The interest receivable is the total amount of interest accrued up to that time (i.e. not only the interest accrued during the relevant reporting month) that the reporting institution can claim from its debtors, including its own foreign MFI entities.

¹² <http://www.bis.org/statistics/bankstatguide.pdf>, p. 33-34.

- *Of which: interest receivable on loans*

Reporting institutions have to record interest receivable on loans granted and deposits placed under "other assets", in the appropriate of-which item ("interest receivable on loans"). The interest receivable is the total amount of interest accrued up to that time (i.e. not only the interest accrued during the relevant reporting month) that the reporting institution can claim from its debtors, including its own foreign MFI entities.

- *Of which: goodwill*

Goodwill is the amount by which the book value of an equity holding exceeds that holding's net asset value. In other words, goodwill arises when part of the book value cannot be derived from the tangible assets and liabilities of the holding. If the equity were to be sold, the proceeds received for this equity could be higher than could be expected based purely on the value of tangible assets and liabilities. Goodwill on equity has to be recorded under "other assets" and under the relevant of-which item ("goodwill"). Any negative goodwill has to be recorded as a negative amount under "other assets" and under the relevant of-which item ("goodwill").

- *Of which: accruals (transit items)*

Accruals are financial claims arising as a result of timing differences between accrued transactions and payments made in respect of, for example:

- wages and salaries;
- taxes and social contributions;
- dividends;
- rent;
- purchase and sale of securities.

Accruals do not include:

- statistical discrepancies other than timing differences between transactions in goods and services, distributive transactions or financial transactions and the corresponding payments;
- early or late payment in the creation of financial assets or the redemption of liabilities other than those classified under "other accruals". These early or late payments are classified in the relevant instrument category;
- the amount of taxes and social contributions payable to the general government sector that have to be included under "other accruals" omits that part of these taxes and social contributions which is unlikely to be collected, and which therefore represents a general government claim of no value.

- *Of which other remaining assets*

This item covers all other assets not reported under interest receivable on securities and loans, goodwill and accruals.

Total assets

This generated item is the sum of all of the totals of the main items on the asset side of the balance sheet in the "Grand total" column.

Balance sheet items - liabilities

Capital and reserves

Capital and reserves can be broken down into two components:

1. equity (own funds), which has to be broken down by sector and country;
2. the part that cannot be allocated to a specific sector and country.

Capital and reserves comprise the amounts arising from the issue of capital by the reporting institution to shareholders and other proprietors, representing for the holder property rights in the reporting institution and generally an entitlement to a share in its profits and to a share in its own funds in the event of liquidation. This item also includes the funds set aside by the reporting institution in anticipation of future payments and liabilities.

In forms 9001HK6 and 9007HK4 the items capital and reserves and equity (own funds) are broken down into:

- 1) Shares / units issued by money market funds (MMF only)
- 2) Equity capital raised, including share premium;
- 3) Profits or losses as recorded in the profit and loss account;
- 4) Income and expenses directly recognised in equity;
- 5) Undistributed profits and funds, including general and specific reserves.
- 6) Provisions

The column *not allocated* must be used for the accumulation of capital and reserves, as these components add up to the total.

Subsidiaries and branches of a foreign bank that do not have independent legal status should allocate all of their capital and reserves to the country of the parent, under "Equity (own funds)". The breakdown must be reported under the column *Total all sectors*.

All positions in 9001HK6 must be reported at book value. The relationship between this breakdown and FINREP/IAS/IFRS is explained in the annex. All changes not resulting from purchases, sales, issuance or exchange rate movements must be accounted for in form 9007HK4. This includes for example revaluations and write-offs. Table 1 gives an overview of the transactions in capital and reserves.

Table 2: Transactions in capital and reserves

Capital and reserves component	Transactions
Equity capital raised, including share premium	Net equity capital raised, including share premium
Profits or losses as reported in the profit and loss account	Income and expenses resulting from regular business activities (e.g. interest and commission income, wage costs, etc.)
Undistributed profits and funds, including general and specific reserves	Distribution of dividends

Shares / participations issued by money market funds Under this component, money market funds should report the total value of shares and participations issued. Credit institutions should report their shares/participations issued under Equity capital raised, including share premium

Equity (own funds)

A holding is classified as equity (own funds) if an institution holds a stake in the capital of the reporting institution's domestic MFI business that provides it with 10% or more of the voting rights. This is in line with the criteria on influence and control described in BPM6 (*Balance of Payments and International Investment Position Manual*, edition 6).

Generally speaking, it will be difficult for the relevant reporting institution to be aware of interests in its capital if a party acquires this interest gradually by purchasing listed shares. The register kept by the Netherlands Authority for the Financial Markets (AFM) is a vital resource used for identifying stakes in the share capital of the reporting institution. This register (which can be accessed via the website of the AFM¹³) contains details of substantial holdings held by shareholders in issuing institutions and notification of shares with special controlling rights.¹⁴

If the reporting institution is a unit (office or branch) of the foreign head office and does not have independent legal status, the working capital obtained by the reporting institution also has to be reported as equity (own funds).

As the Dutch MFI business forms the basis of consolidation for the statistical reports, the Dutch office network of banks with a Dutch head office may not report independently. These offices have to be included in the consolidated report of the Dutch head office. Only Dutch branches and offices of foreign enterprises that are reporting agents are required to report the working capital they receive from abroad. Banks with a Dutch head office may report equity (own funds) if a Dutch or foreign corporation has a holding in the capital of the bank.

Cross holdings (equity held by a foreign subsidiary or branch in the reporting institution) have to be reported as equity (own funds). Subordinated and perpetual loans taken may not be treated as equity (own funds), and are instead classified under "loans and deposits taken".

Accrued equity capital of associates including *agio* This component includes all instruments issued by the MFI (except MMF) that represent property rights for the holder. Generally, equity instruments entitle the holder to a share in the profits or, in the event of a loss, the obligation to cover this loss. The recorded value relates to all funds contributed by shareholders, from the initial contribution and all following issuances, and represents the total issued capital (including share premium). This includes ordinary shares, preferred shares, redeemable shares, non-voting shares and third-party rights to acquire a specified number of shares. Non-participating preferred shares, that do not entitle the holder to a share of the institution's

¹³ <https://www.afm.nl/nl-nl/professionals/registers/meldingenregisters/substantiele-deelnemingen>

¹⁴ The AFM defines an issuing institution (also known as an issuer) as a public limited liability company (*naamloze vennootschap*) incorporated under Dutch law whose shares (or depositary receipts for shares) are admitted to trading on a regulated market in the Netherlands or in another Member State of the European Union or an EEA State, or a legal entity incorporated under the law of a state that is not an EU Member State and whose shares (or depositary receipts for shares) have been admitted to trading on a regulated market in the Netherlands. As soon as a holding equals or exceeds 5% of the issued capital, the shareholder has to report this fact. The shareholder has to notify the AFM again as soon as the substantial holding reaches, exceeds or falls below a threshold. This can be caused by the acquisition or disposal of shares by the shareholder or because the issued capital of the issuing institution (the denominator) is increased or decreased. The thresholds are 5%, 10%, 15%, 20%, 25%, 30%, 40%, 50%, 60%, 75% and 95%.

residual value in the event of liquidation, are not regarded as equity (own funds). They must be recorded as debt securities. See also IAS32 (16) for more examples.

Profit (or loss) as recorded in the profit and loss account;

This component includes all accumulated profits or losses from the start of the accounting period. The profits or losses result from net interest, commission and trading income, dividends/other income from holdings, wage costs and general administrative expenses. It also includes realised gains or losses on sales and unrealised gains or losses on financial assets held. Contributions to the Single Resolution Board (SRB), in case of irrevocable payment commitments (IPCs), with securities or cash collateral impact profits.

Once the accounting period is closed, the profits can be distributed to the shareholders as dividends or recorded as undistributed profits. In the case a shift from the "Profit (or loss) as recorded in the profit and loss account" to "Unpaid earnings or funds, including general and specific reserves, takes place with Capital and Reserves this shift of funds should be classified and reported as a reclassification.

Income and expenses processed directly in equity of associates

This item refers to the net revaluations of assets and liabilities not recorded in the profit and loss account. It includes the exchange rate effects ensuing from the translation of functional currencies into presentation currencies and revaluation of pension liabilities. This involves the accumulated value of revaluations booked in the current year as well as the preceding years.

Unpaid earnings or funds (including general and specific reserves); This item includes all reserves and other moneys that are not distributed to the shareholders. Building up reserves may be a statutory requirement to protect the institution against potential losses on specific activities. Profits after taxes not distributed to the shareholders (retained profits) also accumulate under this component, usually on an annual or quarterly basis.

Provisions

This item includes general and specific provisions relating to loans, securities and other assets types. Provisions for potential future write-offs do not affect outstanding loans and therefore do not have an impact on the assets side. If a loan for which a provision was made is eventually written off, the written-off amount is deducted from the loans and deposits item. The counterpart for this item on the liabilities side is the item Capital and reserves, of which: provisions.

Debt securities issued

All debt securities issued by the reporting institution have to be reported under "debt securities issued", irrespective of where they were issued and where they are held in safekeeping. As the reporting institution does not usually know who holds the debt securities it issued, debt securities issued have to be reported under the "not allocated" sector. Debt securities are defined as securities which give the holder the unconditional right to a fixed or contractually determined income in the form of coupon payments and/or a stated fixed sum at a specific date or dates, or starting from a date defined at the time of issue. In principle, these securities have to be negotiable on secondary markets. One indication that a debt security is negotiable in principle is the existence of an ISIN for that security.

In addition, these financial instruments may not grant the holder any ownership rights over the issuing institution. Non-participating preference shares are an exception, and should be recorded under debt securities issued. Convertible loans have to be included under debt securities issued for as long as the

debt securities are not converted into shares. Once the loan has been converted into share capital, the instrument is removed from "debt securities issued" and is instead included under "capital and reserves".

Accrued interest on debt securities may not be added to the stocks, but instead has to be reported as interest payable under the relevant of-which row under other assets ("interest payable on securities").

Own debt securities issued will mostly be considered loan capital and therefore not be classified as capital. In very exceptional cases, however, own debt securities issued may be structured in such a way that, from a business and economic perspective, the securities can be considered capital (in which case it is entered under "capital and reserves").

Example

A few banks received support from the Dutch State during the financial crisis. In some cases, this support was provided in the form of a convertible bond loan (Mandatory Convertible Note) that was structured in a way that means the loan can be counted as part of the bank's capital (from the perspective of prudential supervision).

Loans and deposits taken / Loans and Deposits Received

Loans and deposits taken consist of all funds that are not obtained by means of the issuing of securities. Loans and deposits taken have to be reported at nominal value. The principal amount of a loan is decreased when the reporting institution repays the loan taken, while the principal amount of a deposit is decreased when the creditor reduces its deposit placed with the reporting institution. The difference between loans and deposits depends on which party took the initiative to enter into the financial relationship. If the borrower takes the initiative, the item has to be reported under loans. By contrast, cases where the lender took the initiative to enter into the relationship have to be reported as deposits. Funds received on a trust basis must not be recorded under this item.

Non-negotiable debt securities (i.e. which do not have an ISIN) issued by the reporting institution have to be reported under "loans and deposits taken".

Margin deposits placed under derivative contracts have to be classified as "loans and deposits received" if they:

- represent cash collateral (deposited with the reporting institution);
- remain in the ownership of the depositor; and
- are repayable to the depositor when the contract is closed out.

Based on market practice, margin received are only to be classified under "loans and deposits received" to the extent that the reporting institution is provided with funds that cannot be lent out again automatically. Where part of the margin received by the reporting institution has to be passed on to another player in the derivatives market (e.g. the clearing house), only the part remaining at the disposal of the reporting institution is to be classified under "loans and deposits taken". Owing to the complexity of the market, it is difficult to determine which margin deposits form funds that the reporting institution can lend out again and which margin deposits are actually repayable, as different types of margin may be

placed in the same accounts without any distinction being made. In such cases, all these margin deposits may be classified under "loans and deposits taken".

Shares issued by reporting institutions have to be reported as "loans and deposits taken" instead of as capital and reserves if an account holder of the reporting institution has purchased shares in that reporting institution (this is therefore a debtor-creditor economic relationship between the issuing reporting institution and the holder, regardless of any property rights in these shares), and, if the shares can be converted into currency or redeemed without significant restrictions or penalties for the account holder. A notice period is not considered to be a significant restriction. In addition, such shares have to comply with the following conditions:

- the relevant national regulatory provisions provide no unconditional right to the issuing reporting institution to refuse redemption of its shares;
- the shares are "value certain", i.e. under normal circumstances they will be paid out at their nominal value in the event of redemption; and
- in the event of the reporting institution's insolvency, the holders of its shares are not legally obliged to guarantee outstanding liabilities in excess of the nominal value of the shares (i.e. the shareholders' participation in the subscribed capital), nor to any other supplementary obligations. The subordination of shares to any other instrument issued by the reporting institution does not qualify as a supplementary obligation.

The notice periods for the conversion of such shares into currency form the basis for the classification of these shares according to the breakdown by notice period within the instrument category "loans and deposits taken".

- Of which: notional cash pooling

The part of loans and deposits taken that relates to notional cash pooling activities. See also the respective item under assets.

- Of which: other loans and deposits received

This item covers all loans and deposits received other than those under notional cash pooling.

Overnight deposits (liability)

Overnight deposits are deposits which are convertible into currency and/or which are transferable on demand by cheque, banker's order, debit entry (e.g. debit card payment) or similar means, without significant delay, restriction or penalty.

This item includes:

- balances (interest-bearing or not) which are convertible into currency on demand or by close of business on the working following that on which the demand was made, without any significant penalty or restriction, but which are not transferable;
- balances (interest-bearing or not) representing prepaid amounts in the context of "hardware-based" or "software-based" e-money (e.g. electronic purses);
- loans to be repaid by close of business on the working day following that on which the loan was granted;
- day-to-day money, call money and fixed call loans repayable within one day

- Of which: balances on prepaid cards

Payment methods (interest-bearing or not) on which balances can be stored for the purpose of making payments (e.g. in the form of balances on electronic purses).

- Of which: transferable

Deposits directly transferable on demand (transferable deposits) are those deposits held in bank accounts that are directly transferable on demand or request (immediately payable) to make payments to other economic agents by commonly used means of payment, such as credit transfer, debit or credit card, without delay, restriction or penalty. Deposits from which funds can only be withdrawn through another account, or deposits that can only be used for cash withdrawal, are not directly transferable. Transferable deposits are therefore deposits that allow the holder to access amounts the same day that they are demanded.

- Of which: deposits with a savings character

Overnight deposits with a savings character cover deposit balances (interest-bearing or not) which are immediately convertible into currency on demand or by close of business on the day following that on which the demand was made, without any significant penalty or restriction, but which are not transferable (see definition of "overnight deposit, of which transferable" above), and must be classified as deposits with a savings character.

This includes deposit accounts, such as some online-only accounts, that do not have payment instruments attached (e.g. debit card or direct transfers to third parties) and are only accessible via transfers to other accounts, to the extent that they do not carry an agreed maturity or a period of notice, even if the conversion into currency may involve a delay owing to the clearance time of the transfers. Examples are online savings accounts where the customer normally has to transfer balances to a payments account in order to actually access the funds, and online accounts that are similar to a savings account in nature and from which balances may be transferred directly to the account of a third party. The savings character is represented by the deliberate choice of the depositor to transfer, one-off or recurring, funds in the accounts, usually to obtain a higher deposit rate on their funds.

Deposits that are subject to significant penalty and restrictions, even if they are legally redeemable on demand, should not be classified as overnight deposits. These restrictions and penalties are as follows:

- if accessing the funds is later than close of business of the next working day, then the deposits do not qualify as overnight deposits
- if accessing the funds is subject to any financial penalty, then the deposits do not qualify as overnight deposits
- if accessing the funds is subject to any limitations on the frequency with which or the amount of the funds that can be accessed, then the deposits do not qualify as overnight deposits.

Temporary restrictions that can be alleviated at short notice by the deposit account holder (e.g. adjustment of daily transfer limits via an application) do not count towards the penalties and restrictions, unless they result in a significant delay (i.e. later than close of business of the next working day) in accessing the funds.

Other deposits

Non-transferrable deposits cannot be converted into currency before the end of a fixed term or without giving notice unless the holder pays a form of penalty. Other deposits can be sub-divided into fixed-term deposits, deposits redeemable at notice, repurchase agreements and long-term loans.

Deposits with agreed maturity

Deposits with agreed maturity are non-transferable deposits which cannot be converted into currency before the end of a fixed term or that can only be converted into currency before the end of that agreed

term if the holder pays some kind of penalty. Financial products with roll-over provisions have to be classified according to the earliest maturity. Although fixed-term deposits may feature the possibility of earlier redemption after prior notification, or may be redeemable on demand subject to certain penalties, these features are not considered to be relevant for classification purposes. The fact that the deposit initially had a fixed term determines the classification.

This item consists of the following:

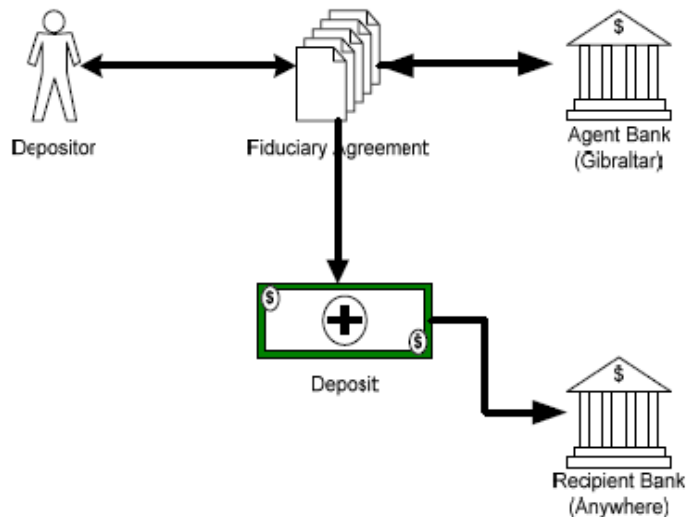
- Balances placed with a fixed term that are non-transferable and cannot be converted into currency before that maturity;
- Balances placed with a fixed term that are non-transferable but can be redeemed after prior notification;
- Balances placed with a fixed term that are non-transferable but can be redeemed on demand subject to a penalty;
- Margin payments made under derivatives contracts representing cash collateral placed to protect against credit risk but remaining in the ownership of the depositor and being repayable to the depositor when the contract is closed out;
- Non-negotiable debt securities issued by the reporting institution;
- Subordinated debt issued by the reporting institution in the form of deposits or loans;
- Securitisation liabilities, i.e. the counterpart of loans and/or other assets disposed of in a securitisation but still recognised on the statistical balance sheet of the MFI. By convention these liabilities are assigned to the maturity breakdown fixed term of "over two years";
- Deposits related to building loans (classified in the maturity category "one year or less");
- Positions built up by depositing amounts for savings-based mortgages;
- Balances related to "bank savings". These are to be classified in the maturity category "over two years";
- Administratively regulated savings deposits where the maturity-related criterion is not relevant. These are to be classified in the maturity category "over two years";
- Gross amounts payable related to suspense accounts that are closely linked to fixed-term deposits.

Deposits redeemable at notice

Deposits redeemable at notice include:

- Balances without a fixed term that can be withdrawn only subject to prior notice;
- Balances with a fixed term that are non-transferable but that have been subject to a notification for an earlier redemption;
- Balances which, although legally redeemable on demand, are subject to significant penalties;
- Investment accounts without a period of notice or fixed term, but which contain restrictive drawing provisions;
- Balances in company savings scheme accounts related to salary savings schemes that has already been released;
- Balances related to the life course planning scheme. These have to be classified as deposits with a period of notice of over three months (where applicable these deposits also have to be classified in the maturity category "more than one year");
- Gross amounts payable related to suspense accounts that are closely linked to deposits redeemable at notice.

- Fiduciary deposits that are held at a reporting bank have to be included under “deposits redeemable at notice” vis-à-vis the counterparty sector of the deposit holder (not the ‘agent bank’). Deposits between an ‘agent bank’ and a reporting bank / recipient bank are not normally based on a trust agreement, in contrast to the deposit made by the customer at the agent bank (which therefore has to remain off the books of the agent bank, see figure). In effect, the money is deposited with the bank by the agent bank, acting on behalf of the customer.



Total savings is the sum total of fixed-term deposits and deposits redeemable at notice.

Customers can earn a loyalty bonus (interest) on some deposits, i.e. term or notice deposits. Irrespective of the loyalty bonus, all types of deposit must be classified in full by the type of deposit and their original maturity, in view of the customer's option to withdraw the funds without restrictions other than loss of the bonus.

Repos (Repurchase agreements)

Repurchase agreements, also known as repos, are agreements under which the reporting institution receives funds in exchange for securities it sold at a given price purchased under a firm commitment to repurchase the same (or similar) securities at a fixed price on a specified future date. Amounts received by the reporting institution in exchange for securities transferred to a third party (i.e. the temporary acquirer) are to be reported under "repurchase agreements" where there is a firm commitment to reverse the operation and not merely an option to do so. This implies that reporting institutions retain all risks and rewards of the underlying securities during the operation. The characteristic feature of repurchase agreements and similar products is that the economic ownership does not change and the rewards revert to the economic owner as a consequence. Where this is not the case, the instrument cannot be considered a repurchase agreement. There are a number of different kinds of products that have the characteristics of a repurchase agreement. There are instruments where dividends are passed on to the economic owner immediately upon distribution (true repurchase agreements) and instruments where dividends are passed on when the securities are repurchased (in this case, known as a sell/buy back, the economic owner does not pay as much in order to buy the securities back). In the past, sell/buy backs were used within the

financial community in the case of dividend stripping. In this strategy, a party enters into a sell/buy back transaction just before a dividend is paid, as the profit on a sell/buy back can be recognised as a gain on a sale, which contrasts with a repurchase transaction where the dividend that is passed on is treated as dividend and also subject to dividend tax. By entering into a sell/buy back, a party avoided having to pay dividend tax.

Reporting institutions have to report sell/buy backs under "repurchase agreements" as the construction of this instrument shows strong similarities to a true repurchase agreement. A crucial feature of these instruments is that the economic ownership of the securities does not change.

The following variants of repurchase-type operations are classified under "repurchase agreements":

- amounts received in exchange for securities temporarily transferred to a third party on a temporary basis in the form of a sale/buy-back agreement.
- amounts received in exchange for securities temporarily transferred to a third party on a temporary basis in the form of securities lending against cash collateral.

Securities sold on a temporary basis have to remain on the balance sheet of the reporting institution as there is no change in the economic ownership of the securities.

Long-term loans (maturity of over 2 years)

All instruments that are classified in the product breakdown of the banks as long-term loans (insofar as they have an original maturity of over two years) are to be entered under this item. Long-term loans with a maturity of two years or less have to be classified under "fixed-term deposits". In the case of long-term loans, the raising of deposits was initiated by the reporting institution, which contrasts with deposits, which are placed with the reporting institution on the initiative of the counterparty.

Financial derivatives

Financial derivative instruments that are subject to on-balance-sheet recording and that have a negative market value at the end of the reporting month, and therefore represent a liability, have to be reported under "financial derivatives" on the liabilities side of the balance sheet. For the definition, please refer to "financial derivatives on the asset side.

Other liabilities

Other liabilities forms a residual item on the liabilities side of the balance sheet, defined as "liabilities not included elsewhere".

This item includes, among other things:

- Interest payable (accrued interest) on deposits and loans;
- Interest payable on debt securities issued;
- Amounts payable not related to the main business of the reporting institution, e.g. amounts due to suppliers, tax, wages, social contributions;
- Provisions representing liabilities against third parties, e.g. pensions and dividends;
- Net positions related to securities lending operations where no cash collateral has been provided;
- Amounts payable in respect of future settlements of transactions in securities;
- In the case of FVCs: counterparts for valuation differences between the nominal value and purchase price of loans;
- Amounts payable in respect of suspense items and accruals (transit items).

- Differences between assets and liabilities arising from different valuation principles between monetary and accounting guidelines.
- Positions under irrevocable payment commitments (IPC) vis-à-vis the SRB with securities or cash collateral.

- *Of which: interest payable on deposits*

Reporting institutions have to record interest payable on loans and deposits under "other liabilities", in the appropriate of-which item ("interest payable on deposits"). The interest payable is the total amount of interest accrued up to that time (i.e. not only the interest accrued during the relevant reporting month) that is repayable by the reporting institution to its creditors, including its own MFI entities.

- *Of which: accruals (transit items)*

Accruals are financial claims arising as a result of timing differences between accrued transactions and payments made in respect of, for example:

- wages and salaries;
- taxes and social contributions;
- dividends;
- rent;
- purchase and sale of securities.

Accruals do not include:

- statistical discrepancies other than timing differences between transactions in goods and services, distributive transactions or financial transactions and the corresponding payments;
- early or late payment in the creation of financial assets or the redemption of liabilities other than those classified under "other accruals". These early or late payments are classified in the relevant instrument category;
- the amount of taxes and social contributions payable to the general government sector that has to be included under "other accruals" omits that part of these taxes and social contributions which is unlikely to be collected, and which therefore represents a general government claim of no value.

- *Of which: other remaining liabilities*

This item includes all other liabilities not reported under interest payable on deposits and securities, accruals and valuation differences for debt securities (market-nominal).

Total liabilities

This item is the sum of all of the items on the liabilities side of the MFI's balance sheet.

Sector classification

General

The sectors are described in detail in this section. It starts with an explanation of each of the sectors. More detailed explanations and details of the subdivision into sub-sectors can be found in the ECB Sector Manual.¹⁵ This document contains detailed guidance on sectorisation and a specific section on the Netherlands and Dutch institutions, and gives examples for all sectors. The main conclusions drawn in the document are reproduced verbatim in the following sector descriptions.

Sector descriptions

Total MFIs

A monetary financial institution (MFI) is a resident credit institution as defined in Community Law or another resident financial corporation whose business is both to receive deposits and/or close substitutes for deposits from entities other than MFIs and, on their own account (from an economic perspective at least), to grant credits and/or invest in securities. The MFI sector encompasses four sub-sectors:

Table 3: Composition of MFI sector

Composition of MFI sector		
<i>Monetary financial institutions (MFIs)</i>	Central bank	
	Other MFIs (OMFIs)	Credit institutions (as defined in Article 4(1)(1) of Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms)
		Deposit-taking corporations other than credit institutions
		Money market funds

Inclusion in the MFI list of the ECB is compulsory for MFIs established in the European Union.¹⁶ This list is updated daily.

Central bank

This is the national central bank of the country in question. The central bank sector consists of all financial corporations and quasi-corporations whose principal function is to issue currency, to maintain the internal and external value of the currency, and to hold all or part of the international reserves of the country.

Credit institutions

The credit institutions sector (S.122) consists of all financial corporations and quasi-corporations, except those classified in the central bank and in the money market fund (MMF) sub-sectors, which are principally

¹⁵ <http://www.ecb.int/pub/pdf/other/mfimarketstatisticssectormannual200703en.pdf>

¹⁶ http://www.ecb.europa.eu/stats/money/mfi/general/html/monthly_list.en.html

engaged in financial intermediation and whose business is to receive deposits from institutional units and, for their own account, to grant loans and/or to make investments in securities.

Credit institutions within own group

All positions held by banks with other credit institutions in their own group have to be reported here. These credit institutions will, by definition, be foreign credit institutions (within the bank's own group) as the domestic credit institutions within its own group form part of the basis of consolidation of the domestic MFI's business and have to be included in the consolidated report. When considering whether a credit institution forms part of the group or not, the decision is to be made on the basis of the basis of consolidation used in the consolidated report of the parent (see the country risk report, 8023, for an example). If a parent group has two branches with independent legal status that are both included in the same basis of consolidation, any positions that these branches have in relation to each other are to be treated as positions towards credit institutions within own group.

Credit institutions outside own group

Credit institutions outside own group are credit institutions with which the reporting institution may have positions and which do not come under sector *Credit institutions within own group*.

Other institutions

Other institutions are MFIs excluding national central banks, credit institutions and money market funds (MMFs). The ECB uses the term "other deposit-taking corporations", which it defines as follows:

1. Corporations principally engaged in financial intermediation and whose business is to receive deposits and/or close substitutes for deposits from institutional units, not only from MFIs and for their own account, at least in economic terms, to grant loans and/or make investments in securities, or
2. Electronic money institutions, as defined in Article 2(1) and (2) of Directive 2009/110/EC, that are principally engaged in financial intermediation in the form of issuing electronic money.

The list of MFIs maintained by the ECB contains an up-to-date register of institutions that are included in this category.

Money market funds

The money market funds sector (S.123) consists of all financial corporations and quasi-corporations, except those classified in the central bank and in the credit institutions sub-sectors, which are principally engaged in financial intermediation and whose business is to receive shares or units in investment funds, which are close substitutes for deposits, from institutional units and, for their own account, to make investments, primarily in shares or units issued by money market funds, short-term debt securities, and/or deposits. Money market funds established within the euro area are included in the list of MFIs.

Total government and private sector

This consists of all institutions that are classified as forming part of the government or private sector.

Government

This sector includes all resident units which are principally engaged in the production of non-market goods and services intended for individual or collective consumption and/or in the redistribution of national income and wealth. The government sector is sub-divided into two sub-sectors: central government and other government. In turn, other government can be sub-divided into state government, local government and social security funds.

The "Sectortoekenning-NL-Overheid" file, which can be accessed through e-Line DNB (<http://www.dnb.nl/statistiek/eline-dnb/monetaire-instellingen/index.jsp>), contains a list of all individual institutions that are classified as part of the government, together with an indication of their classification by counterparty sector.¹⁷ The first worksheet contains a breakdown by central government, local government and social security funds.

Central government

Central government consists of administrative departments of the state and other central agencies whose competence extends over the whole economic territory, except for the administration of social security funds. Central government consists of the State, universities, public corporate organisations and non-profit institutions controlled and financed by government.

Other government

Other government consists of all government units that are not classified as central government. These consist of state governments, local governments and social security funds.

State government

Separate institutional units exercising some of the functions of government at a level below that of central government and above that of local government, except for the administration of social security funds, are described as state government. This sector only applies to a few countries, which include Austria, Belgium, Germany, Portugal and Spain.

Local government

Local government consist of public authorities whose competence extends only to a local part of the economic territory. This sub-sector consists of municipalities, communal arrangements, public water boards, independent public education and local non-profit institutions. The management of local social security funds is not classified in this sub-sector.

Social security funds

Social security funds are central, state and local institutional units whose principal activity is to provide social benefits.

Private sector

All corporations not classified in the MFI or government sectors.

Of which: non-bank within own group

Corporations within the reporting institution's own group that are not classified in the MFI or government sectors.

Other financial institutions (OFIs)

Other financial institutions (OFIs) are a sub-sector of financial corporations and quasi-corporations other than insurance corporations and pension funds which are principally engaged in financial intermediation by incurring liabilities in forms other than currency, deposits (or close substitutes for deposits), investment fund shares/units, or in relation to insurance, pension and standardised guarantee schemes for institutional units.

¹⁷ <http://www.dnb.nl/statistiek/eline-dnb/monetaire-instellingen/index.jsp>.

Examples include specialised financial corporations such as investment funds, FVCs, lease companies, venture and development capital companies (such as private equity firms), holding companies which only control and direct a group of subsidiaries which are principally engaged in financial intermediation and/or in auxiliary financial activities (financial holding companies), asset managers, insurance brokers, securities brokers and corporations providing stock exchange.

It should be noted that holding companies of financial corporations and of non-financial corporations are classified in the OFI sector (in particular S.127).

The box below contains a list of several high-profile counterparties which are classified in the OFI sector, although this is not immediately apparent from their name. The following list is not exhaustive.

Table 4: Selection of important OFIs

Name of OFI	
<i>ABN AMRO Asset Based Finance BV</i>	<i>ING Lease Nederland BV</i>
<i>Achmea BV</i>	<i>NN Groep NV</i>
<i>Aegon NV</i>	<i>NIBC Holding NV</i>
<i>Allianz Nederland Groep NV</i>	<i>Obvion NV</i>
<i>Altera Vastgoed NV</i>	<i>Orix Corporation Europe</i>
<i>APG Groep BV</i>	<i>PGGM NV</i>
<i>ASR Nederland NV</i>	<i>Quander Consumenten Finance BV</i>
<i>BNP Paribas Personal Finance BV</i>	<i>Quion 9 BV and other Quion entities</i>
<i>Coöperatie Univé UA</i>	<i>Rabo Lease BV</i>
<i>Credit Agricole Consumer Finance Nederland BV</i>	<i>Rabo Merchant Bank NV</i>
<i>Euronext NV</i>	<i>Robeco Groep NV</i>
<i>Generali Verzekeringsgroep NV</i>	<i>Vereniging Achmea</i>
<i>ING Groep NV</i>	<i>Vereniging Aegon</i>

The OFI sector is subdivided into collective investment undertakings, FVCs, CCPs and other OFIs (SIFs, Remaining other financial intermediaries, Financial auxiliaries, Captive financial institutions and money lenders (S.127)) in a number of reporting forms.

Investment funds

The investment funds sector (i.e. investment funds and investment companies) (S.124) consists of all collective investment schemes, with the exception of those that are classified as in the money market fund sub-sector, which are principally engaged in financial intermediation. Their business is to receive shares or units in investment funds that are not close substitutes for deposits, from the public (i.e. retail/private, professional and institutional investors) and, for their own account, to make investments, primarily in financial assets other than short-term financial assets and in non-financial assets. Investment funds include equity funds, bond funds, mixed funds, real estate funds and hedge funds, as well as other funds such as private equity funds, ETFs and funds that invest in infrastructure. Unit-linked investment funds (also known as insurance funds), in which the investments are linked to insurance products, are not included under investment funds. Also real estate companies are excluded from the investment firms, they should be classified as financial auxiliary.

An investment fund is considered to be an undertaking for collective investment if there is, or can be, more than one investor.

Financial Vehicle Corporation (FVC) (see also Part 3)

Financial Vehicle Corporations (FVCs), also known as Special Purpose Entities (SPEs) or Special Purpose Vehicle (SPVs) engaged in securitisation transactions, constitute a sub-sector of "other financial intermediaries except insurance corporations and pension funds (S.125)" and have to be identified separately. The FVC sub-sector generally consists of limited companies or limited partnerships, created to fulfil narrow, specific or temporary objectives and to isolate a financial risk, a specific taxation or a regulatory risk. There is no common definition of an FVC, but the following characteristics are typical:

- a) FVCs have no employees and no non-financial assets;
 - b) they have little physical presence beyond a brass plate confirming their place of registration (brass plate companies);
 - c) they are always related to another corporation, often as a subsidiary;
 - d) they are managed by employees of another corporation which may or may not be a related one.
- The SPE pays fees for services provided to it and in turn charges its parent or other related corporation a fee to cover these costs. This is the only production the SPE is involved in, although it will often incur liabilities on behalf of its owner and will usually receive investment income and holding gains on the assets it holds.

When assessing whether an entity is an FVC, it is necessary to consider the entire structure, including any relationships with other entities. An essential criterion in this respect is that this structure has ultimately been used to issue debt securities or loans that have similar characteristics to securities (e.g. in terms of marketability), credit derivatives and/or guarantees for the purpose of financing the transfer of assets or risks to the FVC.

For information on FVCs established in the euro area, please see the list of financial vehicle corporations that is available on the website of the ECB.¹⁸

Central counterparties (CCPs)

A central counterparty (CCP) is an entity that legally interposes itself between counterparties to contracts traded in financial markets, becoming the buyer to every seller and the seller to every buyer. An exhaustive, up-to-date list of CCPs can be found on the following website of the European Commission.¹⁹ Exception to this list are Banque Centrale de Compensation, LCH Clearnet S.A. and EUREX Clearing AG, which should be classified as an MFI in accordance with its registration as credit institution.

Banks that are also clearing members, e.g. Euroclear Bank, are members of clearing institutions but are not CCPs themselves. The same applies in the case of banks that are settlement institutions.

Financial auxiliaries (S.126)

The following financial corporations and quasi-corporations belong to the financial auxiliaries sub-sector:

- a) insurance brokers, salvage and average administrators, insurance and pension consultants, etc.;
- b) loan brokers, securities brokers, investment advisers, etc.;
- c) flotation corporations that manage the issue of securities;

¹⁸ <http://www.ecb.int/stats/money/mfi/html/index.en.html>.

¹⁹ http://mifidatabase.esma.europa.eu/Index.aspx?%20sectionlinks_id=24&language=0&pageName=CEN.

- d) corporations whose principal function is to guarantee, by endorsement, bills and similar instruments;
- e) corporations which arrange derivative and hedging instruments, such as swaps, options and futures (without issuing them);
- f) corporations providing infrastructure for financial markets;
- g) central supervisory authorities of financial intermediaries and financial markets when they are separate institutional units;
- h) managers of pension funds, mutual funds, etc.;
- i) corporations providing stock exchange and insurance exchange;
- j) non-profit institutions recognised as independent legal entities servicing financial corporations, but not involved in financial intermediation;
- k) payment institutions (facilitating payments between buyer and seller).

Captive financial institutions and money lenders (S.127)

This sub-sector consists of all financial corporations and quasi-corporations which are neither engaged neither in financial intermediation nor in providing financial auxiliary services and where most of either their assets or their liabilities are not transacted on open markets. In particular, the following financial corporations and quasi-corporations are classified in this sub-sector:

- a) units as legal entities such as trusts, estates, agencies accounts, personal investment companies or brass plate companies;
- b) holding companies that own controlling-levels of equity of a group of subsidiaries and whose principal activity is owning the group without providing any other service to the corporations in which the equity is held, that is, they do not administer or manage other units;
- c) SPEs that qualify as institutional units and raise funds in open markets to be used by their parent corporation;
- d) units which provide financial services exclusively with own funds, or funds provided by a sponsor, to a range of clients and incur the financial risk of the debtor defaulting. Examples are money lenders, corporations engaged in lending to students or for foreign trade from funds received from a sponsor such as a government unit or non-profit institution, and pawnshops that predominantly engage in lending;
- e) special purpose government funds, usually called sovereign wealth funds, if classified as financial corporations.

Insurance corporations and pension funds

Insurance corporations and pension funds are defined as financial corporations and quasi-corporations principally engaged in financial intermediation as the consequence of the pooling of risks. This covers supervised pension funds and insurance companies and also pension funds and insurance corporations that are not subject to supervision. Insurance corporations include life insurance corporations, non-life insurance corporations and reinsurance corporations, as well as 'spaarkassen', 'jaarkassen' and guarantee fund (waarborgfonds). The sector also includes social insurance institutions organised under private law. These institutions implement social insurance arrangements that are beyond the control of the government. Holding corporations of insurance corporations that do not themselves engage in insurance operations do not form part of this sector but are instead classified in the OFI sector, like intermediaries. So-called 'stamrecht b.v.' are not part of the pension fund sector, but similar to private insurance companies classified under households. Registers (lists) of insurance corporations and pension funds operating in the

Netherlands, including the location of their registered office, can be found on the relevant insurance, reinsurance and pension fund pages of DNB's website.²⁰

Systemic investment firms

Systemic investment firms (SIFs) are investment firms whose total eligible assets exceed EUR 30 billion (either solo or on a group basis). They will be required to apply for a license as a credit institution and may be subject to ECB supervision. A list of financial institutions can be found on: https://www.ecb.europa.eu/stats/financial_corporations/list_of_financial_institutions/html/index.en.html

Remaining other financial intermediaries

This includes companies that are not covered by the other S.125 categories but, as financial intermediaries, carry out transactions on their own account in the financial markets, thereby acquiring financial assets and making commitments which are thereby transformed in terms of maturity, size, risk, etcetera.

This includes:

- Financial institutions engaged in lending, such as financial leasing, hire purchase, consumer credit (including mortgages) and trade credit, and factoring:
- Traders in securities and derivatives (for own account) such as 'market makers' (as far as no SIF):
- Other specialized financial institutions such as venture capital and development capital companies (e.g. private equity firms) and export/import finance companies.

Non-financial corporations

The non-financial corporations sector (S.11) consists of institutional units which are independent legal entities and market producers, and whose principal activity is production of goods and non-financial services. This sector also includes non-financial quasi-corporations.

It also includes head offices controlling a group of corporations which are market producers, where the preponderant type of activity of the group of corporations - measured on the basis of value added - is the production of goods and non-financial services. Head offices can be defined as locations with the following activities: the overseeing and managing of the company or enterprise; undertaking the strategic or organisational planning and decision-making role of the company; exercising operational control and managing the day-to-day operation of their related units.

A holding company that holds the assets of subsidiary corporations but does not undertake any management activities is a captive financial institution (S.127) and classified as a financial corporation. It is therefore not the same as a head office. Holding companies can be defined as units that hold the assets (owning controlling-levels of equity) of a group of subsidiary corporations and whose principal activity is owning the group. The holding companies in this class do not provide any other service to the corporations in which they hold equity, i.e. they do not administer or manage other units.

In the case of corporations with multiple business activities, the commercial activity that generates at least 50% of the value added determines the sector allocation. The following specific rules also apply in cases where doubts are known to arise:

²⁰ <https://www.dnb.nl/openbaar-register/>

- Shell companies (also known as cash companies or cash shells) do not form part of the non-financial corporations sector and are instead classified as OFIs. A non-financial corporation that becomes a shell company has to be reclassified.
- Holding companies or other “controlling” corporations are allocated to the non-financial corporations sector if at least 50% of the value added by its subsidiaries is generated by activities that consist of the production of goods or non-financial services. In all other cases, they are to be allocated to the OFI sector.

Non-financial corporations can be broken down further into non-financial private corporations and non-financial public corporations.

Non-financial private corporations

All private corporations, institutions or funds engaged in non-financial services or the production of goods with the aim of making a profit have to be classified in this column. These include all listed companies (with the exception of OFIs, see above), other private limited companies (*besloten vennootschap* or *BV*), partnerships (*firma*), and public limited companies (*naamloze vennootschap* or *NV*) that are in private ownership (over 50% of shares are held privately). Housing corporations (*woningbouwcorporaties*) and private hospitals are also considered non-financial private corporations.

Non-financial public corporations

All public corporations, institutions or funds engaged in non-financial services or the production of goods with the aim of making a profit have to be classified in this column. These include all corporations with public ownership in excess of 50%, such as railways, airports, public hospitals and the like.

Households

Private households plus non-profit institutions serving households.

Private households

This is the institutional sector of the economy that includes all natural persons in households who have resided in the Netherlands for more than one year, irrespective of their nationality. Conversely, Dutch citizens who have lived abroad for more than one year are not included in this sector.

Besides people living alone or as part of a family, the households sector also includes people who live in nursing homes, retirement homes, prisons and boarding schools. If any of the persons forming part of a household own a business (or a so-called ‘stamrecht b.v.’), this business is also included in the households sector. This is the case for self-employed persons and home owners.

Many freelancers and self-employed persons are sole traders, and for this reason they belong in the households sector. Members of the professions (e.g. lawyers, civil-law notaries, general practitioners, medical specialists, artists, dentists and auditors, etc.) are also classified as households, unless they carry on their activities through a legal entity.

By contrast, large independently operating corporations without independent legal status (quasi-corporations) are included in the non-financial corporations sector or the financial corporations sector.

Non-profit institutions serving households

The non-profit institutions serving households (NPISHs) sector (S.15) consists of non-profit institutions which are separate legal entities, which serve households and are private non-market producers. Their principal resources are voluntary contributions in cash or in kind from households in their capacity as

consumers, from payments made by general governments and from property income. The NPISHs sector includes the following main kinds of NPISHs that provide non-market goods and services to households:

- a. trade unions, professional or learned societies, consumers' associations, churches and religious societies (including those financed but not controlled by the government), and social, cultural, recreational and sports clubs; and
- b. charities, relief and aid organisations financed by voluntary transfers in cash or in kind from other institutional units.

Sole proprietorships and partnerships without legal status (sub-population of 'Households')

This sector a sub-sector of the household sector and is combined with the only instrument, 'Other Loans' for which separate identification is required. Sole proprietorships and partnerships without independent legal status, other than those created as quasi-corporations, and which are market producers. Examples are general partnerships (vennootschap onder firma, vof), professional partnership (maatschap) or limited partnership (commanditaire vennootschap, cv) consisting of natural persons classified under the household sector. Sole proprietorship ('eenmanzaak') is not limited to sole traders without employees (i.e. ZZP-ers, free lancers).

Total sectors

This item includes all institutional units that are in the MFI, government and private sectors.

Not allocated

Balance sheet items that cannot be allocated to a specific country or sector have to be reported under this "sector".

Grand total

This item is the total for all sectors including the unallocated portion.

Sector classification of international organisations

See table 5 for the classification of a selection of international organisations. MFIs should report positions vis-à-vis international organisations like the OECD, NATO and OPEC under Central Government – *Other regional and international organisations*. A list of international organisations is also available in the "ECB Sector Manual".²¹ There are, however, exceptions to this rule for organisations that somehow engage in banking activities (e.g. the IMF and BIS).

Table 5: Classification of international organisations

Name	Abbreviation	Counterparty sector	Country member (see BSI taxonomy under 'Hierarchies')
Bank for international settlements	BIS	MFI (Central bank)	Bank for International Settlements (BIS)
European Central Bank	ECB	MFI (Central bank)	European Central Bank
European Investment Bank	EIB	OFI (Remaining other financial intermediaries)	European Investment Bank

²¹ <http://www.ecb.int/pub/pdf/other/mfmarketstatisticssectormanual200703en.pdf>.

European Financial Stabilisation Facility	EFSF	Central government	European Financial Stabilisation Facility (EFSF)
European Stability Mechanism	ESM	Central government	European Stability Mechanism (ESM)
International Monetary Fund	IMF	MFI (Credit institutions outside own group)	International Monetary Fund (IMF)
Single Resolution Board	SRB	Central government	Single resolution board

In case of doubt about the correct classification of an international organisation, please contact DNB.

Table 6: Sector classification

SBI2008 current version ²²	Description	Further breakdown	Institution al sector	sector monetary reporting
64.11	Central banking		S.121	Central bank
64.19.x ²³	Other monetary intermediation/other monetary financial institutions (OMFI)		S.122	Credit institutions (as defined in Article 4(1)(1) of Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms)
64.20	Financial holdings		S.125	OIFs ex. CCPs/FVCs
64.30.x	Investment funds		S.123	Money market funds
			S.124	Investment funds
64.9x.x	Credit granting and other financial intermediation		S.123	FVCs CCPs SIFs Remaining other financial intermediaries Financial auxiliaries Captive financial institutions and money lenders (S.127)
66.xx.x	Other financial services	With legal entity status	S.126	SIFs Remaining other financial intermediaries Financial auxiliaries Captive financial institutions and money lenders (S.127)
		Independent, without legal entity status	S.14	Private households
		Quasi-corporation, without legal entity status	S.126	SIFs Remaining other financial intermediaries Financial auxiliaries Captive financial institutions and money lenders (S.127)
65.1x.x 65.2x	Insurance Reinsurance		S.128	Insurance corporations

²² Link to SBI: <http://www.cbs.nl/nl-NL/menu/methoden/classificaties/overzicht/sbi/sbi-2008/default.htm>.

²³ Here, 'x' indicates any digit that may appear in this position.

SBI2008 current version ²²	Description	Further breakdown	Institution al sector	sector monetary reporting
65.3x.x	Pension funding		S.129	Pension funds
84.x	Public administration, public services and compulsory social security	See "Sector- toekenning NL Overheid" file	S.1311 S.1313 S.1314	Central government State government Local government Social security funds
85.x	Education			
Remainde r	See "Sectortoekenning NL Overheid" file		S.1311 S.1313 S.1314	Central government Local government Social security funds
	Sole traders, shipping companies, firms, joint ventures (cooperation agreements, partnership firms (<i>vennootschap onder firma</i> or <i>VOF</i>), limited partnerships, and private or public limited companies in formation		S.14	Private households
	Association, church, foundation	Without market output	S.15	Non-profit institutions serving households
	Other	State-owned corporations not mentioned in the "Sector- toekenning NL Overheid" file.	S.11001 non- financial state- owned corporation s	Non-financial public corporations
		Other	S.11002 non- financial private corporation s	Non-financial private corporations

Part 3: Reporting forms

Introduction

The monetary reports are used for reporting information on securitisations, loans otherwise transferred (and other transfers) and FVCs registered in the Netherlands. The information is provided through five sets of forms:

- Monthly form 9013 (included in the set of forms 9001); this form is used for monthly reporting of loans that are securitised from the balance sheet of a resident MFI via a “true sale” (i.e. traditional) structure or otherwise transferred (but not via synthetic securitisation);
- Quarterly 9013 form (included in the 9001 set of forms); this form is used for quarterly reporting of loans that are securitised from the balance sheet of a resident MFI via a “true sale” (i.e. traditional) structure or otherwise transferred (but not via synthetic securitisation);
- Monthly form 9017 (included in the set of forms 9001); this form is used for monthly reporting of write-downs and other price revaluations on outstanding amounts of securitised loans and loans transferred to (non-) FVCs.
- Quarterly form 9017 (included in the set of forms 9001); this form is used for quarterly reporting of write-downs and other price revaluations on outstanding amounts of securitised loans and loans transferred to (non-) FVCs.

The way in which ‘FVC’ and ‘securitisation’ are used in the forms are defined below. The link between form 9013 and 9017 is then explained. This is followed by information on the individual forms.

Definitions of FVC, securitisation and loans otherwise transferred

The following definitions of FVC and securitisation apply for the purposes of 9013 and 7001 reporting.

FVC

A vehicle which, as part of a securitisation transaction, legally or economically takes over assets and/or credit risks and/or insurance risks and, on the other hand, issues securities, securitisation fund units, other debt instruments and/or financial derivatives and/or owns underlying assets. The FVC is insulated from the risk of bankruptcy or any other default of the originator.

In determining whether an entity is covered by this definition, the full structure, including any relationships with other entities involved, should be taken into account. An essential criterion in this respect is that, in this structure, debt instruments or loans with similar characteristics to debt securities (in terms, for example, of marketability), credit derivatives and/or guarantees are eventually issued to finance the transfer of assets or risks.

The following are not classified as FVCs:

- MFIs in the sense of Article 1 of Regulation (EC) No. 1071/2013 (ECB/2013/33);

- Investment funds in the sense of Article 1 of Regulation (EC) No. 1073/2013 of the European Central Bank of 18 October 2013 concerning statistics on the assets and liabilities of investment funds (ECB/2013/38);
- so-called Covered Bond Companies (CBC) to which collateral of covered bonds issued by banks can be or has been transferred. This is because “covered bonds” are issued by banks. Interest payments and redemption of these securities are direct, unconditional obligations of the “originator”;
- entities that contract private or other loans which are not admitted to trading in a regulated market, which are not eligible assets for refinancing operations by central banks, which are not rated by an external credit assessment institution and which are not distributed by way of private placement to five or more distinct creditors;
- entities which mainly act as first lender and therefore create or originate the loan(s) themselves (and therefore do not take over loans from another lender).

If more than one entity is involved in a securitisation programme (for example, in the case of separate issuing and asset purchasing companies or master trust structures), each of these entities must be classified as an FVC for the purposes of this reporting.

Securitisation

A technique whereby an asset or pool of assets is transferred by an originator to an entity that is separate from the originator and/or whereby the credit risk and/or insurance risk of the asset or pool of assets is transferred by means of the issue of securities, securitisation fund units, other debt instruments, financial derivatives and/or any similar mechanism. Transactions involving issues of covered bonds by banks are not classified as securitisations.

Loans otherwise transferred

These are loans that are not transferred via traditional securitisation to or acquired from another entity, being a non-FVC. Non-FVCs include, for example, resident MFIs, non-resident MFIs and non-MFI counterparties. Loans transferred as a result of a demerger of the reporting institution or of a merger or takeover involving the reporting institution or another resident MFI are not included in this category.

For a full definition of FVC and securitisation, see Article 1 of the ECB Regulation (EC) No. 1075/2013 concerning statistics on the assets and liabilities of financial vehicle corporations (FVCs) engaged in securitisation transactions (ECB/2013/40); see the annex.

Form	9013
Title	MFI securitisations - stocks and flows
Subform 1	Gross flows with impact on the MFI's balance sheet (sale/repurchase)
Subform 2	Net flows without impact on the MFI's balance sheet
Subform 3	Stocks at FVCs of loans securitised by the MFI and removed from the MFI's balance sheet
Subform 4	Stocks of securitised loans not removed from the MFI's balance sheet. For the purposes of this reporting form, "removed from the balance sheet" means deducting all or part of a loan from the loan stocks reported in 9001HK1.
Subform 5	Gross flows of loans otherwise transferred to non-FVC with impact on the MFI's balance sheet (sale/purchase)
Subform 6	Outstanding amount of loans transferred to non-FVCs with impact on reported stock.
Subform 7	Net flows of loans transferred to non-FVCs without impact on reported stock.
Subform 8	Outstanding amount of loans transferred to non-FVCs without impact on reported stock.
Reporting population	Largest banks and smaller banks with securitisation
Frequency	Monthly for largest banks Quarterly for smaller banks with securitisations
Submission period	11th/12th business day after the end of the reporting period

Introduction

If loans are securitised from the resident MFI's balance sheet or otherwise transferred, this affects the development of balance sheet items in the monetary statistics. In order to be able to monitor the impact of securitisations/transfers and to clear out these transactions from the monetary statistics, form 9013 requests stock and/or flow data on securitised loans or loans otherwise transferred. Stock data are also used for compiling statistics on Dutch FVCs.

All data on 9013 forms must be broken down by the country and sector of the loan counterparty (i.e. the borrower). The counterparty's country must be classified as the Netherlands, the euro area excluding the Netherlands, or the rest of the world. The counterparty's sector within these country groups has to be specified via the columns in the form.

Loans divested during the "warehousing phase" of a securitisation (i.e. when the securitisation has not yet been completed because securities or similar instruments have not yet been issued) are treated as if they had already been securitised.

Valuation regulations for 9013

Loans have to be reported in the 9013 form at their outstanding principal (nominal value). This applies both to stocks and flows. Any write-offs before the transfer (but not revaluations) must be deducted from these amounts.

Gross flows with impact on the MFI's balance sheet (9013HK1)

In 9013HK1, the only transactions to be reported (securitisations) are those with an impact on the loan stocks reported on the MFI's balance sheet. As in 9001HK1, these transactions have to be broken down by country/sector of the counterparty (borrower) under **"counterparty country"**.

In order for the net transaction flows to be calculated and the gross flows to be monitored, loan transactions should be reported as two gross components: gross sales (i.e. *derecognition*) and gross repurchases (i.e. *rerecognition*). These two components are shown under **"gross flows"**. Repayments of securitised loans should not be reported as gross flow.

It should also be specified in 9013HK1 whether there has been a transfer to an FVC and, if so, the country in which the FVC is resident. By specifying the **variant "country of FVC"**, a distinction is made between FVCs in the euro area (to be reported per euro area country), FVCs outside the euro area (rest of world). This distinction must add up to the correct total. In other words, all securitisations with an impact on the MFI's balance sheet can and must be reported (without "of which" elements) and the total amount must be equal to the total amount of securitisations in the relevant reporting period.

In summary: there are three variants in 9013HK1: (1) counterparty country, (2) sales/repurchases and (3) country of residence of FVC.²⁴

In addition, with respect to transfers which have an impact on reported loans stocks, MFIs make a further distinction for transfers where they act as servicer of the outstanding amount of transferred loans.

²⁴ The manual also uses variant numbers. Although these numbers are not visible in DLR, they do appear in the same sequence.

Example 1:

In February 2020 a Dutch MFI sells/securitises loans for house purchase for €500 million and transfers them to a Luxembourg FVC. The securitised assets are loans for house purchases with an original maturity of more than five years and granted to Dutch households.

The 9013HK1 reporting will then be as follows:

- Variant 1, counterparty country: Netherlands
- Variant 2, gross flow: Gross sales of securitised or loans otherwise transferred ("*derecognition*")
- Variant 3, country of FVC: FVCs in Luxembourg
- Item loans for house purchase to households with maturity > 5 years: 500.

This transaction has an impact on loans for house purchase in the MFI's balance sheet; see the following reconciliation overview, viewed from the perspective of the MFI (figure 1).

Figure 1

Reconciliation of loans granted and deposits placed by MFIs

Figures in millions of euro's

Balance sheet item:	Loans and deposits								
Reporting entity:									
Sub item:	Loans for house purchase								
Counterparty sector:	Households								
Country:	Netherlands								
Reconciliation-component:	Opening balance = Closing balance (t-1)	Reclassifi- cation (t)	Write-off (t)	Transfer to SPVs (t) (sale)	Transfer from SPVs (t) (buy-back)	Transfer to non-SPVs (t) (sale)	Transfer from non-SPVs (t) (buy-back)	Transaction (t)	Closing balan
Source:	9001HK1	Intern analysis (DNB)	9007	9013HK1	9013HK1	9013HK1	9013HK1	Result (9-1-2+3+4-5+6-7)	9001HK1
	1	2	3	4	5	6	7	8	9
	Original maturity over 5 year 0								
2020 Jan. n.	3.000							-100	
Feb.	2.900			500				100	

The transfer of loans for house purchase from the MFI to the FVC obviously has an impact on the outstanding amounts of loans for house purchase on the FVC's balance sheet. See the following reconciliation overview, from the perspective of the FVC (figure 2).

Figure 2

Reconciliation of Loans granted by MFI's - transferred to SPVs (derecognized)

Figures in millions of euros

Balance sheet item:	Loans and deposits					
Reporting entity:	xxx					
Sub item:	Loans for house purchases					
Counterparty sector:	Households					
Country:	Netherlands					
Reconciliation component:	Opening balance = Closing balance (t-1)	Reclassifi- cation (t)	Transfer to SPVs (t) (sale)	Transfer from SPVs (t) (buy-back)	Write-offs and repayments (t)	Closing balance
Source:	9013HK3	Internal analysis (DNB)	9013HK1	9013HK1	Result (6-1-2-3+4)	9013HK3
	1	2	3	4	5	6
	Original maturity over 5 year 0					
2020 Jan. n.	1.210				-10	1.20
Feb.	1.200		500		-10	1.60

Example 2:

In March 2020 a Dutch MFI buys back loans for house purchase with an original maturity of more than five years for €300 million. These are then held on the MFI's balance sheet. The loans for house purchase have been granted to Dutch households. The relevant loans had previously been securitised to a British FVC.

The 9013HK1 reporting will then be as follows:

- Variant 1, counterparty country: Netherlands
- Variant 2, gross flow: Gross repurchase of previously securitised or loans otherwise transferred ('rerecognition')
- Variant 3, country of FVC: FVCs in rest of world
- Item loans for house purchase to households with maturity > 5 years: 300.

The repurchase is visible in the reconciliation, viewed from the perspective of the MFI (figure 3) and the FVC (figure 4).

Figure 3

Reconciliation of loans granted and deposits placed by MFIs

Figures in millions of euro's

Balance sheet item:	Loans and deposits								
Reporting entity:									
Sub item:	Loans for house purchase								
Counterparty sector:	Households								
Country:	Netherlands								
Reconciliation-component:	Opening balance = Closing balance (t-1)	Reclassification (t)	Write-off (t)	Transfer to SPVs (t) (sale)	Transfer from SPVs (t) (buy-back)	Transfer to non-SPVs (t) (sale)	Transfer from non-SPVs (t) (buy-back)	Transaction (t)	Closing balance
Source:	9001HK1	Internal analysis (DNB)	9007	9013HK1	9013HK1	9013HK1	9013HK1	Result (9-1-2+3+4-5+6-7)	9001HK1
	1	2	3	4	5	6	7	8	9
	Original maturity over 5 year								
2020 Jan.	3.000							-100	2.9
Feb.	2.900			500				100	2.5
Mar	2.500				300			-50	2.7

Figure 4

Reconciliation of Loans granted by MFI's - transferred to SPVs (derecognized)

Figures in millions of euros

Balance sheet item:	Loans and deposits					
Reporting entity:	xxx					
Sub item:	Loans for house purchases					
Counterparty sector:	Households					
Country:	Netherlands					
Reconciliation-component:	Opening balance = Closing balance (t-1)	Reclassification (t)	Transfer to SPVs (t) (sale)	Transfer from SPVs (t) (buy-back)	Write-offs and repayments (t)	Closing balance (t)
Source:	9013HK3	Internal analysis (DNB)	9013HK1	9013HK1	Result (6-1-2-3+4)	9013HK3
	1	2	3	4	5	6
	Original maturity over 5 year					
2020 Jan.	1.210				-10	1.200
Feb.	1.200		500		-10	1.690
Mar	1.690			300	-10	1.380

Net flows without impact on the MFI's balance sheet (9013HK2)

In 9013HK2, MFIs that apply IAS 39 or similar accounting standards in their monetary reporting should report transaction details of loans that have been divested, but not removed from the MFI's balance sheet. These are "true sale" (or traditional) securitisations that do not have an impact on the loan stocks reported on the MFI's balance sheet (also referred to as *not derecognition*). These securitisations consequently do not appear as a flow component in the reconciliation, viewed from the perspective of the MFI (figure 1). Transactions resulting from synthetic securitisations should not, therefore, be reported here.

In contrast to 9013HK1, where the net flows have to be broken down and reported as two gross components, the figure to be reported in 9013HK2 is a net flow. This is the net of disposals and acquisitions that have no impact on the loan stocks reported in 9001HK1; in other words, disposals that do not involve amounts being removed from the balance sheet and acquisitions that do not involve any amounts being added or added back to the balance sheet. Repayments of securitised loans should not be reported in the net flow.

There are two variants in form 9013HK2:

- "the country of the counterparty (borrower)", which should be indicated as one of the three country categories: The Netherlands, Other euro area or Rest of world;
- "the country of the FVC/non-FVC", when a distinction has to be made between FVCs in the euro area (to be reported per euro area country), FVCs outside euro area (rest of world) and other counterparties (non-FVCs).

Based on the above two examples of a €500 million securitisation (sale to FVC) and a repurchase of €300 million, but assuming these are not removed from the MFI's balance sheet, these transactions will be visible in a separate reconciliation of loans for house purchase, viewed from the perspective of the FVC that manages loans for house purchase that have not been removed from the MFI's balance sheet (figure 5).

Stocks at FVCs of loans securitised by the MFI and removed from the MFI's balance sheet (9013HK3)

Outstanding amounts of loans securitised to FVCs and managed by Dutch MFIs should be reported in 9013HK3. In other words, the stocks of securitised loans resulting from "*derecognised*" securitisations (see 9013HK1) should be reported in 9013HK3 (see the reconciliation example in figure 4 for the link between flows and stocks). These are loan stocks removed from the MFI's balance sheet. There are two variants in 9013HK3:

- "the country of the counterparty (borrower)": The Netherlands, Other euro area or Rest of world;
- "the country of the relevant FVC", with a distinction between the various euro area countries.

Securitised loan stocks not removed from the MFI's balance sheet (9013HK4)

In 9013HK4, MFIs that apply IAS 39 or similar accounting standards in their monetary reporting should report the outstanding amounts of loans that have been divested through securitisation, but that have not been removed from the MFI's balance sheet. These are, therefore, "true sale" (or traditional) securitisations, where the securitised assets are "*not derecognised*", and should be reported in 9013HK2 (see the reconciliation example in figure 5 for the link between flows and stocks). These are not loans that have been synthetically securitised. There are two variants in 9013HK4:

- “the country of the counterparty (borrower)”: The Netherlands, Other euro area or Rest of world;
- “the country of the relevant FVC”, with a distinction between the various euro area countries.

Figure 5

Reconciliation of Loans granted by MFI's - transferred to SPVs (not-derecognized)

Figures in millions of euros

Balance sheet item:	Loans and deposits				
Reporting entity:	xxx				
Sub item:	Loans for house purchase				
Counterparty sector:	Households				
Country:	Netherlands				
Reconciliation component:	Opening balance = Closing balance (t-1)	Reclassification (t)	Net-flow (t) (sale - Buy-back)	Write-offs and repayments (t)	Closing balance (t)
Source:	9013HK4 1	Intern analysis (DNB) 2	9013HK2 3	Result (6-1-2-3+4) 5	9013HK4 6
	Original maturity over 5 year				
2020 Jan.	1.210			-10	1.200
Feb.	1.200		500	-10	1.690
Mar	1.690		-300	-10	1.380

Gross flows of loans otherwise transferred to non-FVC with impact on the MFI's balance sheet (9013HK5)

In 9013HK5 the only transactions to be reported (loans otherwise transferred) are those with an impact on the loan stocks reported on the MFI's balance sheet. These transactions should be broken down in:

- “Counterparty country/group”, which provides information on the counterparty country of the borrower;
- “Counterparty country/group of transfer”, which provides details on the country of residence of the counterparty involved in the loan transfer;
- “Counterparty of transfer”, which provides the sector information (MFI/non-MFI) of the counterparty involved in the loans transfer.

In order for the net transaction flows to be calculated and the gross flows to be monitored, loan transactions should be reported as two gross components: gross sales (i.e. *derecognition*) and gross repurchases (i.e. *rerecognition*). These two components are shown under “**gross flows**”. Repayments of securitised loans should not be reported as gross flow. Please find an example below.

In addition, with respect to transfers which have an impact on reported loans stocks, MFIs make a further distinction for transfers where they act as servicer of the outstanding amount of transferred loans.

Example 3:

In April 2020 a Dutch MFI transfers loans for house purchase with an original maturity of more than five years for €200 million to an MFI in Germany. The loans for house purchase have been granted to Dutch households. The 9013HK5 reporting will then be as follows:

- Variant 1, counterparty country: Netherlands
- Variant 2, counterparty country/group of transfer: Germany
- Variant 3, gross flow: Gross sales of previously securitised or loans otherwise transferred ('*rerecognition*')
- Variant 4, counterparty of transfer: MFI
- Item loans for house purchase to households with maturity > 5 years: 200.

The sale is visible in the reconciliation, viewed from the perspective of the MFI (figure 6). This flow does not have any impact on the FVC's balance sheet because the loans for house purchase were not sold to an FVC.

Figure 6

Reconciliation of loans granted and deposits placed by MFIs

Figures in millions of euro's

Balance sheet item:	Loans and deposits								
Reporting entity:									
Sub item:	Loans for house purchase								
Counterparty sector:	Households								
Country:	Netherlands								
Reconciliation-component:	Opening balance = Closing balance (t-1)	Reclassifi- cation (t)	Write-off (t)	Transfer to SPVs (t) (sale)	Transfer from SPVs (t) (buy-back)	Transfer to non-SPVs (t) (sale)	Transfer from non-SPVs (t) (buy-back)	Transaction (t)	Closing balance (t)
Source:	9001HK1 1	Intern analysis (DNB) 2	9007 3	9013HK1 4	9013HK1 5	9013HK1 6	9013HK5 7	Result (9-1-2+3+4-5+6-7) 8	9001HK1 9
	Original maturity over 5 year								
2020 Jan.	3.000							-100	2.900
Feb.	2.900			500				100	2.500
Mar	2.500				300			-50	2.750
Apr	2.750					200		-50	2.500

Outstanding amount of loans transferred to non-FVCs and serviced by reporting agent. With impact on reported stock (9013HK6)

In 9013HK6, the outstanding amounts of loans transferred by Dutch MFIs to non-FVCs, for which the reporting MFI acts as a Servicer, must be reported. Only transactions with an impact on the reported stock need to be reported. These transactions should be broken down in:

- "Counterparty country/group", which provides information on the counterparty country of the borrower;
- "Counterparty country/group of transfer", which provides details on the country of residence of the counterparty involved in the loan transfer;
- "Counterparty of transfer", which provides the sector information (MFI/non-MFI) of the counterparty involved in the loans transfer.

Net flows (sales less repurchases) of loans transferred to non-FVCs. Without impact on reported stock (9013HK7)

Net flows of loans transferred to non-FVCs without effect on the MFI balance, should be reported in 9013HK7.

In contrast to 9013HK5, where the loan transactions should be reported as two gross components (gross sales (i.e. derecognition) and gross repurchases (i.e. rerecognition)), the figure to be reported in 9013HK7 is a net flow. This is the net of sales and repurchases that have no impact on the loan stocks reported. The transactions in 9013HK7 should be broken down in:

- "Counterparty country/group", which provides information on the counterparty country of the borrower;
- "Counterparty country/group of transfer", which provides details on the country of residence of the counterparty involved in the loan transfer;
- "Counterparty of transfer", which provides the sector information (MFI/non-MFI) of the counterparty involved in the loans transfer.

Outstanding amount of loans transferred to non-FVCs and serviced by reporting agent. Without impact on reported stock (9013HK8)

On 9013HK8, the outstanding amounts of loans transferred by Dutch MFIs to non-FVCs, through which the reporting MFI acts as a Servicer, must be reported. In contrast to 9013HK6, only transactions without an impact on the reported stock need to be reported. These transactions are broken down in the same form as above:

- "Counterparty country/group", which provides information on the counterparty country of the borrower;
- "Counterparty country/group of transfer", which provides details on the country of residence of the counterparty involved in the loan transfer;
- "Counterparty of transfer", which provides the sector information (MFI/non-MFI) of the counterparty involved in the loans transfer.

Table 7: interaction between the different forms of 9013

	Interaction between the forms	Does it have an impact on the MFI balance?	Securitisation or other loan transfer	Servicer?
T9013HK1 - Gross flows (sold vs. repurchased) of securitised loans transferred to FVCs - Transactions with effect on reported position of loans in MFI balance sheet ('derecognised')	Flow (9013HK1) - Stock (9013HK3)	Impact ('derecognised')	Securitisation	Servicer / not-servicer
T9013HK2 - Net flows (sales less repurchases) of securitised loans to FVCs - Transactions without effect on reported position of loans in MFI balance sheet ('not derecognised')	Flow (9013HK2) - Stock (9013HK4)	No impact ('non-derecognised')	Securitisation	MFI is servicer
T9013HK3 - Outstanding amounts of securitised loans transferred to FVCs ('derecognised') serviced by reporting agent	Stock (9013HK3) - Flow (9013HK1)	Impact ('derecognised')	Securitisation	MFI is servicer
T9013HK4 - Outstanding amounts of securitised loans not transferred to FVCs ('not derecognised')	Stock (9013HK4) - Flow (9013HK2)	No impact ('non-derecognised')	Securitisation	MFI is servicer

T9013HK5 - Gross flows (sales/repurchases) of loans transferred to non-FVCs. With impact on reported stock	Flow (9013HK5) - Stock (9013HK6)	Impact ('derecognised')	Other loan transfer	Servicer / not-servicer
T9013HK6 - Outstanding amount of loans transferred to non-FVCs and serviced by reporting agent. With impact on reported stock	Stock (9013HK6) - Flow (9013HK5)	Impact ('derecognised')	Other loan transfer	MFI is servicer
T9013HK7 - Net flows (sales less repurchases) of loans transferred to non-FVCs. Without impact on reported stock	Flow (9013HK7) - Stock (9013HK8)	No impact ('non-derecognised')	Other loan transfer	MFI is servicer
T9013HK8 - Outstanding amount of loans transferred to non-FVCs and serviced by reporting agent. Without impact on reported stock	Stock (9013HK8) - Flow (9013HK7)	No impact ('non-derecognised')	Other loan transfer	MFI is servicer

Form	9017
Title	Write-downs and other price revaluations on securitised and transferred loans
Subform 1	Write-downs and other price revaluations on outstanding amounts of securitised loans to FVC ('derecognised') and serviced by reporting agent
Subform 2	Write-downs and other price revaluations on outstanding amounts of securitised loans not transferred to FVC ('not derecognised')
Subform 3	Write-downs and other price revaluations on outstanding amounts of loans transferred to non-FVCs. With impact on reported stock
Subform 4	Write-downs and other price revaluations on outstanding amounts of loans transferred to non-FVCs. Without impact on reported stock
Subform 5	Write-downs and other price revaluations on outstanding amounts of loans transferred to non-FVCs. Without impact on reported stock
Reporting population	Largest banks and smaller banks with securitisation
Frequency	Monthly for largest banks Quarterly for smaller banks with securitisations
Submission period	11th/12th business day after the end of the reporting period

Purpose of the form

Form 9017 provides additional information on write-downs and other price revaluations on outstanding amounts of (securitised) loans. This form is an addition to form 9013. The relationship between the two forms is explained in the table below.

Write-downs and other price revaluations on outstanding amounts of securitised loans to FVC ('derecognised') and serviced by reporting agent (9017HK1)

On 9017HK1, write-downs and other price revaluations on outstanding amounts of loans securitised to FVCs and serviced by reporting agent, must be reported. Only transactions with an impact on the reported stock need to be reported. There are two variants in 9017HK1:

- "the country of the counterparty (borrower)": The Netherlands, Other euro area or Rest of world;
- "the country of the relevant FVC", with a distinction between the various euro area countries.

Write-downs and other price revaluations on outstanding amounts of securitised loans not transferred to FVC ('not derecognised') (9017HK2)

On 9017HK2, write-downs and other price revaluations on outstanding amounts of securitised loans not transferred to FVC but that have not been removed from the MFI's balance sheet, must be reported. These are the write-downs and price revaluations of the securitised loans reported in 9013HK4.

There are two variants in 9017HK2:

- "the country of the counterparty (borrower)": The Netherlands, Other euro area or Rest of world;
- "the country of the relevant FVC", with a distinction between the various euro area countries.

Write-downs and other price revaluations on outstanding amounts of loans transferred to non-FVCs. With impact on reported stock (9017HK3)

On 9017HK3, write-downs and other price revaluations on outstanding amounts of loans transferred to non-FVCs, must be reported. Only transactions with an impact on the reported stock need to be reported. These transactions should be broken down in:

- “Counterparty country/group”, which provides information on the counterparty country of the borrower;
- “Counterparty country/group of transfer”, which provides details on the country of residence of the counterparty involved in the loan transfer;
- “Counterparty of transfer”, which provides the sector information (MFI/non-MFI) of the counterparty involved in the loans transfer.

Write-downs and other price revaluations on outstanding amounts of loans transferred to non-FVCs. Without impact on reported stock (9017HK4)

On 9017HK4, write-downs and other price revaluations on outstanding amounts of loans transferred to non-FVCs, must be reported. In contrast to 9017HK3, only transactions without an impact on the MFI’s balance sheet need to be reported. These transactions are broken down in the same form as above:

- “Counterparty country/group”, which provides information on the counterparty country of the borrower;
- “Counterparty country/group of transfer”, which provides details on the country of residence of the counterparty involved in the loan transfer;
- “Counterparty of transfer”, which provides the sector information (MFI/non-MFI) of the counterparty involved in the loans transfer

Table 8. Relationship between 9013 and 9017

Interaction between	9017	9013	Impact MFI Balance	Securitization / Other loan transfer
9017HK1 9013HK3	Write downs and other price revaluations on outstanding amounts of securitized loans to FVC ('derecognised') and serviced by reporting agent	Outstanding amounts of securitized loans transferred to FVCs ('derecognised') serviced by reporting agent	Impact	Securitization
9017HK2 9013HK4	Write-downs and other price revaluations on outstanding amounts of securitised loans not transferred to FVC ('not derecognised')	Outstanding amounts of securitised loans not transferred to FVCs ('not derecognised')	No Impact	Securitization
9017HK3 9013HK6	Write-downs and other price revaluations on outstanding amounts of loans transferred to non-FVCs. With impact on reported stock	Outstanding amount of loans transferred to non-FVCs and serviced by reporting agent. With impact on reported stock	Impact	Other loan transfer

9017HK4 9013HK8	Write-downs and other price revaluations on outstanding amounts of loans transferred to non-FVCs. Without impact on reported stock	Outstanding amount of loans transferred to non-FVCs and serviced by reporting agent. Without impact on reported stock	No impact	Other loan transfer
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Form	T8076
Title	Flow information on deposit types for Dutch households - "Deposits with savings character for households in the Netherlands"
Reporting population	All banks
Frequency	Monthly or quarterly
Submission period	11th/12th business day after the end of the reporting period

Purpose of the form

This form has been developed for Statistics Netherlands (CBS) and provides flow and stock information on several deposit types, related to savings, for Dutch households including non-profit organisations serving households.

Structure

Starting with the end-period stock of the previous reporting period, month or quarter, information has to be provided on deposits, withdrawals, interest credited, and reconciliation discrepancies. The resulting end-period stocks should be the same as the corresponding stocks reported in the T9001HK1 reporting form for Dutch households, where there is an explicit opportunity to report reconciliation within the reporting period

			Outstanding amount at the start of the period	Deposits	Withdrawals	Interest credited	Adjustment for reconciliation discrepancies within current period	Cash paid interest or overdraft rate on another non-savings account	Adjustment for discrepancies with outstanding amount at the end of the preceding period compared to the start of this period
			010	020	030	040	041	050	051
Liabilities			(Abstract)	(Abstract)	(Abstract)	(Abstract)	(Abstract)	(Abstract)	(Abstract)
	Deposits with agreed maturity	010							
	Deposits redeemable at notice	020							
	Overnight deposits		(Abstract)	(Abstract)	(Abstract)	(Abstract)	(Abstract)	(Abstract)	(Abstract)
	- Of which: deposits with a savings character	030							

Items

Outstanding amount at the start of the period

The end-period stock of the previous month or quarter should be the same as the stock in the previous reporting month or quarter reported in the T9001HK1 form. In the case of a reclassification, the opening stock is likely **not** be the same as the previous month's closing stock. The amount of the reclassification should **not** be reported as a flow component (e.g. deposits or withdrawals). A specific item adjustment for discrepancies with outstanding amount at the end of the preceding period compared to the start of this period is added for this purpose.

Deposits

This item shows the total added in the past month or quarter to existing or new deposits.

Withdrawals

This item shows the total withdrawn in the past month or quarter from existing, new or terminated deposits.

Interest credited

This item shows the total interest added, this could be negative under negative deposit rates, to deposits by the reporting institution in the past month or quarter.

Adjustment for reconciliation discrepancies within current period

This item can and should be used to reconcile any differences between the beginning of period stocks and cumulative flow information (i.e. deposits, withdrawals, and interest credited) in T8076 and the end of period stocks reported in T9001HK1.

Cash paid interest or overdraft on another non-savings account

This item shows the total cash interest reported as being paid out by the reporting institution in the past month or quarter and not added to deposits. Interest credited must be reported as netted off against interest debited, for example in the case of deposits related to building loans ('bouwdepot').

Adjustment for discrepancies with outstanding amount at the end of the preceding period compared to the start of this period

This item can be used for reclassifications related to the outstanding amount at the start of the period and the reporting end of period outstanding amount in the preceding reference period. This can result for example from changes in the residency of households that are only processed in administrative systems with a delay.

Form	8097
Title	Determining minimum reserve requirement
Reporting population	All banks
Frequency	Monthly or quarterly
Submission period	11th/12th business day after the end of the reporting period

Purpose of the form

Form 8097 is used to determine the minimum reserve required to be held under ECB regulations. MFIs that are included in consolidated reporting in form 9001, but that want to hold minimum reserves of their own must submit form 8097 by the 11th business day of the month. The reserve required to be held by the parent company will be adjusted on the basis of the requirement calculated here.

Background to the form

The purpose of the ESCB's minimum reserve requirement is to create or enlarge a structural money market deficit. This way, the ESCB can intervene by providing the banking system with liquidity and so also influence money market interest rates.

Structure

For funds with a maximum maturity of 2 years, a reserve of 1% has to be held at De Nederlandsche Bank. Each separate reporting institution has a lump sum allowance that it may deduct from the minimum reserve requirement calculated. Since 1 January 1999 this has been €100,000. Each institution has to calculate its minimum reserve requirement as follows, based on the liabilities listed in this form, where:

- M1 is the macro-ratio by which the value of negotiable debt securities in the reserve base has to be reduced. This is to compensate for the share of negotiable debt securities held by credit institutions in the EMU. M1 has been 0.15 since 16 December 2016. The value of this factor is set annually by the ECB Governing Council.
- G1 is the factor by which the total of relevant liabilities is multiplied in order to calculate the amount required to be held as reserves. This has been 0.01 since December 2011.

To determine the minimum reserve, an adjustment must be made for deposits received from euro area credit institutions that are exempted from the minimum reserve requirement. These positions must be recorded in form 8097, in column 060. The ECB MFI data access website provides the most recent information on the minimum reserve requirements of euro area credit institutions (<https://mfi-assets.ecb.int/resultMfi>). Here it is possible to perform queries of 1) credit institutions 2) within the euro area 3) that are subject to the minimum reserve requirement 4) or that are exempted from this requirement.

Example of calculation of minimum reserve requirement

Calculation 1:

$$\text{MinResMFI} = (\text{deposits} - (\text{deposits with maturity} > 2 \text{ years} + \text{repos}) * + \text{negotiable debt securities} - (\text{negotiable debt securities with maturity} > 2 \text{ years}) * (1 - M1) + \text{short term positions vis-à-vis credit institutions and SIFs exempted from the minimum reserve requirement}) * G1 - 100,000$$

* Deposits and loans taken from counterparties resident:

- In the euro area: sum of other institutions, money market funds, government and private sector
- Outside the euro area: total all sector

If an institution can demonstrate that more than M1 (=15%) of its negotiable debt securities issued is held by credit institutions in the EMU, it should report the amount in column 050. In this case the calculation is as follows:

Calculation 2:

$$\text{MinResMFI} = (\text{deposits} - (\text{deposits with maturity} > 2 \text{ years} + \text{repos}) * + \text{negotiable debt securities} - (\text{negotiable debt securities with maturity} > 2 \text{ years}) - (\text{negotiable debt securities for MFIs in the euro area} - \text{negotiable debt securities with maturity} > 2 \text{ years in the euro area})) * G1 - 100,000 * (1 - M1) + \text{short term positions vis-à-vis credit institutions exempted from the minimum reserve requirement}) * G1 - 100,000$$

* Deposits and loans taken from counterparties resident:

- In the euro area: sum of other institutions, money market funds, government and private sector
- Outside the euro area: total all sector

The requirement will be set at 0 if the minimum reserve requirement calculated for an institution is less than 0.

Form	9001
Title	Monthly report of stocks
Subform 1	Stocks per country, by countersector, term and currency
Subform 2	Securities portfolio of Dutch MFIs
Subform 3	Loans granted and deposits placed secured on property with surplus collateral (LTV ratio ≤ 1)
Subform 4	Loans granted and deposits placed in euros by original and residual maturity
Subform 5	Breakdown of corporate lending by sector (quarterly report for select number of banks)
Subform 6	Total balance sheet including items not allocated to a countersector.
Reporting population	All banks
Frequency	Monthly or quarterly (depending on size of balance sheet)
Submission period	11th or 12th business day after the end of the period

Purpose and design of form

In order to monitor the development of the money supply within the euro area, a number of socio-economic statistics are requested to provide the ECB with an insight into the sources of money creation and the growth in monetary aggregates. Form 9001 mainly shows the balance sheet stocks needed for this. The main features on the various sub-forms should be filled in for this purpose.

Subform 1 contains a detailed analysis of stocks that must be broken down by terms, instruments, currency, countersectors and countersector country. Subforms 2 to 5 contain information on securities, secured lending, breakdowns by residual maturity and lending by sector. Subform 6 contains totals and items that cannot be allocated to countersectors.

General information

See Part 2 of this manual for a description of the items on the various subforms. The descriptions for each main feature below provide supplementary information to the definition of a number of balance sheet items.

Some items are broken down by different currencies. The line 'Other EU currencies' comprises the total of all currencies of the Member States of the European Union excluding the euro and the pound sterling.

T9001HK1: Stocks per country, by countersector, term and currency

Financial derivatives

- Financial derivatives (both assets and liabilities); banks must report all their own derivatives positions, with a full breakdown by country and sector (country and sector of the counterparty to the derivatives contract). Contracts with a positive market value should be reported on the asset side of the balance sheet. Contracts with a negative market value should be recorded on the liabilities side of the balance sheet.

- Derivatives contracts traded on public exchanges generally have no market value because daily settlement takes place via the margin accounts. Since OTC derivatives are not settled centrally on a daily basis, these contracts do have a market value which must be reported here.
- The breakdown by currency is based on the currency in which the reporting entity settles or redeems. In the case of derivatives contracts where the two legs are in different currencies (e.g. an FX swap), this is the currency that the reporting entity delivers at the time of the transaction. See also the BIS manual on International Banking Statistics.²⁵
- Own margin accounts for the settlement of publicly traded derivatives contracts should be reported on form 9001HK1 under 'Demand deposits' (part of the item 'Loans and deposits provided' on the asset side of the balance sheet). Any margin accounts held at the reporting institution by third parties must be reported on the liabilities side of the balance sheet under 'Demand deposits' (part of the item 'Loans and deposits taken') on form 9001HK1.

Other assets/liabilities

When reporting interest received on loans and securities separately under "Other assets", reporting institutions should adhere to national and international accounting guidelines. Also see the notes to the definitions in Part 2 of this manual (under "Other assets").

- Reporting entities should define the goodwill of their equity holdings, if that goodwill is not added to capital and reserves and capitalised, as follows: acquisition value of the equity holding less the net asset value. National and international accounting standards should also be followed for the treatment of goodwill (e.g. the method of amortisation). The net asset value of the equity holding should be reported under the item 'Equity' on form 9001HK1. Also see the notes to the definitions in Part 2 of this manual (under Equity).
- Other assets and other liabilities should be reported exclusive of financial derivatives. Reporting institutions must provide a complete breakdown of other assets and liabilities at country level. The form includes a 'of which euros' component, partly to facilitate the compilation of the balance of payments.
- Breakdowns of other assets and liabilities: Reporting institutions should further breakdown of the item 'Other assets' into 'Interest receivable on loans and securities', 'Goodwill' and 'Accruals'. Other liabilities should be further broken down into 'Interest payable on deposits and securities' and 'Accruals'.
- Interest receivable and payable on loans/deposits and on securities should be broken down by countersector.

Negative interest accruals on deposits should be recorded on a gross basis and should be imputed on the liability side of the balance sheet under 'other liabilities of which accrued interest payable on deposits', with a negative sign. Negative interest accruals on loans should be recorded on the asset side under 'other assets of which accrued interest receivable on loans', in the same way.

- Positions under irrevocable payment commitments (IPC) with securities and cash collateral vis-à-vis the SRB are reported under other liabilities.

²⁵ <http://www.bis.org/statistics/bankstatguide.pdf>, p. 33-34.

Equity

- Equity holdings exist when the reporting entity (the domestic bank) participates in the capital of an enterprise (domestic or foreign) to an extent which confers 10% (or more) of the voting rights. If less than 10% of the voting rights are required, this is classed as an investment and should be reported under shares held (listed or otherwise).
- Working capital provided to non-autonomous foreign legal entities (offices/branches) should also be reported as equity. Working capital provided to foreign offices and branches should also be included under Equity as a separate of-which item. Working capital is understood to be the permanent financing of an office or branch; the working capital includes the net asset value of the branch. In practice, only capital additions will need to be reported as working capital. Capital additions will usually be equal to the minimum capital requirement from the perspective of prudential supervision. Foreign branches within the European Union need not hold capital themselves for prudential supervision, but may still receive funds from head office that have to be reported as capital additions under 'working capital'. Examples include all funds provided on a permanent basis which are needed to keep the branch operational (e.g. a minimum buffer for financing fixed costs, salaries, fixtures & fittings). Other types of branch funding via loans or current account credit cannot be regarded as working capital/participating interest, but must be reported under 'Loans granted and deposits placed' on form 9001HK1, with the sector MFI as counterparty. The principle here is that working capital comprises the money needed to enable a branch to develop activities such as granting loans, whereas funding of a branch is intended to enable these activities to be carried out.

Equity (own funds)

- Equity (own funds) occurs when an entity participates in the capital of a reporting bank to an extent that it acquires at least 10% of the voting rights. A threshold with a percentage (voting rights) thus applies when classifying an investment as equity (own funds). Equity (own funds) not reaching the 10% threshold should be reported under capital and reserves.
- The working capital received from a foreign parent company or head office should also be reported as equity (own funds). Working capital received must also be included as a separate of-which item under equity (own funds). Working capital is understood to be the permanent financing of an office or branch in the Netherlands; the working capital includes the net asset value of the branch. In practice, only capital additions received from the foreign parent company or head office will need to be reported as working capital. Capital additions will usually be equal to the minimum capital requirement from the perspective of prudential supervision. Dutch-based branches of a parent company within the European Union need not hold capital themselves for prudential supervision, but may still receive funds from the foreign head office that have to be reported as capital additions under 'working capital'. Examples include all funds provided on a permanent basis which are needed to keep the Dutch branch operational (e.g. a minimum buffer for financing fixed costs, salaries, stock). Other types of branch funding via loans or current account credit cannot be regarded as working capital/equity, but must be reported under 'Loans and deposits received' on form 9001HK1, with the sector MFI as counterparty.

T9001HK2 Securities portfolio of Dutch MFIs

Securities held must be reported on form 9001HK2, analysed by country, countersector, currency and maturity. Any short positions must be reported under the appropriate of-which item.

- **Shares held:** Shares include depositary receipts for shares (with the exception of shares and units in money market funds and investment funds, which should be reported under a separate item). Shares that are held as equity should be reported separately under "Equity" (9001HK1).
The shares held should be broken down into listed and unlisted shares (see the definitions in Part 2 'Balance sheet items').
- **Debt securities held:** Debt securities held will consist primarily of capital market instruments (with an original maturity of more than one year) and money market instruments (original maturity of up to one year).
- The following special cases warrant specific attention: A company may decide to issue new or additional shares by means of subscription rights. These give holders of existing shares the right to subscribe to the issue at an issue price that is below the current market price of the existing shares. The subscription rights are treated in the reports as a purchased call option or warrant and must be disclosed as such in the report (under 'Financial derivatives' on form 9001HK1).

T9001HK4: Loans granted and deposits placed in euros by residual maturity

Only loans granted to and deposits placed with non-financial corporations and households in euros should be reported on form 9001HK4.

- The items requested here are 'of which' items pertaining to balance sheet items from form 9001HK1 for loans provided to non-financial corporations and households.
- Information as requested on 9001HK1 on loans granted and deposits placed broken down by original maturity. Form 9001HK4 requires a breakdown for two term variants (original term > 1 year and > years) by residual maturity, with a distinction also being made between loans with interest rate review after 12 months and 24 months, respectively.
- An interest rate review here means a change in the interest rate on alone that is provided for in the current loan agreement. Loans that are subject to an interest rate review include the following:
 1. loans which have reached the end of the fixed-interest rate period;
 2. loans for which the interest rate is periodically reviewed in line with an index (e.g. Euribor);
 3. loans with variable interest rates; and
 4. loans with interest rates that can be reviewed whenever the MFI deems this appropriate.
- In order to ensure a definitive breakdown, for loans with an original maturity > 1 year the item 'residual maturity > 1 year and with no interest rate review within 12 months' is added. This item should list the following loans:
 1. loans with a residual maturity > 1 year where an interest rate review will take place more than 12 months from today's date;
 2. loans with a residual maturity > 1 year where no interest rate review will take place.
- The same system is applied for the breakdown of loans with an original maturity > 2 years. To ensure a definitive breakdown, the item 'residual maturity > 2 years and with no interest rate review within 24 months' should be added. This item should list the following loans:
 1. loans with a residual maturity > 2 year where an interest rate review will take place more than 24 months from today's date;
 2. loans with a residual maturity > 2 year where no interest rate review will take place.

- "Loans granted and deposits placed with original maturity > 1 year" on 9001HK4 should link up with the total of "1 year < term ≤ 5 years" and "term > 5 years" on 9001HK1.
- Loans with an original maturity > 2 years (which cannot be identified one for one from 9001HK1) also occur in the category 'original maturity > 1 years' and should therefore be reported twice on 9001HK4.
- As with 9001HK1, reports in 9001HK4 should be broken down by subsectors and country where the counterparty is established.

T9001HK5: Loans granted and deposits placed by sector

The loans granted to and deposits placed with non-financial sectors (private and public) reported on 9001HK4 should be specified by sector on form 9001HK5 (only a few MFIs are required to report this information).

- Unlike all other subforms in 9001, which must be reported monthly, 9001HK5 is a quarterly report. HK5 is a quarterly report in a monthly set and is therefore shown as a report with a monthly frequency in technical specifications.
- The total loans and deposits provided to non-financial corporations are automatically entered (grey fields on form) from form 9001HK1.
- Where the entire subform is filled in per country in 9001HK1, a breakdown by sector is needed for 9001HK3 for the Netherlands and the country group 'Other euro area'.
- The NACE code (Rev.2) is used to identify sectors. **NACE** stands for '**N**omenclature statistique des **a**ctivités économiques dans la **C**ommunauté **e**uropéenne' (Statistical Classification of Economic Activities in the European Community'). The NACE code is the code allocated by the European Union and its Member States to a certain category of economic activities and is intended as an aid in compiling economic statistics and reports.
- Reporting entities should preferably report the sectoral breakdown entirely on the basis of the NACE codes. If this is not possible, the reporting entity should fill in 9001HK5 using the code as used in its own administration, keeping as close to the NACE classification as possible.
- A full list of the NACE classification can be found on the Eurostat website.²⁶ The main points of the NACE definitions for each sector are set out below.

Agriculture, forestry and fishing

The commercial exploitation of plant or animal resources, for example in the form of agriculture, stock farming, fishing or forestry. Examples include flower cultivation, cultivation of natural seeds and commercial hunting.

Mining and quarrying

Mining entails the extraction of minerals from solids, liquids or gases and all activities which facilitate that extraction. This sector also includes activities relating to the development or commercial exploitation of natural oil or gas fields, such as drilling or geological research. The refining of oil is classified in the Manufacturing sector. Activities relating to the 'manufacture' of sand products for use in construction are also included in this sector.

²⁶ <http://ec.europa.eu/eurostat/ramon/nomenclatures/index.cfm>.

Manufacturing

Manufacturing includes virtually all activities involving the processing of (raw) materials to create other products. For an impression of the scope of this sector, it includes the following types of industrial activities:

- Manufacture/processing of foods (sugar extraction, beer brewing, etc.).
- Manufacture of textiles and/or wearing apparel
- Printing and reproduction of recorded media
- Oil refining
- Manufacture of chemicals and/or plastics
- Manufacture of electronics
- Manufacture of machines
- Goods repair and/or maintenance

In some cases, the distinction between the Manufacturing sector and other sectors may not be clear. In such cases, the extent to which a new product is created from other products is taken as a guide. Seen from this perspective, activities such as processing fish products (e.g. filleting fish) or milk products (e.g. pasteurisation) fall within the Manufacturing sector.

Electricity, gas, steam and air conditioning supply

This sector includes the supply of electricity and gas. It also includes the use and management of the energy transmission infrastructure used to supply the end customer (such as cables and gas pipelines).

Water supply; sewerage, waste management and remediation activities

This sector includes all activities involved in the management of various forms of waste. It also includes the collection, treatment and supply of water, the collection and treatment of various types of waste and the maintenance of the sewerage system.

Construction

Construction incorporates among other things the construction of buildings and civil engineering structures. It also includes the development of construction projects for sale. The design of these structures falls within the sector 'Professional, scientific and technical activities'. It should also be noted that the development of construction projects that are not intended for sale but for letting (self-managed) do not fall within this sector, but in the sector 'Real estate activities'.

Wholesale and retail trade; repair of motor vehicles and motorcycles

This sector includes the sale of all kinds of (end) products, as well as any service activities associated with these sales. This sector also includes all activities relating to the sale, maintenance and repair of motor vehicles. Retail sales via the Internet or television also included in this sector.

Transportation and storage

This sector includes all passenger and freight transport by land, air, water or rail. The distribution of post and/or parcels is also included under freight transport. The storage of goods (e.g. storage of raw materials in port facilities) or the management of passenger transport hubs (bus termini, train stations) should also be classified under this sector.

Accommodation and food service activities

This sector includes all cafes/bars, restaurants, hotels and catering activities.

Information and communication

The Information and communication sector includes the production and distribution of all kinds of data. Examples include radio and television productions, newspapers and magazines, other media productions, releases of various types of software, tell communication productions and IT activities.

Financial and insurance activities

Based on ESA95, holding companies and financial units of (usually large) non-financial enterprises should be included under 'Non-financial corporations'. These holding companies and financial units should therefore be included in the 9001HK5 report. In the NACE2 classification, these holding companies and financial units should be reported under 'Financial service activities'. In the event of confusion or uncertainty about the correct sector allocation, reporting entities are requested to contact DNB in advance.

Real estate activities

This sector includes all activities that contribute to the commercial exploitation and sale of real estate by means of letting, sale or advice (estate agents). New-build projects which are marketed for sale immediately on completion do not fall within this sector, but in the sector 'Construction'. New-build projects where the completed real estate remains under own management and is intended for letting do fall within this sector. The operation of hotels, holiday parks, etc., also does not fall within this sector, but in the sector 'Accommodation and food service activities'.

Professional, scientific and technical activities

This sector includes independent professions such as the legal profession, accountancy, architecture and scientific research institutes. Advertising agencies and market research bureaus are also included in this sector.

Administrative and support service activities

This sector includes all services that are not based on the transfer of specific knowledge but on providing support to other organisations and/or private individuals. Examples include employment agencies, travel agencies, security firms, cleaning service companies or administrative services.

Public administration and defence; compulsory social security

This sector includes all activities performed by or on behalf of the state, such as the tax authorities, courts or organisations performing administrative tasks for defence or social security organisations.

Education

This sector includes all educational establishments, such as primary schools, secondary schools, universities of applied science and universities. Other educational establishments such as sports schools, conservatoires and driving schools are also included in this sector.

Human health and social work activities

This sector includes activities focusing on human health or welfare. Examples include hospitals, general practices, dental practices, care for the elderly or childcare facilities (crèches).

Arts, entertainment and recreation

This sector includes all organisations which perform cultural, educational or recreational activities. Examples include theatres, museums, libraries, casinos, sports clubs, fitness centres and amusement parks. Note that all activities in relation to radio, television or film are included in the sector 'Information and communication'.

Other service activities

All activities by organisations which cannot be placed in one of the other sectors can be included under 'Other service activities'. They may for example include the activities of interest groups or trade unions.

Activities of households as employers; undifferentiated goods- and services-producing activities of households for own use

Self-employed sole traders are classed as households and should therefore not be included in this NACE classification. The only exception of households which provide services or manufacture goods purely for own use.

Activities of extraterritorial organisations and bodies

This sector includes international organisations such as the United Nations and its specialist and regional agencies, the European Union, the European Free Trade Association, the Organisation for Economic Co-operation and Development, the World Customs Organisation, the International Monetary Fund and the World Bank, as well as diplomatic and consular representations in the Netherlands.

T9001HK6: Total balance sheet; grand total

Form T9001HK6 consists for a large part of items that reflect corresponding items from T9001HK1 and 9001HK2, where consistency across the tables should hold. These items should be complemented with items for which counterpart information is not applicable because they represent aggregations over several different counterparties or no particular counterparty can be assigned for the item. The 'Grand total' should ultimately reflect a complete, definitive balance sheet.

Items for which counterpart information is not applicable

Items should be entered here that cannot be assigned to a particular country or sector, such as cash instruments, non-financial assets, certain other assets/liabilities, capital and reserves as well as a breakdown by issued debt instruments and syndicated loans.

Debt securities issued

- Issued debt securities with terms to maturity of less than two years should be subdivided into instruments with a nominal capital guarantee of less than 100 percent. These are 'hybrid instruments'.

These are debt instruments issued by MFIs with an original maturity to of two years or less and which have a contractual redemption value on the maturity date in the currency of issue that is less than the amount originally invested because of the combination of debt components and derivatives components.

- These issued debt instruments should be reported in the column 'Non-assignable' because the issuer (the reporting bank) has no information on who holds its own issued instruments. The interest payable should be reported under 'Other liabilities' in the column 'Non-assignable'.
- The reporting of the debt securities issued must be done at face value. Balance sheet differences arising from different accounting principles (monetary reporting vis-à-vis accounting rules) are to be reported under the item "Other liabilities".²⁷

Syndicated loans

Loans and deposits drawn down by MFIs in the form of syndicated loans should be reported at 9001HK6 under 'Non-assignable'. These syndicated loans are included in the grand total of loans and deposits taken. See also the description of Syndicated loans in Part 2.

Other liabilities

- Of which: valuation debt securities (market-nominal)

Debt securities issued should be reported at face value. Balance sheet differences arising from different accounting principles (monetary reporting vis-à-vis accounting rules) are to be reported under the item "Other liabilities" under the heading 'rating debt securities (market-nominal)'. This can also be a negative amount in case the face value of the debt is higher than the 'market value'.

- Of which: interest payable on securities

Reporting institutions have to record interest payable on securities issued by them under "other liabilities", in the appropriate of-which item ("interest payable on securities"). The interest payable is the total amount of interest accrued up to that time (i.e. not only the interest accrued during the relevant reporting month) that is repayable by the reporting institution to its creditors, including its own MFI entities.

- Of which: Adjustment for accounting/statistical discrepancies

For cases where a balancing item is required due to the different valuations which apply to the statistical, as compared to the accounting, balance sheet – i.e. a 'statistical/accounting discrepancy' – this should be recorded under 'remaining liabilities' (as a positive or negative amount, as appropriate). In T9001HK6, there is a dedicated item under liabilities, *Of which: Adjustment for accounting/statistical discrepancies*, that should be used to report these discrepancies, regardless of whether they correspond to discrepancies in assets or liabilities. For example, in line with the preference for statistical reporting in ESA 2010, reporting agents report holdings of debt securities at market value, which can differ from the valuations of their respective portfolios for accounting purposes. Consequently, statistical adjustments for price revaluations would not match the unrealised gains and losses in accounting terms that are recorded under "capital and reserves". The balancing of the outstanding amounts and revaluation adjustments should be reflected both in remaining liabilities and the of which item adjustment for accounting/statistical discrepancies. Another example is that the item can be used to report corrections for 'fair value

²⁷ The item 'other liabilities' has a sub-item in 9001HK6 for the reporting of the different accounting principles, 'Valuation debt securities (market-nominal)'.

adjustments' in hedged items for BSI reporting when hedge accounting is applied. These adjustments always need to be recognized as other liabilities and not as other assets.

Example 1a: hedge accounting with a positive fair value adjustment correction – outstanding amounts
In situation A and B, loans are hedged for fair value risk, but only in case A hedge accounting is applied.

T + 0 Outstanding amounts			
Assets		Liabilities	
Loans	100	Capital and reserves	100
<i>o/w nominal value</i>	100	<i>o/w Equity capital raised</i>	20
		<i>o/w profit (or loss) as recorded in the statement of P&L</i>	80
		<i>o/w hedging instruments (e.g. derivatives)</i>	0
		<i>o/w changes in the fair value of the risk being hedged</i>	0
		<i>o/w other P&L</i>	80
Total	100		100

T + 1 Outstanding amounts						
Assets			Liabilities			
	IFRS (A)	BSI (A&B)		IFRS (A)	BSI (A)	BSI (B)
Loans	110	100	Capital and reserves	100	100	90
<i>o/w nominal value</i>	100	100	<i>o/w Equity capital raised</i>	20	20	20
<i>o/w fair value adjustment</i>	10		<i>o/w profit (or loss) as recorded in the statement of P&L</i>	80	80	70
			<i>o/w hedging instruments (e.g. derivatives)</i>	-10	-10	-10
			<i>o/w changes in the fair value of the risk being hedged</i>	10	10	0
			<i>o/w other P&L</i>	80	80	80
			Remaining liabilities	10	0	10
			<i>o/w: derivatives</i>	10	10	10
			<i>o/w: adjustment for accounting/statistical discrepancies</i>		-10	
Total	110	100		110	100	100

Reporting agents may hedge the risk of, for example, a change in the fair value of an asset or that is attributable to a particular risk and could affect profit and loss. When doing so, they may choose to apply hedge accounting, a technique that modifies the recognition of gains and losses on the hedging instruments (e.g. derivatives) and hedged items (e.g. loans), so that now both are recognised in profit and loss in the same accounting period; this with the purpose of removing or reducing fluctuations in the profit and loss. Under hedge accounting, the carrying value of the hedged item is adjusted for fair value changes attributable to the risk being hedged. This means that the accounting value of loans may deviate from the nominal amount when this fair value adjustment is being made. As loans should be reported at nominal value under monetary reporting, this often would require a base adjustment when reporting loans, which should also be reflected both in remaining liabilities and the of which item adjustment for accounting/statistical discrepancies.

Example 2a: hedge accounting with a negative fair value adjustment correction – outstanding amounts
In situation A and B, loans are hedged for fair value risk, but only in case A hedge accounting is applied.

T + 0 Outstanding amounts			
Assets		Liabilities	
Loans	100	Capital and reserves	100
o/w nominal value	100	o/w Equity capital raised	20
		o/w profit (or loss) as recorded in the statement of P&L	80
		o/w hedging instruments (e.g. derivatives)	0
		o/w changes in the fair value of the risk being hedged	0
		o/w other P&L	80
Remaining assets	0	Remaining liabilities	0
Total	100		100

T + 1 Outstanding amounts						
Assets			Liabilities			
	IFRS (A)	BSI (A&B)		IFRS (A)	BSI (A)	BSI (B)
Loans	90	100	Capital and reserves	100	100	110
o/w nominal value	100	100	o/w Equity capital raised	20	20	20
o/w fair value adjustment	-10		o/w profit (or loss) as recorded in the statement of P&L	80	80	90
			o/w hedging instruments (e.g. derivatives)	10	10	10
			o/w changes in the fair value of the risk being hedged	-10	-10	0
			o/w other P&L	80	80	80
Remaining assets	10	10	Remaining liabilities	0	10	0
o/w: derivatives	10	10	o/w: adjustment for accounting/statistical discrepancies		10	
Total	100	110		100	110	110

In both example 1a and 2a, the changes in outstanding amount should be reflected in the tables of price revaluations as well.

Example 1b: hedge accounting with a positive fair value adjustment correction – revaluations

T + 1 Revaluations				
Assets		Liabilities		
	BSI (A&B)		BSI (A)	BSI (B)
Loans	0	Capital and reserves	0	-10
		o/w profit (or loss) as recorded in the statement of P&L	0	-10
		Remaining liabilities	0	10
		o/w: derivatives	10	10
		o/w: adjustment for accounting/statistical discrepancies	-10	
Total	0		0	0

Example 2b: hedge accounting with a negative fair value adjustment correction – revaluations

T + 1 Revaluations				
Assets		Liabilities		
	BSI (A&B)		BSI (A)	BSI (B)
Loans	0	Capital and reserves	0	10
		o/w profit (or loss) as recorded in the statement of P&L	0	10
		Remaining liabilities	10	0
Remaining assets	10	o/w: derivatives	0	0
o/w: derivatives	10	o/w: adjustment for accounting/statistical discrepancies	10	
Total	10		10	10

Please note that in all examples, situation BSI (B) also reflects the situation under IFRS where no hedging relationship exists (i.e. the qualifying criteria for hedge accounting are not satisfied or a decision is made not to apply hedge accounting), so that the fair value adjustments are not made.

Holdings of own securities

Own holdings of securities should be reported in T9001HK6. There are two types of own holdings;

- Own holdings of debt securities
- Own holdings of equity issued

These should both be reported at the market value.

Form	9004
Title	MFI Statistics on Interest Rates
Subform 1	Weighted average interest rates on outstanding amounts of Dutch MFIs
Subform 2	Weighted average interest rates on all new contracts of Dutch MFIs
Subform 3	Weighted interest rates on new contracts with collateral and/or guarantees (if cover $\geq$ 100%) of Dutch MFIs
Reporting population	All banks
Frequency	Monthly (largest banks), quarterly (other banks)
Submission period	15th business day after the end of the reporting month/quarter

General

The requirements in respect of interest rate statistics are set out in ECB Regulation ECB/2013/34, which was signed by the ECB Governing Council on 24 September 2013. The ECB Regulation addresses the reporting institutions directly. Additional reporting requirements are laid down in the Monetary Financial Statistics Guidelines, which address national central banks directly. Further details on the obligations arising from the Regulation and the Guidelines can be found in the ECB Manual. This manual outlines the Dutch implementation of the obligations arising from the ECB documentation and is supplementary and does not affect the binding force of the ECB documentation.

The interest rate statistics incorporate interest rates on and volumes of euro-denominated loans and deposits taken and loans granted and deposits placed which have been entered into by banks established in the Netherlands with households and non-financial corporations in the euro area.

Purpose of the form

The interest rate statistics must give the ECB a detailed and harmonised statistical picture of developments in bank interest rates in the real economy within the euro area. Changes in the ECB policy rate influence the real economy, among other things via the interest rate channel (one of the monetary transmission mechanisms). The ECB uses the interest rate statistics to analyse the extent to which changes in its policy rates impact on bank interest rates for non-financial corporations and households. In addition, the ECB wishes to obtain a clearer picture (through the new item 'Renegotiations' as an of-which item under 'New contracts') of the actual new funds (and associated interest rates) provided by the banking sector to the real economy.

Consolidation group

The consolidation group for interest rate statistics (form 9004) is identical to the consolidation group for balance sheet stocks (form 9001), i.e. domestic MFI. Domestic non-MFI entities (with a balance sheet total of more than EUR 12 million) should be left out of consideration, as should international entities.

If an organisation consolidates several domestic MFI entities, these should be regarded as a single reporting entity for the report on form 9004. A reporting entity with several domestic MFI entities must however submit a supplementary report once a year stating the number of domestic MFI entities included in the consolidation. The interest rate variance for each instrument must also be reported for each

domestic MFI entity included in the consolidation. The report must relate to the month of October and must be submitted on the 15th business day after the end of the month. This additional report should be compiled in Excel (not via DNB e-Line).

Counterparties and sectors

The counterparties on which MFIs must report in the context of the interest rate statistics are non-financial corporations and households in the euro area (i.e. including the Netherlands). Counterparties belonging to a different sector or established outside the euro area fall outside the scope of these statistical reports.

Reference time

Outstanding amounts

An interest rate on an outstanding amount (form 9004HK1) is calculated as the weighted average for the instrument in question. The weighted average is determined on the basis of all outstanding contracts of the reporting entity which fall under the instrument concerned on the last day of the month (or quarter in the case of quarterly reporting entities). At that time, the reporting entities collect all relevant interest rates and corresponding volumes for outstanding loans and deposits for the relevant counterparties (with the exception of 'bad loans' and loans for debt restructuring entered into on market terms).

New contracts

The interest rates for new contracts are calculated as weighted averages over a given period. The period is one month for monthly reporting entities and one quarter for quarterly reporting entities. Reporting entities calculate the new contract interest rate for each instrument as a weighted average of all interest rates on all new contracts entered into for an instrument falling within the month (or quarter for quarterly reporting entities) in question (with the exception of 'bad loans' and loans for debt restructuring entered into on market terms).

The weighted average interest rate is calculated as:

$$\frac{\sum (rente \times volume)}{\sum (volume)}$$

Currency denomination and amount

The interest rate statistics relate only to contracts denominated in euros. Contracts in currencies other than the euro must not be included in the reports. Other loans to non-financial corporations must be subdivided in the report of new contracts (forms 9004HK2 and HK3) into three categories:

- up to and including EUR 0.25 million
- over EUR 0.25 million up to EUR 1 million
- more than EUR 1 million

These categories refer to the size of the individual contract, not the total of all contracts between the bank and the client added together. They also refer to the entire agreed amount, regardless of whether or not it has been drawn down in full.

Interest rate type

Reporting entities must report interest rates relating to the outstanding amounts (form 9004HK1) and to new contracts (forms 9004HK2 and HK3). The interest rate should be calculated using the annualised agreed rate (AAR) method. This annualised interest rate must be reported to four decimal places. An interest rate can also be negative (especially the rate on deposits on the liabilities side of the bank balance sheet). Negative interest rates must also be reported as such.

Annualised agreed rate (AAR)

The AAR is the interest rate agreed between the reporting entity and the household or non-financial corporation for a loan or deposit, converted to an annualised basis and expressed to four decimal places. The AAR includes all interest payments on loans and deposits, but excludes other costs. Discounts (defined as the difference between the nominal amount of the loan and the amount received by the client) are regarded as an interest payment on commencement of the contract and should be included in the AAR. If the reporting entity and the household or non-financial corporation agree that interest payments will be capitalised at periodic intervals (e.g. monthly or quarterly), the agreed interest rate is converted to the AAR as follows:

$$x = \left(1 + \frac{r_{ag}}{n}\right)^n - 1$$

x = AAR;

r_{ag} = the annualised interest rate agreed between the reporting entity and household or non-financial corporation for a loan or deposit, where the payments are capitalised at periodic intervals within a year;

n = the number of intervals (capitalisation periods) per year for the payments on loans and deposits (i.e. one for annual payments, two for semi-annual payments, four for quarterly payments and 12 in the case of monthly payments).

The interest payments based on the AAR method must reflect what the reporting entity pays on deposits and receives on loans. Therefore, the AAR is based on what the reporting entity pays or receives, not on what the client pays or receives. This means that any taxes on deposits imposed on the client or subsidies granted in connection with loans are not included in the reported interest rate.

Favourable rates applied by reporting entities for their employees are included in the interest rate statistics. When calculating the AAR, year should be set at a standard of 365 days (no allowance is made for leap years).

Annual Percentage Rate of Charge (APRC)

In addition to the AAR, the 'annual percentage rate of change' (APRC) must also be reported (on form 9004HK2). This only applies for interest rates on the following two new contracts:

Loans for house purchase using APRC-method:

The interest rate on loans for house purchase calculated using the APRC method incorporates the total costs of the credit granted to the consumer, including interest and all other charges that the consumer has to pay in the context of the credit agreement. See below for more information.

Loans for consumption (personal) using APRC-method:

The interest rate on loans for consumption (personal) calculated using the APRC method incorporates the total costs of the credit granted to the consumer, including interest and all other charges that the consumer has to pay in the context of the credit agreement. See below for more information.

The APRC method includes the total cost (monthly average over the legal contract term) of credit to the consumer, as set out in EU Directive 2008/48/EC (Article 3g). This includes both initial and recurring costs consisting of interest and all other costs of any nature whatsoever which the client has to pay in the context of the credit agreement and which are known to the lender.

These other costs (in addition to the interest) which must be included in calculating the APRC include:

- Administration costs;
- Deed and document costs;
- Research and inspection costs;
- Costs of guarantees and insurance (including insurance premiums), in so far as such guarantees and insurance are obligatory from obtaining the credit and in so far as they are directly linked to the security of repayment of the principal and the costs of the amount borrowed;
- Commitment fee;
- Surety fee (as charged under the National Mortgage Guarantee scheme (NHG)).

The following costs should not be included:

- Costs payable by the client for non-compliance with obligations entered into for the loan;
- Legal fees;
- Costs other than the purchase price payable by the consumer in any event when purchasing goods or services, including if the purchase is made in cash;
- Funds transfer costs and costs for maintaining the account used for payments (interest, principal repayments and other payments);
- Costs of memberships, etc. stemming from agreements that are separate from the loan agreement but which influence the terms of the loan agreement;
- Other guarantee and insurance cost, such as; term life insurance, bankruptcy insurance (for businesses) or unemployment or occupational disability insurance. These are compulsory insurance premiums, but do not lead to capital accrual. Non-compulsory insurance costs such as premiums for life insurance annuity policies to be used for redeeming the mortgage also fall outside the APRC.
- Costs of advice and mediation for mortgage loans, including brokerage and arrangement fees (since the introduction of the ban on commission from 1 January 2013).

Outstanding amounts versus new contracts (including renegotiations)

Reporting entities provide interest rate statistics for both outstanding amounts (HK1) and new contracts (HK2 and HK3). In addition, separate information must be provided for subform 2 on the negotiations, which form part of the new contracts. The information on the negotiations is intended to provide the ECB with more information on developments in genuinely new money, i.e. finance that banks have provided for the first time. Information must be provided for subform 3 on new contracts secured on collateral or other guarantee. The ECB will use this information to analyse the impact of hedging credit risk on interest

rates. Each subform is subdivided into a series of instruments on the asset and liabilities side of the bank balance sheet.

Outstanding amounts (HK1)

Only the interest rates should be reported for outstanding amounts. The actual outstanding amounts are already included in the stocks report (form 9001HK1) submitted to DNB. Reporting entities must report the interest rates per instrument on all outstanding euro-denominated contracts at the end of the month (or quarter in the case of quarterly reporting entities) with households and non-financial corporations in the euro area.

Please note: Owing to the direct relationship between the outstanding amounts on form 9001HK1 and the associated interest rates on form 9004HK1, reclassifications on form 9001HK1 must also appear on form 9004HK1. For example, if a loan reported on form 9001HK1 is moved from the sector 'Non-financial corporations' to the sector 'Other financial institutions', the associated interest rate must disappear from form 9004HK1. This is because form 9004HK1 pertains only to loans and deposits involving non-financial corporations and households.

In order to calculate the interest rate on accounts which (depending on the balance) may be a receivable or an obligation, reporting entities draw a distinction between periods with a credit balance and periods with a debit balance. Reporting entities report separate weighted average interest rates on the credit balances under 'Demand deposits', and on a debit balances under 'Overdraft'. Combining (lower) credit interest rates for demand deposits and (higher) debit rates for overdrafts when calculating weighted average interest rates is not permitted. When determining whether an outstanding amount is a receivable (overdraft) or an obligation (demand deposits), the balance on the final day of the month or quarter (for quarterly reporting entities) is decisive. For more information on reporting stocks, consult the guide notes to form 9001HK1.

New contracts (HK2 and HK3)

In the MFI interest rate statistics, new contracts consist of all agreements between the debtor (household or non-financial corporation) and the reporting entity, where:

- (a) an interest rate is recorded for a loan or deposit for the first time ('genuinely new money');
- (b) there is a renegotiation between client and reporting entity on the terms of existing contracts for loans and deposits (renegotiated money').

The renegotiations are subdivided into the more 'traditional' renegotiations where a bank and a client agree new terms within an existing contract, and 'transfer of loans' where a loan is transferred from bank A to bank B on the initiative of the debtor.

Renegotiation guidelines

Renegotiations require the active involvement of households and non-financial corporations in agreeing new terms for an existing contract. An existing contract is defined here as a contract which was agreed in the past but the nominal value of which has not yet been fully repaid to the creditor at the time of the renegotiation. The terms covered by the renegotiations are broader than the interest rate alone, and also include changes in aspects such as the fixed interest period, term, currency denomination, size of the loan and merging and splitting of loans. When reporting renegotiations, it is also necessary that the terms

actually change after the active involvement of the debtor. If the terms do not change after contact between the bank and the debtor, this is not a renegotiation.

The definition of 'active involvement' may sometimes mean the tacit agreement of the debtor. Example: in some situations, the client receives a proposal from the bank containing new terms, to which the client can respond within a set period. If the client does not respond within the set period (and therefore tacitly agrees to the new terms), the new terms proposed by the bank come into force. In such a situation, the contract amendments are also regarded as a renegotiation.

If a client renegotiates a loan or deposit several times per month (or per quarter for quarterly reporting entities), all renegotiations must be reported. In consultation with the banks, it has been decided (in view of the complexity of the regulation) that reporting of several renegotiations per month (or per quarter) need not begin before 1 January 2015. In the event of several renegotiations per month (or per quarter) it is sufficient to report one renegotiation on the basis of the contract that is open at the end of the reference period (for more information on dealing with situations of this kind, see example 4).

If a client is in financial difficulties and the bank is willing to agree a different repayment schedule, for example, this change should not be treated as a renegotiation as long as the official terms in the contract do not change. Extensions or other amendments to existing contracts which take place automatically without involvement of the client are not new contracts and are also not renegotiations. These automatic amendments are usually included in the contract when it is drawn up (de facto, an automatic change does not lead to a genuine change in the contract). The client is not actively involved in the implementation of these agreed amendments, but is in most cases simply notified of the change(s).

Loans taken out in order to restructure the debts of bad debtors and which are arranged at below market terms are not regarded as new contracts or renegotiations. Reporting entities are free to determine what constitutes 'below market terms' for a specific client. Bad loans are also not regarded as new contracts or renegotiations. Bad loans are loans which are in payment arrears or which are impaired in some other way (according to the definition in the Capital Requirements Regulation 575/2013).

If a client takes out a new loan to refinance an existing loan, this new loan must also be reported as a renegotiation (see example 9).

If a loan is provided in tranches (and the apportionment and the associated interest rates were provided for in the original contract terms), the individual tranches are not regarded as separate new transactions. The entire loan must be reported as a new contract - at the weighted initial interest rate - on form 9004HK2 in the month (or quarter for quarterly reporting entities) in which the contract is established (see example 5). If the contract carries a variable interest rate, the entire loan must again be reported on form 9004HK2 in the month (or quarter) in which the contract is established. The interest rate should be calculated on the basis of the parameters as known during that month. The outstanding volume of the contract is only reported on form 9001HK1 once the first tranche has been drawn down. The outstanding volume on form 9001HK1 is then equal to the tranches drawn down (and not yet repaid).

Loans for which the volumes and interest rates of the different tranches are fully known in advance are thus included in full when calculating the weighted interest rates on new contracts in the month (or

quarter) that the contract is established. Loans for which the volume of the tranches is not fixed in advance, and loans where a credit limit or ceiling has been arranged, are also reported in full on form 9004HK2 in the month (or quarter) in which the contract is established.

Following the coming into effect of the new ECB Regulation ECB/2013/34, renegotiations must moreover be reported separately on form 9004HK2.

Transfer of loans

If a loan is switched between two banks on the initiative of a household or non-financial corporation (where a client moves to another bank), the bank to which the client moves must report the loan as a new contract and renegotiation. Where loans originate outside the MFI sector (e.g. where a client transfers a loan from a non-bank lender), this constitutes a new contract but not a renegotiation. The rationale here is that in the former situation the MFI sector as a whole does not provide any genuinely new money (hence the renegotiation). In the second situation, by contrast, there is genuinely new money for the MFI sector (hence no renegotiation).

If loans are switched between two banks on the initiative of the lender (e.g. due to a reorganisation, the acquisition of a loan portfolio or the writing back of previously securitised loans on the bank balance sheet), this does not constitute either a new contract or a renegotiation.

Recognising loan transfers (on the initiative of the debtor) as renegotiations is difficult for banks. The ECB has therefore stipulated that reporting transfers as renegotiations should take place on a 'best effort basis'. It was recently agreed with the banks that reporting transfers as renegotiations is not necessary before 1 January 2015. A longer introduction period will be agreed with the reporting entities in further consultation.

Loan transfers on the initiative of the debtor must of course be recorded as new contracts, but this is much less difficult for banks, since this is a new client for the bank and involves genuinely new money.

Rationale behind the separate reporting of renegotiations

The reporting of new contracts (both volume and interest rates) has been the practice since the launch of the MFI Interest Rate Statistics (2003) and is intended to provide the ECB with an insight into the transmission mechanism of monetary policy: how do changes in the ECB policy rate impact the interest rates agreed between banks and the real sectors of the economy? The separate reporting of renegotiations in the MFI Interest Rate Statistics has been included by the ECB in the new Regulation because it wishes to have a clearer picture of the genuinely new money provided by the banking sector. During the financial crisis, it became apparent that there was a lack of good information about new lending to households and businesses. This is a key gap in the data that is important for policymakers within and outside the ECB (e.g. including within government). These policymakers view the economy from a macro-perspective. The statistics must reflect this. Accordingly, the ECB regards loans that are transferred, for example, or loans which are used to refinance existing credits, as renegotiations because, seen from a micro-perspective, no genuinely new money is provided to the household or non-financial corporation in these cases. The remainder (the difference between what the reporting entities report as new contracts and renegotiations) is the genuinely new money pumped into the real economy by the banking sector.

New contracts secured with surplus collateral and/or guarantees (form 9004HK3).

Only new contracts in the categories loans for house purchase and loans for consumption (personal) (for households) and other loans (for non-financial corporations) from form 9004HK2 which are secured for 100% or more by collateral and/or guarantees ($LTV \leq 1$) are reported on form 9004HK3. More specifically, these are loans that are secured on collateral using the funded credit protection technique as described in Article 4, paragraph 58 and Articles 197-200 inclusive of the Capital Requirements Regulation 575/2013, and credits that are guaranteed using the unfunded credit protection technique as described in Article 4, paragraph 59 and Articles 201-203 inclusive of the Capital Requirements Regulation 575/2013, so that the value of the collateral and/or guarantee is greater than or equal to the amount of outstanding credit. Both the volume and the interest rate must be reported. This information on loans secured with surplus collateral is important for the ECB in analysing the influence of interest rate hedging of credit and other risks.

If private individuals take out loans secured on surplus collateral in order to purchase land, these loans are placed in the category "Other loans" on form 9004HK3.

Please note: information on loans secured with surplus collateral ($LTV \leq 1$) must also be reported on form 9001HK3. However, the definition used there is narrower than the definition on form 9004HK3. Only loans secured on property with surplus collateral must be reported on form 9001HK3.

Banks must reappraise the value of the collateral and guarantees used as security for contracts if those contracts are renewed, for example when a new fixed interest rate period begins or the amount of the loan is increased, or because negotiations have taken place on different terms. This gives rise to different LTV ratios, which can in turn have an influence on whether or not these new contracts are included on form 9004HK3.

Thus if a household takes out a loan of EUR 320,000, for example, which is secured on property to an amount of EUR 200,000, savings to an amount of EUR 50,000, securities to an amount of EUR 100,000 and other guarantees to an amount of EUR 50,000, this loan must also be reported on form 9004HK3. This is because the $LTV \leq 1$ (actually 0.80), which means there is surplus collateral.

Two types of maturity are reported on form 9004HK3 (and on 9004HK2), namely fixed interest rate period and original maturity. For new contracts for loans for house purchase and loans for consumption (personal) to households, only a breakdown by fixed interest rate period is required. Other loans to non-financial corporations must be reported either by fixed interest rate period or original maturity, or by a combination of both.

Examples of reporting renegotiations*1. Adopting new terms and conditions with active involvement of the client.*

Situation: A household takes out a loan for consumption (personal) with bank A on 15 December 2014 for an amount of EUR 15,000 with a term of three years. The interest rate is fixed for one year. An interest rate of 4.50% is agreed for the first year.

For the month of December 2014, the following items are entered on form 9004:

Form	Instrument	Sector	Volume	Interest rate	Comments
9004HK1	020 and 050 and 110	020	-	4,5000	The outstanding amount (EUR 15,000) is entered on 9001HK1.
9004HK2B	070	010	-	4,5000	
9004HK2B	070	030	15.000	-	

The first fixed interest rate period ends on 14 December 2015. Bank A and the household agree a new interest rate of 4.25% for the second year. The remaining debt outstanding is EUR 10,000.

For the month of December 2015, the following items are entered on form 9004:

Form	Instrument	Sector	Volume	Interest rate	Comments
9004HK1	020 and 040 and 110	020	-	4,2500	The outstanding amount (EUR 10,000) is entered on 9001HK1.
9004HK2B	070	010	-	4,2500	
9004HK2B	070	030	10.000	-	
9004HK2B	070	020	-	4,2500	
9004HK2B	070	040	10.000	-	

2. Automatic adoption of new terms and conditions without active involvement of the client

Situation: A household takes out a mortgage loan with bank A on 15 December 2014 for an amount of EUR 250,000 with a term of 15 years. The interest rate is fixed for three months. The interest rate comprises three-month Euribor +50 basis points. During the first period, Euribor is 1.50%.

For the month of December 2014, the following items are entered on form 9004:

Form	Instrument	Sector	Volume	Interest rate	Comments
9004HK1	020 and 050 and 110	020	-	2,0000	The outstanding amount (EUR 250,000) is entered on 9001HK1.
9004HK2B	070	010	-	2,0000	
9004HK2B	070	030	250.000	-	

In March 2015, three-month Euribor is 1.65%. In line with the contractual terms and conditions, the interest rate on the mortgage is adjusted based on the new three-month Euribor. The household receives a notification of the change in interest rate.

For the month of March 2015, the following items are entered on form 9004:

Form	Instrument	Sector	Volume	Interest rate	Comments
9004HK1	020 and 050 and 110	020	-	2.1500	The outstanding amount (EUR 250,000) is entered on 9001HK1.

3. Increasing the credit with and without setting new terms

Situation: A household takes out a loan for consumption (personal) with bank A on 15 December 2014 for an amount of EUR 15,000 with a term of three years. The interest rate is fixed for one year. An interest rate of 4.50% is agreed for the first year.

For the month of December 2014, the following items are entered on form 9004:

Form	Instrument	Sector	Volume	Interest rate	Comments
9004HK1	020 and 050 and 110	020	-	4.5000	The outstanding amount (EUR 15,000) is entered on 9001HK1.
9004HK2B	070	010	-	4.5000	
9004HK2B	070	030	15,000	-	

On 15 June 2015, the amount of the loan is increased by EUR 5,000 at the request of the household. The interest rate remains unchanged.

For the month of June 2015, the following items are entered on form 9004:

Form	Instrument	Sector	Volume	Interest rate	Comments
9004HK1	020 and 050 and 110	020	-	4.5000	The outstanding amount (EUR 20,000) is entered on 9001HK1.
9004HK2B	070	010	-	4.5000	
9004HK2B	070	030	5,000	-	

The first fixed interest rate period ends on 14 December 2015. Bank A and the household agree a new interest rate of 4.25% for the second year. The outstanding debt of EUR 20,000 is also raised by a further EUR 5,000. The same interest rate applies for the additional amount.

For the month of December 2015, the following items are entered on form 9004:

Form	Instrument	Sector	Volume	Interest rate	Comments
9004HK1	020 and 050 and 110	020	-	4.2500	The outstanding amount (EUR 25,000) is entered on 9001HK1.
9004HK2B	070	010	-	4.2500	
9004HK2B	070	030	25,000	-	
9004HK2B	070	020	-	4.2500	
9004HK2B	070	040	20,000	-	

The second fixed interest rate period ends on 14 December 2016. Bank A and the household agree a new interest rate of 4.00% for the third year. The outstanding debt of EUR 25,000 is also raised by a further EUR 5,000. A different interest rate is agreed for the additional amount: 4.35%.

For the month of December 2016, the following items are entered on form 9004:

Form	Instrument	Sector	Volume	Interest rate	Comments
9004HK1	020 and 050 and 110	020	-	4.0583	The percentage is a weighted average of the two contracts. The outstanding amount (EUR 30,000) is entered on 9001HK1.
9004HK2B	070	010	-	4.0583	The percentage is a weighted average of the two contracts.
9004HK2B	070	030	30,000	-	
9004HK2B	070	020	-	4.0000	
9004HK2B	070	040	25,000	-	

4. Adopting new terms and conditions several times within one month

Situation: Bank A and a non-financial corporation agree a loan on 15 January 2015 for an amount of EUR 100,000 with a term of three months and a fixed interest rate period of one week. At the end of each week, the bank and the non-financial corporation discuss the new interest rate.

An interest rate of 1.00% is agreed on 15 January, of 2.00% on 22 January and 3.00% on 29 January.

For the month of January 2015, the following items are entered on form 9004:

Form	Instrument	Sector	Volume	Interest rate	Comments
9004HK1	160	010	-	3.0000	The outstanding amount (EUR 100,000) is entered on 9001HK1.
9004HK2A	010 and 070	010	-	2.0000	The percentage is a weighted average of the first rate adopted and the two renegotiations during the month.
9004HK2A	010 and 070	030	300,000	-	A new contract was agreed three times during the month, for an amount of EUR 100,000 each.
9004HK2A	010 and 070	020	-	2.5000	The percentage is a weighted average of the two renegotiations during the month.
9004HK2A	010 and 070	040	200,000	-	Renegotiations took place twice during the month, each time on EUR 100,000.

In consultation with the banks, it was decided (in view of the complexity of the instruction) that reporting of several renegotiations per month need not begin before 1 January 2015. Where there are several renegotiations per month, it is sufficient to report one renegotiation on the basis of the contract that is open at the end of the reference period.

In practice, the above example would lead to the following report:

Form	Instrument	Sector	Volume	Interest rate	Comments
9004HK1	160	010	-	3.0000	The outstanding amount (EUR 100,000) is entered on 9001HK1.
9004HK2A	010 and 070	010	-	3.0000	
9004HK2A	010 and 070	030	100,000	-	

The same example as above, except that the outstanding amount of the loan on 29 January is increased by EUR 100,000 (at the same interest rate of 3.00%).

For the month of January 2015, the following items are entered on form 9004:

Form	Instrument	Sector	Volume	Interest rate	Comments
9004HK1	160	010	-	3.0000	The outstanding amount (EUR 200,000) is entered on 9001HK1.
9004HK2A	010 and 070	010	-	2.2500	The percentage is a weighted average of the first rate adopted, the two renegotiations and the increase in the loan during the month.
9004HK2A	010 and 070	030	400,000	-	A new contract was agreed four times during the month, for an amount of EUR 100,000 each.
9004HK2A	010 and 070	020	-	2.5000	The percentage is a weighted average of the two renegotiations during the month.
9004HK2A	010 and 070	040	200,000	-	Renegotiations took place twice during the month, for an amount of EUR 100,000 each.

In consultation with the banks, it was decided (in view of the complexity of the instruction) that reporting of several renegotiations per month need not begin before 1 January 2015. Where there are several renegotiations per month, it is sufficient to report one renegotiation on the basis of the contract that is open at the end of the reference period.

In practice, the above example would lead to the following report:

Form	Instrument	Sector	Volume	Interest rate	Comments
9004HK1	160	010	-	3.0000	The outstanding amount (EUR 200,000) is entered on 9001HK1.
9004HK2A	010 and 070	010	-	3.0000	The percentage is a weighted average of the first rate adopted, the two renegotiations and the increase in the loan during the month.
9004HK2A	010 and 070	030	200,000	-	A new contract was agreed four times during the month, for an amount of EUR 100,000 each.

The same example as above, except that during the following month (February) there are several renegotiations of the credit of EUR 200,000 that was outstanding as at 29 January (at that time at a rate of 3.00%); on 5 February and interest rate of 2.75% is agreed, on 12 February a rate of 2.50%, on 19 February a rate of 2.25% and on 26 February a rate of 2.00%.

The following must then be reported on form 9004 of the month of February under the reporting obligations agreed with the banks:

Form	Instrument	Sector	Volume	Interest rate	Comments
9004HK1	160	010	-	2.0000	The outstanding amount (EUR 200,000) is entered on 9001HK1.
9004HK2A	010 and 070	010	-	2.0000	This is the new interest rate applying for the loan outstanding as at the end of February.
9004HK2A	010 and 070	030	200,000	-	The volume of the contract outstanding at the end of February on which renegotiations have taken place.
9004HK2A	010 and 070	020	-	2.0000	This is the new interest rate applying for the loan outstanding as at the end of February.
9004HK2A	010 and 070	040	200,000	-	The volume of the contract outstanding at the end of February on which renegotiations have taken place.

The example thus makes clear that if several renegotiations take place within a month on a contract that was already on the balance sheet in the preceding month, the renegotiation should only be reported once on the basis of the contract that is open at the end of the reference period.

5. Drawing down the credit in tranches

Situation: Bank A and a non-financial corporation agree a loan on 15 January 2015 for an amount of EUR 1,000,000 for a construction project, with a term of five years and a fixed interest rate period of one year. An interest rate of 3.00% is agreed for the first year. The amount will be paid out in tranches. The first tranche of EUR 100,000 is paid immediately.

For the month of January 2015, the following items are entered on form 9004:

Form	Instrument	Sector	Volume	Interest rate	Comments
9004HK1	020 and 050 and 080	010	-	3.0000	The outstanding amount (EUR 100,000) is entered on 9001HK1.
9004HK2A	130 and 200	010	-	3.0000	
9004HK2A	130 and 200	030	1,000,000	-	

On 15 January 2015, a new interest rate of 3.25% is agreed. At that time, EUR 600,000 of the credit has been drawn down and EUR 150,000 has been repaid.

For the month of January 2016, the following items are entered on form 9004:

Form	Instrument	Sector	Volume	Interest rate	Comments
9004HK1	020 and 050 and 080	010	-	3.2500	The outstanding amount (EUR 450,000) is entered on 9001HK1.
9004HK2A	130 and 200	010	-	3.2500	
9004HK2A	130 and 200	030	850,000	-	
9004HK2A	130 and 200	020	-	3.2500	
9004HK2A	130 and 200	040	850,000	-	

6. Transfer of loans on the initiative of the bank (without contact with the debtor)

Situation: Bank A purchases a portfolio of mortgage loans from bank B on 15 January 2015 with a value of EUR 100,000,000 and an average weighted interest rate of 4.25%. All loans in the portfolio have a term of 15 years and a fixed interest rate period of one year.

For the month of January 2015, the following items are entered by bank A on form 9004:

Form	Instrument	Sector	Volume	Interest rate	Comments
9004HK1	020 and 050 and 090	020	-	4.2500	The outstanding amount (EUR 100,000,000) is entered on 9001HK1.

No new contracts are reported here, because these are existing credits in the MFI sector. As described above, placing the securitised loans back on the balance sheet must be reported on form 9004.

7. Transfer of loans on the initiative of the debtor

Situation: A household transfers an existing mortgage from bank A to bank B on 15 January 2015. The loan amounts to EUR 450,000 and the household and bank B agree a new interest rate of 3.25%. The loan has a term and a fixed interest rate period of 15 years.

For the month of January 2015, the following items are entered by bank B on form 9004:

Form	Instrument	Sector	Volume	Interest rate	Comments
9004HK1	030 and 040 and 090	020	-	3.2500	The outstanding amount (EUR 450,000) is entered on 9001HK1.
9004HK2B	040	010	-	3.2500	
9004HK2B	040	030	450,000	-	
9004HK2B	040	020	-	3.2500	
9004HK2B	040	040	450,000	-	

The mortgage loan is a newly granted loan for bank B. However, from a macroeconomic perspective it is also a renegotiation, because the loan had already been granted by another bank. The ECB therefore prescribes that this transfer should also be reported as a renegotiation on a best effort basis (see last two shaded lines in the above table). Given the complexity of this situation for banks, and in view of the 'best effort' nature of the regulation, it has been agreed with reporting entities that reporting loan transfers as renegotiations need not begin before 1 January 2015. A longer introduction period will be agreed with the reporting entities in further consultation.

A household transfers an existing mortgage from bank A to bank B on 15 January 2015. The loan amounts to EUR 450,000 and the household and bank B agree a new interest rate of 3.25%. Bank B also lends an

additional amount of EUR 50,000 to the household at the same interest rate. The loan has a term and a fixed interest rate period of 15 years.

For the month of January 2015, the following items are entered by bank B on form 9004:

Form	Instrument	Sector	Volume	Interest rate	Comments
9004HK1	030 and 040 and 090	020	-	3.2500	The outstanding amount (EUR 500,000) is entered on 9001HK1.
9004HK2B	040	010	-	3.2500	
9004HK2B	040	030	500,000	-	
9004HK2B	040	020	-	3.2500	
9004HK2B	040	040	450,000	-	

The mortgage loan is a newly granted loan for bank B. However, from a macroeconomic perspective it is also a renegotiation, because the loan had already been granted by another bank. The ECB therefore prescribes that this transfer should also be reported as a renegotiation on a best effort basis (see last two shaded lines in the above table). Given the complexity of this situation for banks, and in view of the 'best effort' nature of the regulation, it has been agreed with reporting entities that reporting transfers as renegotiations need not begin before 1 January 2015. A longer introduction period will be agreed with the reporting entities in further consultation.

8. Restructuring (merging) existing credits

Situation: A household has a loan for consumption (personal) of EUR 50,000 at an interest rate of 5.00% and a mortgage loan of EUR 325,000 at an interest rate of 3.75%. On 15 January 2015, the household and the bank agree to combine the two loans in a new mortgage loan of EUR 375,000 at an interest rate of 3.85%. The term and the fixed interest rate period are both set at 15 years.

For the month of January 2015, the following items are entered by bank B on form 9004:

Form	Instrument	Sector	Volume	Interest rate	Comments
9004HK1	30 and 40 and 90	020	-	3.8500	The outstanding amount (EUR 375,000) is entered on 9001HK1.
9004HK2B	040	10	-	3.8500	
9004HK2B	040	30	375,000	-	
9004HK2B	040	20	-	3.8500	
9004HK2B	040	40	375,000	-	

9. Refinancing an existing loan

Situation: A non-financial corporation has a loan from bank A in an amount of EUR 5,000,000 which matures on 15 January 2015. On the same date, the firm takes out a new loan from bank A in an amount of EUR 5,775,000; EUR 5,000,000 of this total is intended for refinancing the existing loan, and EUR 775,000 is an additional amount for the purchase of a new machine. The loan has a term of 10 years and a fixed interest rate period of 1 year. The interest rate for the first year amounts to 3.15%. The amount is drawn down in a lump sum.

For the month of January 2015, the following items are entered by bank A on form 9004:

Form	Instrument	Sector	Volume	Interest rate	Comments
9004HK1	020 and 050 and 080	010	-	3.1500	The outstanding amount (EUR 5,775,000) is entered on 9001HK1.
9004HK2A	130 and 200	010	-	3.1500	
9004HK2A	130 and 200	030	5,775,000	-	
9004HK2A	130 and 200	020	-	3.1500	
9004HK2A	130 and 200	040	5,000,000	-	

A few specific elements from the subforms on form 9004

Subform 1 - Weighted average interest rates on outstanding amounts of Dutch MFIs

Assets

The interest rates corresponding with the outstanding amounts on form 9001HK1 must be reported on form 9004HK1. The outstanding amount of loans granted and deposits placed on form 9001HK1 is made up for non-financial corporations of revolving credit, overdraft, card credit and other loans, and for households of loans for house purchase, loans for consumption (personal), revolving credit, overdraft, card credit and other loans. These components also occur on form 9004HK1.

In addition, form 9004HK1 asks for the interest rates reported by correspondents for the stocks reported on 9001HK4. Loans granted and deposits placed are broken down on 9001HK4 by original and residual maturity. This breakdown is also shown on form 9004HK1.

Other loans to households consist of loans that are not used to purchase a house or for consumption purposes. Examples of other loans are loans for study and training, loans to purchase securities or loans to purchase land. The interest rates for overdrafts must include surcharges for exceeding the credit limit or term. Any extra costs in the form of penalties or penalty interest rates should not be included when calculating the overdraft interest rates.

For card credit, the interest rate relates only to the extended card credit, because rent is generally not charged on the facility credit.

Liabilities

Demand deposits include all demand deposits, regardless of whether or not they are interest-bearing. Deposits with an interest rate of zero (or even a negative interest rate) are also part of the interest rate statistics and must therefore be included in calculating the interest rates.

For deposits redeemable at notice, savings products with a loyalty bonus (bonus interest) must also be included (as long as these products do not have a fixed term, of course. The bonus interest which is paid on these savings accounts under certain conditions must be included each month in calculating the weighted average interest rate on the outstanding amounts, as long as the client has met the conditions for payment of the bonus interest.

Subform 2 - Weighted interest rates on all new contracts of Dutch MFIs/ subform 3 - Weighted interest rates on new contracts with collateral and or guarantees (if cover $\geq$ 100%) of Dutch MFIs

Assets

Other loans to non-financial corporations are all new loans excluding revolving credit, overdraft and card credit. Loans for consumption (personal) to households are all new loans for consumption purposes excluding revolving credit, overdraft and card credit. Other loans to households consist of loans that are not used to purchase a house or for consumption purposes. Examples of other loans are loans for study and training, loans to purchase securities or loans to purchase land.

Liabilities

If a loyalty bonus (bonus interest) is payable on a fixed-term deposit, it is of course not clear at the start of the contract whether this loyalty bonus will actually be paid. In this situation, the loyalty bonus should not be included when reporting new contracts.

Two types of term or reported on form 9004HK3 (and on 9004HK2), namely fixed interest rate period and original maturity. For new contracts for loans for house purchase and loans for consumption (personal) to households, only a breakdown by fixed interest rate period is required. Other loans to non-financial corporations must be reported either by fixed interest rate period or original maturity, or by a combination of both.

Classification of a few specific products

Tax-friendly bank saving

Frozen savings accounts which are used for tax-friendly bank savings for a retirement provision or to repay a loan for house purchase form part of the official savings of households. Bank savings must be classified under deposits with a fixed term > 2 years (9004HK1/HK2).

Life-course saving

Life-course savings accounts form part of the official savings of households Life-course savings must be classified under deposits redeemable at notice of more than 3 months (9004HK1).

Umbrella contracts

An umbrella contract allows the client to draw from various types of account up to a certain amount for all accounts together. When the umbrella contract is agreed, the form of the loan, the date of drawdown and the interest rate are not specified: several options can be agreed. An umbrella contract should not be reported as part of the interest rate statistics.

It is only when a loan agreed under the contract is addressed that it is necessary to report it for the interest rate statistics under the relevant instrument; this applies both for new contracts and outstanding amounts.

Subordinated loan

If a bank issues a subordinated loan as a liabilities item, the creditor comes behind the unsecured (i.e. ordinary) creditors in the ranking of creditors in the event of failure of the bank and only has priority vis-à-vis other shareholders, partners or contributors.

Subordinated loans should be included in the interest rate statistics under fixed-term deposits, both for outstanding amounts (9004HK1) and new contracts (9004HK2).

Investment accounts

An investment account has the following characteristics: The account is linked directly to an (online) current account and comprises a cash portion and a securities portion. Only the cash portion needs to be reported in the monetary statistics. If there is a positive balance in the cash portion, it should be classified under 'Deposits redeemable at notice of less than 3 months'. If there is a negative balance, which means there is a securities credit, this should be classified under 'Other loans with a term of less than 1 year'.

Hybrid account (savings and current account)

Hybrid accounts have recently been introduced; they combine both savings and a current account element. If the account in question is configured in such a way that transfer to a suspense account is no longer necessary, and monies can therefore be 'converted into cash without any significant delay, restriction or penalty and/or transferred by cheque, bank instruction, debit transaction (e.g. debit card), etc.', then a notice period no longer applies either. This account then is an interest-bearing current account instead of a savings account. It should be classified under item 'Overnight deposits'. Hybrid accounts with a partial restriction (for example, a debit card can be used with the savings account but monies cannot be freely transferred in other ways) should be classified under the item 'Deposits redeemable at notice of 3 months or more'. Monies in such accounts are not freely transferable because they cannot be remitted directly to third parties.

Form	9007
Title	Monthly report on write-offs, price changes and other changes / other flows of equity and loans
Subform 1	Additional information on MFIs, government and private sector
Subform 3	Other flows of equity and loans, additional information on MFIs, government and private sector
Subform 4	Total write-offs, price and other changes including the items not allocated to country or sector of counterparty
Reporting population	Largest banks only (monthly reporting entities)
Frequency	Monthly
Submission period	12th business day after the end of the reporting month

Purpose of the form

Form 9007 is to be used to report the write-offs, price changes and other changes for the domestic MFI business, broken down by balance sheet item, country and counterparty sector, on a monthly basis. It is the successor to reporting forms 9002, 9003 and 9011.

Subform 1 contains a breakdown of write-offs, price changes and other changes by balance sheet item, maturity, country and counterparty sector. Subform 3 is to be used to report transactions and dividend related to equity and equity (own funds) and flows of interest on loans granted and taken. Finally, subform 4 contains totals and items that cannot be allocated to countries and/or sectors of counterparties.

Subform 1: Additional information on MFIs, government and private sector

Information on stocks, price revaluations and other changes is needed in order to derive data on transactions. Various components of the reconciliation are sent to the ECB, which can then use this to derive the transactions.

The data reported in form 9007HK1 form part of these reconciliation components (see figure below).

Closing position for month t-1	+	Net transactions	+	Exchange rate movements in month t	+	Price changes in month t	+	Breaks in series	=	Closing position for month t
Report 9001		Derived by ECB		Calculated by ECB		Report 9007HK1		Calculated by DNB		Report 9001

Contents of the form

Form 9007HK1 (data on flows) covers write-offs, price changes and other changes in the corresponding balance sheet items in form 9001 (stock data).

Write-offs, price and other changes (shares held, participations, debt securities held and derivative instruments)

With respect to securities (which are broken down into shares held, debt securities held by maturity and derivatives), the result compared to the previous month (or the acquisition value if the securities were purchased during the month) has to be reported. The result is defined as the market value at time t less the market value at time t-1. In the case of shares which were sold during the month and which were still included in the securities portfolio at time t-1, the result compared to the market value recorded in the previous reporting month (i.e. not compared to the acquisition value) has to be reported. In the case of securities which are purchased during the month and sold in the same month, the difference between the purchase price and the selling price has to be reported.

Derivatives with contracts with a positive market value are to be reported in form 9001 on the asset side of the balance sheet and, vice versa, contracts with a negative market value on the liabilities side of the balance sheet. Therefore, write-offs, price and other changes affecting the derivative positions are to be displayed in 9007HK1. The example below shows how to deal with price movements of derivatives contracts (transactions and other changes are disregarded for simplicity), which therefore means that the revaluations must be reported in 9007HK1.

	Period T		Revaluation		Period T +1	
	Asset	Liability	Asset	Liability	Asset	Liability
Derivative a	100		10		110	
Derivative b		100		10		110
Derivative c	10		-10	10	0	10
Total	110	100	0	20	110	120

- 1) Derivative A increases with +10 mln in value during period T+1 and retains its positive market value.
- 2) Derivative B decreases with +10 mln in value during period T+1 and retains a negative market value (this should be reported with a positive sign in form 9007HK1)
- 3) Derivative C decreases with 20 mln in value during period T+1, whereby the positive market turns into a negative market value.

Write-offs, price changes and other changes (equity)

Price changes and other changes consists of all changes in the net asset value of the equity holdings of the domestic banking business that are not due to purchases, sales or exchange rate changes are classified under "price changes and other changes". Equity holdings may be revalued once a year (e.g. listed equity) or once a year when the financial statements are compiled. Changes in the net asset value of equity holdings due to retained earnings also have to be reported under "price changes and other changes". Price changes and other changes also include all changes in the working capital provided to foreign offices or branches that are not due to withdrawals, contributions or exchange rate changes.

When an equity holding is sold, the difference between the selling price (market value) and the net asset value also has to be reported under "price changes and other changes". This difference is the gain or loss on the sale. A more detailed example is provided under subform 9007HK3.

Write-offs, price changes and other changes (loans granted and deposits placed)

In principle, only write-offs of outstanding loans and deposits placed due to defaulting or bankruptcy on the part of the debtor are to be reported under price changes and other changes in form 9007HK1. In addition, the forgiveness of debts of foreign governments are also to be reported in this form. Arrangements concerning the forgiveness of foreign government debt are usually made in an international context and only arise occasionally. If a bank is involved in such a form of debt forgiveness, DNB needs to be contacted and provided with specific information on the country in question, the amount of debt forgiveness and the phases in which it will take place, and the conditions attached. Where loans are valued in the trading book at market value, any revaluations will have to be entered under price changes and other changes. Any changes in loans granted and deposits placed due to exchange rate movements have to be disregarded.

Write-offs, price changes and other changes (loans and deposits taken)

All changes in outstanding loans and deposits that are not due to loans being redeemed, deposits withdrawn and new loans and deposits taken have to be reported under write-offs, price changes and other changes.

Write-offs, price changes and other changes (other assets/liabilities)

All changes in other assets/liabilities due to write-offs, price changes and other changes should be reported under this item, including possible price changes in the market value of debt securities issued.

Subform 3: Other flows of equity and loans, additional information on MFIs, government and private sector

DNB requires information on cross-border (foreign) financial assets of Dutch banks in order to prepare the Dutch balance of payments (an overview of financial transactions between the Netherlands and other countries).

Banks report stocks and balances in the comprehensive monetary report (form 9001). Under the External Financial Relations Act (*Wet Financiële Betrekkingen Buitenland* or *Wfbb*), banks report additional information on flows every month so that transactions can be derived for the purpose of the balance of payments.

In addition, positions held with Dutch parties (which are not relevant for the balance of payments) are used by DNB and Statistics Netherlands (CBS) for the purpose of compiling the sector accounts.

Instruments and sectors

Information on country level on a number of items on both sides of the bank's balance sheet has to be reported in form 9007HK3. The items on the asset side of the balance sheet are equity and loans granted to and deposits placed. The items on the liabilities side of the balance sheet are the equity held and loans and deposits taken.

Since the Dutch banking business forms the basis for consolidation for this report, majority interests in Dutch banking subsidiaries and working capital at Dutch offices are, by definition, not included in this report. Loans and deposits extended to, or received from the reporter's own Dutch banking subsidiaries or offices are also excluded. These businesses and offices have to be included within the scope of consolidation, as a result of which the positions with these parties (intra-group positions) disappear.

A minority interest in the capital of a business has to be recorded as equity in the report if this interest represents 10% or more of the voting rights (up to the level at which a majority interest is reached). If the holding represents less than 10% of the voting rights it is classified as an investment.

Form-specific information

For the purpose of compiling the Dutch balance of payments, it is important to obtain a full (balanced) picture of the statistical trend in a balance sheet item. The process of obtaining a full, balanced picture is known as reconciliation and is shown in the following calculation rule:

	Closing position for month t-1	+	Purchases in month t	-	Sales in month t	+	Exchange rate movements in month t	+	Price changes and other changes in month t	=	Closing position for month t
Equity	9001HK1		9007HK3		9007HK3		DNB		9007HK1		9001HK1
Loans and deposits	9001HK1		DNB		DNB		DNB		9007HK1		9001HK1

9001 and 9007 = reported by the reporting entity

DNB = calculated or derived by DNB

When assessing the submitted reports, DNB will analyse whether the above calculation rules produce sound, plausible results. If a calculation rule produces unsound or non-plausible results, DNB will contact the reporting entity and ask for clarification or, if necessary, a re-report. Reporting entities are urgently requested to ensure the results of the above calculation rules are accurate before the report is submitted.

Equity

Purchases and sales by investor

All investments and disinvestments by the investor (in this case the reporting entity) have to be included in the report and valued at the market price at the time of the transfer of ownership. The market price is the price for which the equity holding was bought or sold. Purchases and sales have to be reported as gross amounts (purchase and sales may not be netted off).

The following also have to be reported as a purchase or sale:

- Capital contributions to, or withdrawals of capital from, equity holdings (purchase or sale);
- The covering of losses (informal capital contribution) at equity holdings (purchase);
- Contributions of working capital to, or withdrawals of working capital from, foreign branches (purchase or sale);
- Repayments of share capital (sale);
- Conversions of loans, dividends and current accounts into shares (purchase)

- Dividends received that are distributed from non-recurring income or previously retained earnings (often referred to as a "super dividend") (sale).

Price changes and other changes

Price changes and other changes consists of all changes in the net asset value of the equity holdings of the domestic banking business that are not due to purchases, sales or exchange rate changes are classified under "price changes and other changes". Equity holdings may be revalued once a year (e.g. listed equity) or once a year when the financial statements are compiled. Changes in the net asset value of equity holdings due to retained earnings also have to be reported under "price changes and other changes". Price changes and other changes also include all changes in the working capital provided to foreign offices or branches that are not due to withdrawals, contributions or exchange rate changes.

When an equity holding is sold, the difference between the selling price (market value) and the net asset value also has to be reported under "price changes and other changes". This difference is the gain or loss on the sale.

An equity holding is sold for €15 million. Its net asset value is €5 million.										
Closing position for month t-1	+	Purchases in month t	-	Sales in month t	+	Exchange rate movements in month t	+	Price changes and other changes in month t	=	Closing position for month t
5		0		15		0		10		0

9001HK1		9007HK3		9007HK3		DNB		9007HK1		9001HK1
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In addition, when an equity holding is purchased, the difference between the net asset value and the purchase price (market value) has to be reported under "price changes and other changes".

An equity holding is bought for €15 million. Its net asset value is €5 million.										
Closing position for month t-1	+	Purchases in month t	-	Sales in month t	+	Exchange rate movements in month t	+	Price changes and other changes in month t	=	Closing position for month t
0		15		0		0		-10		5

9001HK1		9007HK3		9007HK3		DNB		9007HK1		9001HK1
---------	--	---------	--	---------	--	-----	--	---------	--	---------

In the transactions shown in the above example, if the selling price in the first transaction is less than the net asset value (loss on sale or negative goodwill), a negative amount will be shown under "price changes and other changes", whereas a positive amount will be shown in this column if the purchase price in the second transaction is less than the net asset value (gain on purchase or 'lucky buy').

The net asset value does not take into consideration any goodwill included in equity. As price changes and other changes relate exclusively to changes in the net asset value, changes in goodwill are not to be reported under "price changes and other changes".

If a reporting institution obtains a minority interest in a listed company by gradually purchasing shares, the reporting entity has to treat the interest in the share capital of that company as an equity holding once the interest that has been acquired represents more than 10% of the voting rights. The shift from a normal investment in the securities portfolio to an equity holding and the recording of an equity holding in form 9001 (subform 1) should be accompanied by a recording under "price changes and other changes" in form 9007HK1.

The holding of shares in a business grows, changes in character and is classified as an equity holding in a business. Its value is €5 million.										
Closing position for month t-1	+	Purchases in month t	-	Sales in month t	+	Exchange rate movements in month t	+	Price changes and other changes in month t	=	Closing position for month t
0		0		0		0		5		5

9001HK1		9007HK3		9007HK3		DNB		9007HK1		9001HK1
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Any changes in the working capital provided by a reporting entity to a foreign branch (or in the capital of the branch) due to capital gains and losses on the assets of that branch have to be reported in form 9007HK1. Other factors (everything excluding actual contributions and withdrawals) that result in a change in the assets of the branch (e.g. write-downs and write-offs) and that affect the capital (and hence the working capital) of the branch have to be reported under "price changes and other changes".

Declared dividend

The gross dividend (before the deduction of dividend tax) to which the reporter's domestic banking business is entitled has to be reported under "declared dividend". Dividends have to be reported in the month in which they are declared. Declared dividend must relate exclusively to profits from operating activities. Dividends distributed from non-recurring income may not be reported as declared dividend and have to be recorded under "sales" instead. Such dividends are treated as a disinvestment of the equity holding in the statistical reports. The time the dividend is declared coincides with the time when the dividend is officially agreed (with the approval of the shareholders) and it is resolved that the dividend will be distributed on a future date (listed shares subsequently go ex-dividend, and the dividend is actually paid after this). During the period between the declaration of the dividend and the time it is actually received, a short-term claim has to be recorded in form 9001 (subform 1) under "other asset", unless the claim already forms part of the current account balance between the parties in question and has therefore already been reported in form 9001 (subform 1).

Relationship between monthly form 9007 and the yearly report (form 9005 Subform 1)

All banks have to submit a fully reconciled report on their foreign equity holdings once a year. Separate information has to be provided on each equity holding. A part of the data reported every month in form 9007 has to correspond with the information reported on an annual basis in form 9005HK1 (the yearly report of equity holdings).

- *Stocks* The stock in foreign equity holdings reported in form 9001HK1 for the reference month of December must, in principle, be the same as the closing position for foreign holdings in form 9005HK1.
- *Purchases and sales by the investor* The sum of all purchases and sales of foreign equity holdings undertaken by the reporting entity during the year and reported monthly on form 9007HK3 must correspond with the sum of the purchases and sales (on all individual equity holdings) on form 9005HK1.
- *Declared dividend* The sum of all dividends declared by the reporting entity during the year and reported monthly on form 9007HK3 must correspond with the sum of all dividends declared (on all individual equity holdings) on form 9005HK1.
- *Price changes and other changes* The sum of all price changes and other changes observed by the reporting entity during the year and reported monthly on form 9007HK1 need not by definition correspond with the sum of all price changes and other changes (on all individual equity holdings) on form 9005HK1. This is because changes in the position of equity holdings due to retained earnings (profit achieved less declared dividend) that occur during the year have to be reported in form 9007HK1 under "price changes and other changes" in the relevant month. The profits achieved (or losses sustained) and the declared dividends have to be reported separately in form 9005, as a result of which retained earnings are not included in "price changes and other changes".

If the above relationships between stocks, transactions, declared dividend, and price changes and other changes are not reflected adequately in the reported figures, DNB will contact the reporting entity and ask for clarification and, if necessary, re-reports.

Loans granted and deposits placed

Interest accrued during the month

Interest accrued consists of the share of the interest income eventually received at the end of the interest period that is to be allocated to the reporting month in proportion to the duration of the interest period, and is to be reported in form 9007HK3.

Interest received

Interest received consists of the interest received during the reporting month (on a gross basis, i.e. before the deduction of any withholding tax) and has to be reported in form 9007HK3. When reporting the interest accrued, the reporting entity may use its own accrual accounting method. In principle, the amount by which interest accrues also has to be reported under "interest received", albeit with a delay since interest payments are made periodically.

Negative interest accruals on deposits (liability side) and loans (asset side) should be recorded on a gross basis and should be recorded under 'accrued interest during the month'/'paid or received interest'.

Example: The reporting entity has granted a €500 million loan that matures in one year and bears interest at a rate of 12%, with interest being paid every six months.

Start of loan: 01-01-20		Interest payments: 01-07-20 and 01-01-21		Redemption of loan: 01-01-21
Reporting month	Balance at month end	Price changes and other changes	Interest accrued during the month	Interest received during the month
Jan-20	500	0	5	0
Feb	500	0	5	0
Mar	500	0	5	0
Apr	500	0	5	0
May	500	0	5	0
Jun	500	0	5	0
Jul	500	0	5	30
Aug	500	0	5	0
Sep	500	0	5	0
Oct	500	0	5	0
Nov	500	0	5	0
Dec	500	0	5	0
Jan-21	0	0	0	30

Equity (own funds)

Purchases and sales by investor

All investments and disinvestments have to be included reported "purchases and sales of equity holdings of investors in reporting institutions" and valued at the market price (the price for which the equity holding was bought or sold) at the time of the transfer of ownership. If the actual price of the transaction is not known, an approximation has to be made, as follows:

- In the case of listed shares: on the basis of the market value of the shares;
- In the case of unlisted shares: on the basis of the share of the net asset value of the business.

The following also have to be reported as a purchase or sale:

- Capital contributions to, or withdrawals of capital from, the business by the investor (purchase or sale);
- The covering of losses (information capital contribution) by the investor (purchase);
- Contributions of working capital to, or withdrawals of working capital from, the business by the investor (purchase or sale);
- Repayments of share capital to the investor (sale);
- Conversions of loans, dividends and current accounts into shares (purchase);
- Dividends paid from non-recurring income or previously retained earnings (often termed a "super dividend") (sale).

Price changes and other changes

All changes in equity holdings in the capital of the reporting entity which are not due to purchases, sales or exchange rate changes have to be reported under "price changes and other changes". In practice, reporting institutions will not report price changes and other changes frequently, as, under the accounting guidelines, such equity holdings in the capital of a reporting entity will not usually be recognised on the balance sheet at market value. Holdings in the capital of a reporting entity in the form of listed shares that can be traded form an exception to this rule. Such interests have to be reported at market value, and therefore the value may fluctuate due to movements in the stock market price.

The reporting entity has to report retained earnings (or losses) under "price movements and other changes", as these lead to a change in the investor's holding in the reporting entity's equity (own funds).

Price changes and other changes also include all changes in the working capital received from the foreign head office that are not due to withdrawals, contributions or exchange rate changes.

If the investor sells its equity holding in the reporting institution, the difference between the selling price and the value of the equity holding recognised in the balance sheet of the reporting institution have to be reported under "price changes and other changes" in addition to the actual sale. When an investor purchases an equity holding in a Dutch bank, the difference between the balance sheet value and the actual acquisition value has to be reported under "price changes and other changes". This results in a fully balanced row.

A US business sells its €5 million equity holding in a Dutch bank to a British party for €15 million.

Country code: United States

Closing position for month t-1	+	Purchases in month t	-	Sales in month t	+	Exchange rate movements in month t	+	Price changes and other changes in month t	=	Closing position for month t
5		0		15		0		10		0

9001HK1		9007HK3		9007HK3		DNB		9007HK1		9001HK1
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Country code: United Kingdom

Closing position for month t-1	+	Purchases in month t	-	Sales in month t	+	Exchange rate movements in month t	+	Price changes and other changes in month t	=	Closing position for month t
0		15		0		0		-10		5

9001HK1		9007HK3		9007HK3		DNB		9007HK1		9001HK1
---------	--	---------	--	---------	--	-----	--	---------	--	---------

Any changes in the working capital received by a reporting entity (or the capital of the branch) from the foreign head office not due to purchases and sales (e.g. changes due to capital gains and losses on the assets of the branch) have to be reported in the "price changes and other changes" column.

If a reporting institution issues listed shares, only those parts of equity (own funds) owned by external parties that exceed 10% of the share capital have to be reported. The reporting entity in question will generally not be readily able to ascertain when an investor (gradually) acquires an equity holding in the reporting entity through the purchase of listed shares. The register maintained by the Netherlands Authority for the Financial Markets (AFM) of substantial shareholdings and special control rights pursuant to the articles of association is an important source for identifying holdings in the share capital of the reporting entity. If a situation of this kind arises, the new equity (own funds) has to be reported under "other price changes and other changes" by the investor. In addition, capital and reserves in form 9001 will have to be decreased by the amount of the equity (own funds).

Declared dividend

The gross dividend (before the deduction of any dividend tax) to which the investors are entitled has to be reported under "declared dividend". Dividends have to be reported by the reporting institution in the month in which they are declared. Declared dividend must relate exclusively to profits from operating activities. Dividends distributed from non-recurring income may not be reported as declared dividend and have to be recorded under "sales" instead. Such dividends are treated as a disinvestment by the investor in the statistical reports. The time the dividend is declared is the time when the dividend is officially agreed (with the approval of the shareholders) and it is resolved that the dividend will be distributed on a future date (listed shares subsequently go ex-dividend, and the dividend is actually received after this). During the period between the declaration of the dividend and the time it is actually paid, a short-term liability has to be recorded in form 9001 (subform 1) under "other liabilities", unless the liability already forms

part of the current account balance between the parties in question and has therefore already been reported in form 9001 (subform 1).

Relationship between monthly form 9007 and the yearly report (form 9005 Subform 1)

All banks have to submit a fully reconciled report on the foreign holdings in their business once a year. Separate information has to be provided on each interest in the capital of the bank. A part of the data reported every month in form 9007 has to correspond with the data reported on an annual basis in form 9005HK1 (the yearly report of equity holdings).

- *Stocks* The stock of foreign equity (own funds) reported in form 9001HK1 for the reference month of December must, in principle, be the same as the closing position for foreign equity (own funds) in form 9005HK1.
- *Purchases and sales by investor* The total amount of all purchases and sales of foreign holdings in the reporting entity's capital reported during the year in monthly form 9007HK3 has to be the same as the total amount of purchases and sales (covering all individual foreign equity (own funds)) in form 9005HK1.
- *Declared dividend* The sum of all dividends declared by foreign investors during the year and reported monthly by the reporting entity on form 9007HK3 must correspond with the sum of all dividends declared (over all individual equity holdings) on form 9005HK1.
- *Price changes and other changes* The sum of all price changes and other changes observed by the reporting entity during the year and reported monthly on form 9007HK1 need not by definition correspond with the sum of all price changes and other changes (over all individual equity holdings) on form 9005HK1. This is because changes in position of equity holdings due to retained earnings (profit achieved less declared dividend) that occur during the year have to be reported in form 9007HK1 in the relevant month. The profits achieved (or losses sustained) and the declared dividends have to be reported separately in form 9005, as a result of which retained earnings are not included in "price changes and other changes".

If the above relationships between stocks, transactions, declared dividend, and price changes and other changes are not reflected adequately in the reported figures, DNB will contact the reporting entity and ask for clarification and, if necessary, re-reports.

Loans and deposits taken

Interest accrued during the month

Interest accrued consists of the share of the interest expense eventually charged at the end of the interest period that is to be allocated to the reporting month in proportion to the duration of the interest period.

Interest paid

Interest paid consists of the interest paid during the reporting month (on a gross basis, i.e. before the deduction of any withholding tax). When reporting the interest accrued, the reporting entity may use its own accrual accounting method. In principle, the amount by which interest accrues also has to be reported under "interest paid", albeit with a delay since interest payments are made periodically. For an example, please see the example under "interest received".

Subform 4: Total write-offs, price and other changes including the items not allocated to country and sector of counterparty

Form 9007HK4 consists largely of generated items from form 9007HK1. The column "not attributable" is the only column that can be filled out by the MFI itself. The column "grand total" should ultimately provide a full closing balance.

Column "Not attributable"

This item should include all items that are not attributable to country or sector such as non-financial assets (of which real estate holdings), certain other assets/liabilities, capital and reserves as well as a breakdown of issued debt.

Write-offs, price and other changes (capital and reserves)

The following changes in capital and reserves are not considered to be transactions and must therefore be reported in form 9007:

- Revaluations due to a price change of financial instruments. It concerns the price changes in accordance with accounting directives;
- Imputed value changes arising from valuation differences between the monetary reporting and accounting guidelines (e.g. held debt), has to be reported under the item "other liabilities".
- Write-offs/write downs of loans and deposits

Write-offs, price and other changes (debt securities issued)

In form 9007HK4, only write-offs and other changes are to be reported under issued debt (and the various breakdowns), analogous to loans and deposits which are also reported at face value in form 9001.

Price changes (Other liabilities –of which valuation of debt securities (market-nominal))

Possible price changes in the market value (book value) of issued debt securities have to be reported in form 9007HK4 under other liabilities (of which valuation debt securities (market-nominal), in line with the reporting of positions in form 9001HK6. The reason this item should not be reported under issued debt securities, lies in the fact that -issued debt in form 9001 must be reported at face value, for which no price change is expected.

Write-offs, price and other changes (Non-financial fixed assets)

Changes in the value of tangible or intangible assets other than financial assets due to write-offs, price and other changes should be reported under this item. Non-financial fixed assets include buildings and structures, machinery and equipment, valuables, and intellectual property products such as computer software and databases.

Annexes

Annex 1: Reference table BSI, FINREP and nGAAP for sub-components of capital and reserves

The table below demonstrates the linkages between the definitions in FinRep (on the basis of IAS/IFRS guidelines) and the monetary reports for the sub-components of capital and reserves. This is an amended version of reference table 7.3.3. in *"MFI balance sheet and interest rate statistics, securities holding statistics and implementing technical standard on supervisory reporting: bridging the reporting requirements – methodological manual third edition"*²⁸

BSI item	FINREP item	Reference for the definition of the FINREP item	FINREP (Annex IV – nGAAP templates) punctual reference (table_row_column)
Equity capital raised, including share premium	Capital	IAS 1.54(r), <u>BAD art 22, IAS 1.78(e)</u>	F01.03 010_010
	+ Share premium	IAS 1.78(e); CRR art 4(124)	F01.03 040_010
	+ Equity instruments issued other than capital	FINREP Annex V.Part 2.18-19, IAS 32.28-29	F01.03 050_010
	+ Other equity	IFRS 2.10; FINREP Annex V.Part 2.20	F01.03 080_010
	- Treasury shares	IAS 1.79(a)(vi); IAS 32.33-34, AG 14, AG 36; FINREP Annex V.Part 2.30	F01.03 240_010
	- Share capital repayable on demand ²⁹	IAS 32 IE 33; IFRIC 2; FINREP Annex V.Part 2.12	F01.02 270_010
Profits or losses as recorded in the profit and loss account	Profit or loss attributable to owners of the parent	IAS 1.81B (b)(ii)	F01.03_250_010
	- Interim dividends	IAS 32.35	F01.03 260_010
	- Fair value changes of the hedged items in portfolio hedge of interest rate risk (assets)	IAS 39.89A(a); IFRS 9.6.5.8	F01.01 250_010
	+ Fair value changes of the hedged items in portfolio hedge of interest rate risk (liabilities)	IAS 39.89A(b), IFRS 9.6.5.8	F01.02 160_010
Income and expenses directly recognised in equity	Accumulated other comprehensive income	CRR art 4(100)	F01.03 090_010
Undistributed profits and funds, including general and specific reserves	+ Retained earnings	CRR art 4(123)	F01.03 190_010
	+ Revaluation reserves	IFRS 1.30, D5-D8; FINREP Annex V.Part 2.28	F01.03 200_010
	+ Other reserves	IAS 1.54; IAS 1.78(e)	F01.03 210_010

²⁸ <https://www.ecb.europa.eu/pub/pdf/other/mfibalancesheetinterestratesstatisticscebaguidelines201405en.pdf?4293ff35a86e9d1973c77d8149feb7f6>

²⁹ The part for which significant restrictions do not apply is not considered equity in statistical terms and should thus be subtracted.

Provisions ³⁰	Loans and advances ³¹ - Allowances for financial assets without increase in credit risk since initial recognition (Stage 1)	IFRS 9.5.5.5, FINREP Annex V.Part 1.32, 44(a)	F12.01 080_100 Also: see references to columns 20-90
+	Loans and advances - Allowances for debt instruments with significant increase in credit risk since initial recognition but not credit-impaired (Stage 2)	IFRS 9.5.5.3, FINREP Annex V.Part 1.32, 44(a)	F12.01 250_100 Also: see references to columns 20-90
+	Loans and advances - Allowances for credit-impaired debt instruments (Stage 3)	IFRS 9.5.5.1, 9. Appendix A, FINREP Annex V.Part 1.32, 44(a)	F12.01 430_100 Also: see references to columns 20-90
+	Non-trading financial assets mandatorily at fair value through profit or loss- Loans and advances - Accumulated negative changes in fair value due to credit risk on non- performing exposures ³²	FINREP Annex V.Part 2.69, FINREP Annex V.Part 1.32, 44(a),	F04.02.01 110_020
+	Financial assets designated at fair value through profit or loss - Loans and advances - Accumulated negative changes in fair value due to credit risk on non-performing exposures	FINREP Annex V.Part 2.69, FINREP Annex V.Part 1.32, 44(a)	F04.02.02 120_021

³⁰ Under IAS/IFRS this category only includes allowances on loans, as for other instruments allowances are always deducted from the carrying amount on the accounting balance sheet. It should be noted that the BSI principal amount of loans may differ from their carrying amount in IAS/IFRS due to effects other than provisions. For instance, "accrued interest" shall be recorded in remaining assets and counterbalanced by an entry in the statement of profit and loss. Other effects (e.g. fair value valuations of loans recorded at fair value etc.) shall be treated as statistical discrepancies in remaining assets or liabilities. This treatment represents a revision to the bridging discussed in the bridging the reporting requirements –methodological manual third edition (Table 7.3.3 page 146 – 148).

³¹ This FINREP item also covers instruments that are not classified as loans in statistical terms. The allowances relating to instruments that do not meet the statistical definition should thus be excluded.

³² As a proxy for impairment losses.

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