



**SURVEY
INSTRUCTIONS**

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3 November 2017

INSTRUCTIONS FOR MFI STATISTICAL REPORTING

(RATI AND KOTI REPORTING)

Version 2.0 (3.11.2017)
Valid from 1 January 2018

Reporting in accordance with these instructions starts with data as of January 2018.



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VERSION HISTORY

Version	Date	Valid from	Details
1.0	30 December 2008	1 January 2009	First version of reporting instructions in Finnish.
1.1	27 February 2009	1 March 2009	Chapter 15 KOTI reporting added in Finnish language version. ECB legal basis updated. RATI instrument classification for loans (I.4) revised. English and Swedish versions published (excl. section 15).
1.2	29 May 2009	1 June 2009	Chapter 16 on minimum reserve calculations added. Section 6.7 on classification of securities according to recognition in financial statements added. More detailed information on reporting of derivatives, appendix removed. Classification of internal organisations changed (code list). More detailed information especially on securitisation.
1.2.1	17 June 2009	1 July 2009	Instructions for reporting of collateral added. Reporting codes for derivatives specified and new derivative instrument FX spot added. Examples revised.
1.3	11 September 2009	14 September 2009	Examples revised. Definitions clarified, especially collateral and interest payable.
1.3.1	2 October 2009	5 October 2009	Classification of international organisations specified. Information on code lists in XML format.
1.4	4 December 2009	7 December 2009	Adjustments to definitions, especially regarding KOTI reporting and minimum reserves, minor adjustments eg to reporting of the number of shares, derivatives and interest rate definitions. Definitions clarified.
1.5	5 March	1 April 2010	Emission rights reporting added (5.8).
1.6	29 April	1 May 2010	Introduction (section 1) with more detail Information on reporting negative figures specified (3.4) Reporting of loan losses specified (13.2)



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1.7	1 July 2010	1 July 2010	Chapter 15 KOTI reporting corrected.
1.8	29 June 2011	1 January 2012	New instructions added to record description 1.6 regarding new annual data (5), selling short (6.9), electronic money (8.2) and other assets and liabilities (8.7). Definitions about standardised derivatives have been made more specific (8.4). Capital certainty (6.3) has been made more specific.
1.9	17 October 2012	1 November 2012	More specific information added in following sections: Basic concepts (2), Reporting to the Bank of Finland (3), Number of deposit accounts (5.2–5.5), Number of offices (5.7), Reporting of securities (6), Deposits (8.2), Loans (8.5), Sectoral classification (9.1) Reporting of ECB's auxiliary sectors: FVC/SSPC or central counterparty clearing house as loan or deposit counterparty (9.1.2), Original maturity (10.6), Interest rate linkage (10.9), Interest payable (11.7), Reporting obligation (15.2), Reported balance sheet items (15.3), Reported off-balance sheet items and derivatives (15.4), Minimum reserve calculations (16).
1.10	30 August 2013	1 January 2014	Reporting instructions updated to conform with new RATI reporting requirements valid in 2014: new classification of sectors, undrawn credit facilities, breakdown of new business on loans into genuine new and renegotiated loan agreements and new information on the number of accounts. KOTI reporting instructions have also been updated to conform with the new BIS guidelines (chapter 15). More detailed instructions on minimum reserves (chapter 16).
1.10		January 2014	Reporting of local liabilities and the definition of parent company have been clarified (chapter 15: KOTI reporting).
1.10	31 January 2014	January 2014	Classification of international organisations specified.
1.11	2 September 2014		Reference to long-term savings removed (chapter 1: Introduction).
1.11	2 September 2014		Definition of derivatives specified (8.4 Derivatives).
1.11	2 September 2014		Minimum reserve calculation of subsidiaries operating in Finland specified (chapter 16 Minimum reserve calculations).
1.11	8 September 2014		Instructions on KOTI reporting specified (chapter 15).
1.11	7 January 2015		Specification of new repo agreements added.



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1.11	24 February 2015		Specification of fund unit issuer's sector added and term changed: investment fund share → fund share
1.11	14 April 2015		Definition of non-performing assets changed.
1.11	14 April 2015		Instructions on loans payable added.
1.11	30.10.2015	1.1.2015 -	Reference to long-term savings removed (chapter 1). Chapter added: 2.5 Reporters' obligation to retain reported data Definitions added to chapter 5.2. Clarification added regarding the sector of issuer of fund shares. Term changed: investment fund shares → fund shares (chapter 6.7). Clarification added regarding new repo agreements (chapter 8.2). Definition of derivatives specified (chapter 8.4). Chapter 11.1.3 specified. Instructions added regarding loan transfers and amortisation-free period (chapter 11.2.2). Definition of non-performing assets changed (chapter 13.1). Minimum reserve calculation of subsidiaries operating in Finland specified (chapter 15). Instructions on KOTI reporting specified (chapter 16).
1.12	30.6.2016	1.12.2016 -	Four variable added in the BS record
1.12	30.6.2016	1.12.2016-	Chapter 8.9 Instruments in supplementary data collection items removed. The chapter provided instructions on reporting commercial and local authority paper arranged by the MFI in the REST record. Instructions on security-by-security reporting added in chapter 6.11.
1.12	30.6.2016		Instructions on reporting repurchases of own debt securities added in chapter 6.8.
1.12	5.7.2016		Instructions on reporting capital redemption agreements added in section "Other items".
1.12	21.9.2016		Instructions on intra-group items revised. Chapter 12 "Reporting of securitised loans and other loan transfers" revised.
1.13	2.12.2016		Corrected table on page 69. Contents of fields 21 and 22 updated of BS-record.



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2.0	13.10.2017	1.1.2018	<p>All survey reporting instruction links updated and a number of typographical errors corrected.</p> <p>Instructions on use of more detailed instrument breakdown added (chapter 5.8.).</p> <p>Definition of paragraph 4 in chapter 6.8 clarified.</p> <p>Chapter 6.9 updated to correspond to IFRS 9 classification.</p> <p>Definitions of more detailed instrument breakdown of “other loans” added to chapter 8.5.</p> <p>Table of international organisations removed from chapter 9.1.</p> <p>Instruction on auxiliary sector reporting clarified in chapter 9.1.2.</p> <p>Instruction on reporting of non-performing loans updated in chapter 11.1.</p> <p>Definition of narrowly defined effective rate corrected in chapter 11.1.2.</p> <p>Instructions on non-performing loans and impairments updated in chapters 13.1.1 and 13.1.2.</p> <p>Table of credit institutions exempt from minimum reserves updated in chapter 14.</p> <p>Reporting of minimum reserve deposit clarified in chapter 8.5 and example table added</p>
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1 INTRODUCTION

The Bank of Finland collects data from monetary financial institutions for the European System of Central Banks (eg for the purposes of monetary policy, financial supervision and banking supervision), to meet statistical needs of international organisations and for national purposes. The RATI reporting covers data required for the following statistics: ECB's and national balance sheet and interest rate statistics, statistics on securities holdings and securities issues, balance of payments and financial accounts statistics, and the Bank for International Settlement's (BIS) banking statistics. Data are also collected for BIS compilation of consolidated banking statistics (KOTI reporting). Data collected via RATI and KOTI surveys can also be used for other statistical purposes. Statistics compiled by the Bank of Finland are made public eg on the websites of the Bank of Finland and the ECB.

Balance sheet data are also used to calculate credit institutions' reserve requirements. The Financial Supervisory Authority (FIN-FSA) has the right to use MFI data collected by the Bank of Finland for supervisory purposes. The RATI survey is also used to collect security-by-security data needed by the FIN-FSA. The Bank of Finland collects data on long-term savings (PS survey) with a separate survey.

The Bank of Finland's authority to obtain information is based on the following legal provisions: Council Regulation (EC) No 2533/1998 concerning the collection of statistical information by the European Central Bank, as amended by Council Regulation (EC) No 951/2009 (as amended by 2015/373), and the Act on the Bank of Finland (214/1998, sections 26 and 28).

The ECB regulation concerning the balance sheet of the monetary financial institutions sector (ECB/2013/33, as amended by ECB/2014/51) requires the Bank of Finland to collect balance sheet data on MFIs operating in Finland, covering credit institutions, money market funds and the Bank of Finland. The regulation allows national central banks to collect data on money market funds in accordance with the ECB regulation concerning assets and liabilities of investment funds (ECB/2013/38). The Bank of Finland has collected money market funds data and other investment funds' balance sheet data via the SIRA survey since the start of 2009. The collection of interest rate data is based on the ECB regulation concerning statistics on interest rates (ECB/2013/34, as amended by regulation ECB/2014/30). The ECB regulation concerning statistics on holdings of securities (ECB/2012/24, as amended by ECB/2015/8) requires security-by-



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security reporting from MFIs. The collection of balance sheet and interest rate statistics is also regulated by the ECB guideline on monetary, financial institutions and markets statistics (ECB/2014/15, as amended by guideline ECB/2014/43). The collection of balance sheet data is based on the guideline ECB/2011/23, as amended by ECB/2013/25), and guideline concerning statistics on holdings of securities (ECB/2013/7), and data required by BIS are collected on the basis of BIS guidelines of March 2013.

The ECB has set up a non-compliance system for monitoring infringements in the reporting of balance sheet and interest rate data on MFIs. The system monitors the fulfilment of minimum standards for data transmission, accuracy and conceptual compliance. In the case of non-compliance with the minimum standards, the Bank of Finland will send a notification letter to the MFI. In the case of repeated non-compliance, the ECB may impose a fine on the MFI.



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2 BASIC CONCEPTS

These instructions describe the basic concepts and classifications for the reporting of statistical data on monetary financial institutions (MFI data collection, RATI reporting) and MFIs on a group-level and consolidated basis (consolidated data collection, KOTI reporting). Other documents on reporting are the practical reporting instructions (RATI and KOTI record structures), code lists, terminology, reporting examples and links to the Virati classification package.

These instructions are updated as necessary. Questions and comments are welcome (rahoitustilastot@bof.fi).

An up-to-date version of these instructions is available at
<https://www.suomenpankki.fi/en/Statistics/reporting-instructions/mfi-data-collection/>

The following definitions apply to this data collection:

Reporter: entity required to provide statistical data to the Bank of Finland as specified in these instructions.

Data provider: entity responsible for submitting the data to the Bank of Finland.

Survey: a Bank of Finland data collection that specifies the statistical data to be reported.

Reference period: reporting period, the period for which data are reported. The length of a reference period can be one month, quarter or year.

Report: notification by the reporter on account of a Bank of Finland data collection (survey), which is submitted to the Bank of Finland. A report may only include the records of one (1) reporter.

Record: data set provided in a regular format. A row reported in accordance with the record structure constitutes one record.

Reporting: compilation and submission of a report to the Bank of Finland.

Reporting frequency: number of required survey reports during a calendar year (monthly or quarterly).



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Fulfilment of reference period obligation: date on which a report is received and approved by the Bank of Finland.

2.1 Reporter

In RATI reporting, a reporter is a credit institution operating in Finland and the Bank of Finland.

(Consolidated) data in line with the KOTI reporting are reported quarterly in a separate report. Reporters are credit institutions whose cross-border claims exceed EUR 200 million or who have at least one foreign branch or subsidiary. The Bank of Finland checks each year whether a credit institution is required to report under KOTI reporting. KOTI reporting population has remained unchanged since 2009.

2.2 Reporting obligation

The obligation to report statistical data in the RATI survey applies to monetary financial institutions (MFIs) operating in Finland. MFIs comprise credit institutions, money market funds and the Bank of Finland. Money market funds fulfil their reporting obligation within the framework of the investment firms survey (SIRA) as from the start of 2009. The Bank of Finland may grant derogations to small MFIs (reduced reporting, see section 2.3).

MFIs also include electronic money institutions¹ whose principal activity is to issue electronic money. For the time being, such entities are exempt from the RATI survey due to the small volume of electronic money issued. Electronic money issuers are not subject to the minimum reserve requirement.

The ECB has set up a non-compliance system for monitoring infringements relating to the reporting of MFI balance sheet and interest rate data.² The system monitors the fulfilment of minimum standards for data transmission, accuracy and conceptual compliance.³ In case of non-compliance with the minimum standards of RATI reporting, a fine may be imposed on the MFI. To avoid any sanctions, data providers must pay particular attention to the timely reporting of statistical data to the Bank of Finland. At the data provider's request, the Bank of Finland may, in exceptional cases, extend

¹ Activities of electronic money institutions are defined in Directive 2009/110/EC of the European Parliament and of the Council (Taking up, pursuit and prudential supervision of the business of electronic money institutions).

² ECB regulation concerning the balance sheet of the monetary financial institutions sector (ECB/2013/33, as amended by ECB/2014/51) and ECB regulation concerning interest rate statistics (ECB/2013/34/, as amended by ECB/2014/30).

³ See ECB decision on non-compliance with statistical reporting requirements (ECB/2010/10).



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the deadline set in the reporting calendar. The request must be submitted prior to the expiry of the deadline, at the latest on the last reporting date at 4.30 pm. The reporting calendar will be sent yearly to all reporters and it is also posted on the Bank of Finland's website at <https://www.suomenpankki.fi/en/Statistics/reporting-instructions/mfi-data-collection/>.

The data provider is obliged to provide the Bank of Finland with correct statistical data. The purpose of the non-compliance system is not to prevent revisions of data. For this reason infringements will not be registered in the case of negligible revisions, or in the case of revisions made during the period following first reporting.

These instructions refer to credit institutions as entities subject to RATI reporting. The Bank of Finland can also classify some other company than a credit institution subject to supervision by the Finnish Financial Supervisory Authority (FIN-FSA) as an MFI, if the company fulfils the definition of an MFI in the ECB regulation concerning the balance sheet of the MFI sector. Such companies are also subject to reporting in line with these instructions.

RATI and KOTI reporting can be carried out via the service provider.

2.3 Full and reduced RATI reporting

In practice, full and reduced RATI reporting covers the same items (see RATI minimum requirement tables per record field). Reduced reporting thus means reporting of (nearly) the same data but less frequently, on a quarterly basis.

MFIs may be granted derogations from full RATI reporting requirements on the basis of ECB regulation, provided that the full national data collection covers monthly an adequate portion of the combined MFI balance sheet total in the Member State in question. Reduced or tail reporting refers to reporting by a small MFI that has been granted derogations.

The Bank of Finland checks each year the criteria for derogations in RATI reporting, as well as the MFIs in the 'tail'. So far derogations have been granted to MFIs with a balance sheet total of EUR 200 million, at maximum. MFIs to which derogations apply must submit balance sheet data to the Bank of Finland on a quarterly basis. They may also choose not to make use of the derogations and to fulfil the full reporting requirements



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on a monthly basis. However, changes in reporting must be agreed on with the Bank of Finland. For the time being, electronic money institutions are fully exempt from reporting and their activities are monitored on the basis of data collected by the FIN-FSA.

The RATI reporting frequency for MFIs in the ‘tail’ is every quarter. These MFIs report the following:

- a) closing balance sheet data for the last month of the reporting quarter
- b) the sum of flow items for the last month of the reporting quarter
- c) securitisations and other loan transfers and the month of the reporting quarter in which each such transaction was carried out (see chapter 12).

2.4 Data to be reported and records

The collection of statistical data on MFIs, ie MFI data collection, consists of two separate surveys: RATI and KOTI.

For the purpose of these instructions, RATI survey data on MFIs refer to the following monthly or quarterly data specified in these instructions: balance sheet asset and liability items, new business on loans and deposits, loan losses and impairments, new drawdowns, securitisations and other loan transfers, dividends and direct investment, commercial and local authority paper arranged by MFIs, loans serviced by the MFI for an FVC/SSPE or other company and loans transferred to the balance sheet of another company, where the data are available to the MFI. In addition, some year-end data on quantities are also reported (eg number of deposit accounts). Those subject to full reporting thus report flows for each month, whereas in reduced reporting only the flows of the last *month* of the quarter are reported. Likewise, balance sheet data are reported for the end of the month or end of the quarter.

Data reported in the KOTI survey include consolidated assets and liabilities and off-balance sheet items.



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The RATI survey pertaining to all MFIs includes the following records:

Record	Record type	Usage
Batch record	000	Technical record that begins the file
Balance sheet record	BS	General information, balance sheet total, quantity data
Content record	LD	Data on loans and deposits
Content record	SBS	Security-by-security data
Content record	REST	Other balance sheet items aggregated at different levels depending on the instrument
Content record	IL	Collectively assessed impairments

The KOTI survey includes the following records:

Record	Record type	Usage
Batch record	000	Technical record that begins the file
Balance sheet record	BS	General information, balance sheet data
Content record	CS	Consolidated information

In the RATI survey, balance sheet data, quantities and other information are reported in six RATI records.

1. Batch record (000): eg information on the data provider. The record also includes a field in which the reporter can send the Bank of Finland short messages concerning the report.
2. Balance sheet record (BS): MFI's (reporter's) name and other similar information, balance sheet total and information on numbers of employees, offices and accounts.
3. Loans and deposits record (LD): loans and deposits by country, currency, maturity, sector, industrial activity, interest rate linkage and by certain other attributes in aggregated form (see record structure). End-of-period stocks of loans and deposits and the related interest rates are also reported here. In respect of loans and deposits, data on new business during one month and the related interest rates are reported. Data are also reported on new drawdowns of loans and related interest rates. Loan securitisations and other loan transfers (acquisitions and sales) carried out during one month are also reported in the LD record. If the credit institution acts as a servicer of a transferred loan item, it reports data on the serviced loan stock and data on intermediated loans.



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Individual loan losses and impairments on loans are also reported here.

4. Security-by-security record (SBS): on a security-by-security basis, assets in securities as well as debt securities and shares recorded on the liabilities side of the balance sheet. In addition, data on money market paper arranged by banks are reported here. In respect of securities, data are also reported on dividends and direct investment. Securities underlying repo agreements are so designated.
5. Content record (REST): derivatives flow data (net payments) are reported here as well as other balance sheet data not related to securities, loans and deposits.
6. Impairment record (IL): loan losses and impairments which cannot be allocated to a specific loan or specific borrower (= collective impairments). If the item can be allocated to a specific country, sector, industrial activity etc, the reporter is requested to report this (partial) information.

The following data is reported in the KOTI report:

1. Batch record (000): eg information on the data provider.
2. Consolidated record (CS): group-level data.
3. Balance sheet record (BS): MFI's name and other similar information, as well as the balance sheet total and key information on group capital adequacy.

The reporting is similar for all months of the year for reporters subject to full reporting requirements (RATI). Correspondingly, the reporting is similar for all quarters of the year for reporters in the 'tail' (RATI, see section 2.3).

KOTI reporting is similar for all quarters of the year.

2.5 Reporters' obligation to retain reported data

Reporters are obliged to retain reports submitted for the Bank of Finland's SAVE data collection for five (5) years. This obligation refers to CSV formatted report files.

In developing their internal reporting systems, reporters should consider the possibility to create reports retrospectively for the purpose of correcting previously submitted data. The need for revision reports may concern the most recent reporting months, but the Bank of Finland may request revisions from a longer period in case of systematic and substantial errors.



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3 REPORTING TO THE BANK OF FINLAND

The following instructions relate to this reporting:

- MFI statistical reporting instructions (these instructions)
- RATI record structure
- KOTI record structure
- RATI and KOTI code lists
- terminology
- minimum reporting tables for RATI reporting
- examples of RATI and KOTI reporting.

3.1 Timetable for data transmission

The RATI data are transmitted to the Bank of Finland as a report on the 10th banking day of the month following the reference period, at the latest. Each year, the Bank of Finland sends a reporting calendar to all MFIs subject to the reporting obligation.

The KOTI data are transmitted to the Bank of Finland as a report on the last banking day of the month following the reference period, at the latest. Each year, the Bank of Finland sends a reporting calendar to all MFIs subject to the reporting obligation.

RATI and KOTI reporting calendars are posted on the Bank of Finland's website at: <https://www.suomenpankki.fi/en/Statistics/reporting-instructions/mfi-data-collection/>.

3.2 Technical reporting requirements

The record structure documents include eg the RATI and KOTI record descriptions and validation rules for the data to be reported.

3.3 Data transmission

MFI statistical reporting data is transmitted to the Bank of Finland using the DCS service (Data Collection Service) maintained by the service operator. The operator has a TYVI operator certificate granted by the Ministry of Finance. The MFI transmits the data to the operator electronically as a report. The operator checks the report according to validation criteria and transmits the report to the Bank of Finland. The Bank of Finland checks the correctness of the report contents. Data providers and reporters should direct any questions relating to the DCS to the operator's help desk, which is accessible 24 hours a day in Finnish, Swedish and English.



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When submitting the data, it should be noted that reporting deadlines are checked from production data only (Batch record, field 05 *Data type* = P). These reports are transmitted to the Bank of Finland production environment. Reports submitted with code T (Test data, transmitted to the Bank of Finland) cannot be accepted as production data reports.

3.4 Minimum reporting requirements

Value data are reported in EUR at cent accuracy (ie rounded to two decimal places). Interest rates are rounded to two decimal places. Quantity data on shares and other equity are reported rounded to six decimal places, as necessary. Other quantity data are reported as integers according to normal rounding rules.

Balance sheet data are aggregated sums of assets and liabilities, ie they are not, for example, prices or values of a single share or unit. Hence, the reported data can consist of eg the aggregated market price of 50 shares if the MFI holds 50 shares of a particular stock.

As a rule, negative figures are not allowed in the reporting. However, they are allowed in the following cases:

1. other capital and reserves
2. short sales
3. loan losses and impairments are reported with minus signs
4. adjustment items of derivatives and other assets and liabilities
5. annualised agreed rate

In exceptional cases, adjustment and correction items can be reported in the RATI report's LD and SBS records with negative figures. Such items can occur eg because of hedging or valuations. In exceptional cases, allocation of impairments to a balance sheet item can result in a negative book value, which must be reported to the Bank of Finland. The Bank monitors the items and may request further information. Overdrafts of foreign currency accounts are not reported as negative figures on the liabilities side, but are instead transferred to the assets side of the balance sheet. Correspondingly, loans cannot be reported as negative figures on the assets side, but are instead transferred to the liabilities side of the balance sheet. Negative figures cannot be reported in the BS record. The balance sheet total must comply with the total reported to the FIN-FSA in the Standard Balance Sheet.



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Record-specific minimum requirements of RATI reporting are specified in an Excel-document ('Minimum reporting tables') posted on the Bank of Finland website.

3.5 Reporting of reclassification adjustments

Stock data on balance sheet items can also be affected by other factors than the actual financial transactions. Such factors are for example price changes, loan loss recognitions, exchange rate changes and reclassification adjustments (classification changes). A reclassification adjustment occurs when a balance sheet item moves from one category to another without involving a transaction, or when the amount of a balance sheet item changes eg due to a change in accounting policy.

A change in classification is also reported, for instance, when a security or other financial asset or financial liability moves from one balance sheet instrument category to another or when the counterparty sector to a balance sheet item changes, eg due to an update of a register. The Bank of Finland should be notified of the change without undue delay via email (rahoitustilastot@bof.fi) or in the batch record field *Reporter's comment*. The data are not included separately in the RATI or KOTI report; only balance sheet data that are current for the respective reporting period are reported. The Bank of Finland will request further information if exceptional changes are observed in balance sheet items.

Example

If an item that has previously been recorded in the balance sheet as a security becomes a loan, notify the Bank of Finland of the total value of the item at the time of the change and of the possible security ISIN codes or, if the securities do not have ISIN codes, of the data corresponding to those reported in the SBS record. When loans are changed to securities, notify the Bank of Finland of the total value of loans and LD record sectors from which loans have been transferred, as precisely as possible.

3.6 Reporting of revisions

At its own initiative, an MFI can correct data it has already reported, as necessary. It is normal that corrections to data on the actual reporting period also induce corrections to month-earlier statistics. However, corrections to data on more older reporting periods should be agreed on separately with the Bank of Finland.

The Bank of Finland may also request corrections to data on a longer period, but such cases are always agreed on separately with the reporter.



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4 IDENTIFIERS AND CODES

4.1 Data provider – reporter

The *data provider* transmits the records to the Bank of Finland. The data provider may be an entity other than the MFI to which the data pertain. Information on the data provider (eg the Finnish data provider's business ID or the non-resident data provider's identifier) is reported in the technical batch record (000 record). The data provider may also be the MFI itself.

Information (eg the Finnish reporter's business ID or the non-resident reporter's identifier) on the MFI on which data are reported (*reporter*) is included in all content records (SBS, LD, REST, BS, IL and CS). A report may only include the records of one (1) reporter.

4.2 Survey code

RATI reporting consists primarily of data on MFIs (survey code *RATI*). Data for BIS consolidated banking statistics are reported with the survey code *KOTI*.

4.3 Identifier and name

The data provider, reporter and the issuer of a security without an ISIN code must be identified. Business ID (identifier type Y) is always used for resident entities. Foreign entities can be identified with the MFI code given by the ECB (M, MFI code), Bank Identifier Code (B, BIC code, ISO 9362) or with some other code (identifier type O).

The business ID is reported without the hyphen between the last two digits. Resident entities' business IDs can be checked eg from the Finnish Business Information System YTJ at <http://www.ytj.fi/english/>.

The name of a security issuer is always reported in the SBS record, regardless of whether the security has an ISIN code or not (SBS record, field 38).

4.4 Internal identifier

For securities, the code of the internal identifier used by the reporter for security identification in its own internal information system is reported (in the RATI report's SBS record). A security's internal identifier must remain



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unchanged throughout reporting periods. The internal identifier is reported for both securities with and without an ISIN code. The reporter can use the security's ISIN code as an internal identification code. The Bank of Finland uses the internal identifier and three other data items that identify the security item, for example in calculating security price and revaluation changes.

If the same security is reported in the SBS record in two or more rows, for instance, due to different valuation practices, each row must differ from the others in respect of at least one field (either field 5 *Transaction*, field 8 *Internal identifier*, field 15 *Nominal value currency* or field 18 *Classification according to recognition in financial statements*).

The internal identifier can also be reported for other items.

If the internal identifier changes even though the contents of the balance sheet item it describes remain unchanged, the Bank of Finland must be informed of the reason for the change (instrument previously without an ISIN code is granted an ISIN code, company's name changes etc.). Such information can be given eg in the batch record, field 9 (*Reporter's comment*) or in a separate email (rahoitustilastot@bof.fi).

4.5 ISIN code

Security's ISIN code, which is reported in the RATI report's SBS record field 9, is used for matching the security with data in the ECB's Centralised Securities Database (CSDB). Artificial ISIN codes cannot be used even if they resemble ISIN codes. Such securities are reported as securities without an ISIN code.

Publicly traded securities are usually identified by an ISIN code. ISIN codes are assigned by the issuing country's national numbering agency (in Finland: Euroclear Finland) or other corresponding institution authorised to assign ISINs. Officially assigned ISIN codes are formed in accordance with the international ISO 6166 standard. An ISIN code has also been granted to many publicly traded derivatives. However, only debt securities and shares and other equity are reported on a security-by-security basis in the RATI report.

If a debt security has an official ISIN code but is not traded on secondary markets and is not negotiable or cannot be offset on the market, such a debt security is reported in the LD record under I.41 *Money market promissory notes (non-marketable)* or I.223 *Promissory notes (non-marketable)*,



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depending on whether it is an asset or a liability. Such cases may eg involve private placements limited to two-party agreements with specific investors with no possibility of further transfers. The ECB's CSDB does not include securities that are not traded on secondary markets at all.



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5 REPORTING OF BALANCE SHEET DATA IN THE RATI DATA COLLECTION (BS RECORD)

This section describes the contents of a balance sheet record (RATI BS).

The balance sheet record is used for reporting the MFI's end-of-month or end-of-quarter balance sheet total. Year-level data are reported on e.g. the numbers of deposit accounts, offices and employees.

Year-level data (BS record) are reported in the January report in connection with data for December. Reported year-level data can be revised until the end of March by resending the end-December data.

5.1 Reporting frequency

Report in this field whether the MFI is subject to full (monthly data) or reduced (quarterly data) reporting requirements (see section 2.3 and Code list 4: Reporting frequency). Hence, the field is not used for indicating the frequency of the reported data.

5.2 Number of accounts

Report in the BS record the following data on deposit accounts at year-end

- number of deposit accounts (field 9)
- number of households' deposit accounts (field 8)
- number of transferable overnight deposit accounts (field 10)
- number of transferable overnight deposit accounts: Internet/PC-linked (field 11)
- number of other overnight deposit accounts (field 15)
- number of other overnight deposit accounts: Internet/PC-linked (field 16)
- Number of payment accounts (field 17)
- Number of electronic money accounts (field 18)

The data are mainly used for the compilation of annual payment transfer statistics.

If there are no deposit accounts, the respective field is left empty. However, accounts with zero funds are included in the number of deposit accounts.



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An account is reported only once even if it has many holders. If a credit institution has a pool of customers whose funds are deposited in one account in some other credit institution, the number of depositors is reported.

Number of deposit accounts (field 9) Report in this field the number of deposit accounts held by the general public, ie non-MFIs, in the reporting MFI at year-end.

Number of households' deposit accounts (field 8)

Report in this field the number of deposit accounts held by households (Code list 11, sector 14) in the reporting MFI at year-end.

Number of transferable overnight deposit accounts (field 10)

Report in this field the number of transferable overnight deposit accounts held by the general public, ie non-MFIs, in the reporting MFI at year-end. Transferable overnight deposits are deposits which are withdrawable in cash. They are directly transferable on demand to perform a payment to a different economic agent by common used means of payment, such as credit transfer, direct debit, payment with credit or debit card, e-money transactions, cheques, or similar means, without significant delay, restriction or penalty.

Report in this field accounts that in the LD record take the values 221 (Transferable overnight deposits), 227 (Hardware-based e-money) and 228 (Software-based e-money).

Number of other overnight deposit accounts (field 15)

Report in this field the number of overnight deposit accounts other than those that are transferable, held by the general public, ie non-MFIs, at year-end. Report here accounts that in the LD record take the value 222 (Non-transferable overnight deposits).

Number of transferable overnight deposit accounts: Internet/PC-linked (field 11)

Report in this field the number of transferable overnight deposit accounts held by the general public, ie non-MFIs, at year-end which are usable electronically via the Internet or PC banking using dedicated software and dedicated telecommunication lines in order to effectuate payments. The item does not include transferable overnight deposits with telephone or mobile phone banking access, unless they are also accessible via the Internet or PC banking.



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Number of other overnight deposit accounts: Internet/PC-linked (field 16)

Report in this field the number of overnight deposit accounts other than those that are transferable, held by the general public, ie non-MFIs, at year-end which are usable electronically via the Internet or PC banking using dedicated software and dedicated telecommunication lines in order to effectuate payments.

The item does not include transferable overnight deposits with telephone or mobile phone banking access, unless they are also accessible via the Internet or PC banking.

Number of payment accounts (field 17)

Report in this field the number of payment accounts in the reporting MFI at year-end. Payment account means an account held in the name of one or more payment service users which is used for the execution of payment transactions.

Number of electronic money accounts (field 18)

Report in this field the number of accounts where electronic money is deposited. The account holder may use the balance on the account to execute payments or to transfer funds from the account to another. Electronic money accounts do not include cards on which electronic money can be stored directly.

Number of payment accounts with basic features that have been opened (field 19)

Report in this field the number of payment accounts with basic features opened in the reporting MFI during the calendar year. Payment accounts with basic features refer to accounts defined in chapter 16, sections 6 and 6a of the Act on Credit Institutions (610/2014). If the MFI does not offer payment accounts with basic features, the field is left empty. If such accounts are offered, at least 0 is reported in the field.

Number of applications for payment accounts with basic features that have been refused (field 20)

Report in this field the number of applications for payment accounts with basic features declined by the reporting MFI during the calendar year. Payment accounts with basic features refer to accounts defined in chapter 16, sections 6 and 6a of the Act on Credit Institutions (610/2014). If the MFI does not offer payment accounts with basic features, the field is left empty. If such accounts are offered, at least 0 is reported in the field.



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Number of consumers' payment accounts that have been switched (field 21)

The number of consumers' payment accounts transferred in the switching service referred to in chapter 15 a of the Act on Credit Institutions (610/2014) during the calendar year. Only the transferring MFI reports. A consumer's payment account refers to a payment account (Directive 2014/92/EU especially articles 1, 2 and 9) which is held in the name of one or more consumers (ie natural person acting primarily in a capacity not related to his or her entrepreneurial or business activities).

Number of consumers' applications for switching that have been refused (field 22)

The number of applications for switching consumers' payment accounts refused in the switching service referred to in chapter 15 a of the Act on Credit Institutions (610/2014) during the calendar year. Only the transferring MFI reports. A consumer's payment account refers to a payment account (Directive 2014/92/EU especially articles 1, 2 and 9) which is held in the name of one or more consumers (ie natural person acting primarily in a capacity not related to his or her entrepreneurial or business activities).

5.3 Number of housing loan customers

Report in this field the number of the reporting MFI's housing loan customers belonging to the household sector (Code list 11, sector 14). Housing loans do not include loans for the purchase of a holiday home.

5.4 Number of offices

Report in this field the number of the reporting credit institution's offices in Finland at year-end. The number of offices includes all offices where it is possible to make payment-services related transactions. The number of offices includes the head office but not foreign branches.

5.5 Number of employees

Report in this field the average number of MFI's employees in Finland during the year.

5.6 Balance sheet total

Report in this field the end-of-month or end-of-quarter balance sheet total. The balance sheet total must comply with the total reported to the Financial Supervisory Authority in the Standard Balance Sheet. Therefore, enter in



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the market value fields in SBS and REST records the balance sheet value used in the accounting system.

5.7 Emission rights

There are no standard procedures for statistical compiling of data on emission rights. For the time being, reporters can apply the same principles as in their published financial statements.

5.8 Use of more detailed instrument breakdown (field 23)

The more detailed instrument breakdown of “other loans” used in credit reporting will be introduced in RATI reporting as optional until reporting period 2018M12/Q4. Thereafter, starting from 2019M1/Q1, the breakdown will be mandatory due to national data needs. With respect to reporting periods for 2018, the value 1 must be added to the BS record, field 23, if the reporter uses the code list of credit data collection in which “other loans” (47) are replaced by the following codes:

- Financial leases (47211),
- Factoring (47311),
- Other trade receivables (47319) and
- Other loans (4791).

In cases where the reporter does not introduce the more detailed instrument breakdown in reporting year 2018, the BS record field 23 is left empty.



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6 REPORTING OF SECURITIES IN THE DATA COLLECTION (SBS RECORD)

Securities - both with and without ISIN code - are reported in the SBS record on a security-by-security basis. The following describes reporting requirements relating to security-by-security reporting.

6.1 General information

In security-by-security reporting, data are reported on each security separately; each security is reported in its own row or rows (see section 6.8). Once the reporter has notified the security's ISIN code (see section 4.5), the Bank of Finland can match data on the reported security with data in the ECB's CSDB. Therefore, in respect of securities with an ISIN code, only key data are collected in addition to the ISIN code itself. Somewhat more data are collected in respect of money market paper arranged on behalf of other parties, even if they have an ISIN code. Usually these are in paper form, in which case their data are not necessarily found in the CSDB.

Data are also collected on a security-by-security basis on securities without an ISIN code. These securities are identified in reports by internal identification codes used by the reporter for security identification in its internal information system (SBS record, field 8 *Internal identifier*) and by the issuer's identifier and name. Securities without an ISIN code are subject to more detailed reporting than ISIN-coded securities, because these data cannot be retrieved from the CSDB.

The issuer's name is always reported for securities with or without ISIN code (in the case of assets) (SBS record, field 38), which enables the Bank of Finland to search for basic data on the issuer if the data cannot, for some reason or another, be retrieved from the ECB's CSDB or company register.

The MFI's own share capital, cooperative capital or basic capital is reported (as a liability) in the SBS record, either as an ISIN-coded item or an item without an ISIN code.

In respect of classifying the country for the MFI's own issuances of debt securities, report the country in which the security has been issued (SBS record, field 35 *Country of issue*). For securities recorded on the assets side of the balance sheet, enter the issuer's home country (SBS record, field 40 *Issuer's home country*).



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6.2 Securities

In the financial instrument classification for this reporting, securities are debt securities (ie securities other than shares and equity, excluding derivatives), quoted shares, unquoted shares and other equity, and investment fund shares (Code list 8, categories I.3 and I.5). Debt securities refer to money market instruments and bonds.

Derivatives are not reported on a security-by-security basis.

6.3 Number of instruments

Report in this field the number of shares or other equity items held at the end of the reporting period, rounded to six decimal places, as necessary. For venture capital fund investments, report the amount of the original investment. Unpaid investment commitments are not reported. All additional investments in venture capital funds made during the reporting period are reported as additions to the number of instruments.

6.4 Capital certainty

Report in field *Capital certainty* (SBS record, field 12) whether or not the debt security issued by the MFI itself is capital certain.

Instruments with a nominal capital guarantee at redemption below 100% are separated from instruments that are capital certain. The nominal capital guarantee of 100% only applies to agreement in respect of repayment of initial capital. It does not include any contractually predefined payments, eg interest, during the lifetime of the security. If the issue price of a security is above its par value (eg 110%), the security is still capital certain, if its nominal capital guarantee is 100%.

Instruments without capital certainty include for example hybrid instruments. These are debt securities issued by MFIs which at maturity may have a contractual redemption value in the issuing currency lower than the amount originally invested due to their combination of debt and derivative components. Hybrid instruments include for example reverse convertibles or discount certificates.

6.5 Direct investment

Report in this field (SBS record, field 22) whether the holding is a direct investment (abroad).



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A direct investment is reported under assets in the case of shares and other equity without an ISIN code, when the ownership share or voting power is at least 10% and the historical purchase price is at least EUR 50 million. For ISIN coded securities, the Bank of Finland can retrieve the data from the ECB's CSDB. Direct investments are reported only in respect of assets.

6.6 Dividends

Dividends paid to and received from abroad are reported in EUR for shares and other equity without ISIN code (SBS record, field 23). The dividend currency is also reported. The dividend currency is always EUR (SBS record, field 24).

6.7 Issuer, counterparty

The issuer's sector and home country is reported (SBS record, fields 39 and 40) for securities recorded on the asset side of the balance sheet, in the case of securities without an ISIN code. In the reporting of fund shares (instrument 52), it should be noted in particular that the issuer's sector can be only 123 (money market funds), 1241 (investment funds UCITS) or 1242 (other collective investment schemes). For ISIN coded securities, the Bank of Finland can retrieve the data from the ECB's CSDB. The issuer's name is reported in all cases (SBS record, field 38).

For securities underlying repo purchases or sales (Code list 6: Transaction), the same issuer-related data is reported as for other securities (see above). The counterparty's home country and sector are also reported. If the counterparty is unknown (security has not been bought or borrowed), report the marketplace's home country and sector (always S.126 Financial auxiliaries).

6.8 Data on the same security in one or several rows

Securities are reported separately, regardless of whether they have an ISIN code or not. Hence, one security normally has one row in the SBS record.

Data on the same security are reported in several rows eg in the following cases:

1. The MFI trades the same security in several currencies and, in its own accounting, records the trades in different (nominal) currency values. Each currency (and trade) is reported in its own row, with nominal value in the original currency (conversion currency) and market values converted to EUR.



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2. The same security is classified in different categories according to recognition in financial statements (see section 6.9); items reported separately.
3. If part of (the same) security underlies a repo agreement and part does not, the part recorded in the balance sheet is reported in full under assets (A) (Code list 5: Allocation of balance sheet items). The transaction is reported as a stock item (S) (Code list 6).

Security/part of a security underlying a repo agreement (incl. securities lending) is reported as an off-balance sheet (O) item. The fact that a security underlies a repo agreement (incl. securities lending) is reported using Code list 6: Transaction. The alternative values are RB = repo purchase (repo) and RS = repo sale (reverse repo).

4. If a debt security issued by the MFI itself is repurchased but not amortised, it is reported under the balance sheet allocation "L" unamortised amount less repurchased amount. The repurchased amount is reported under the balance sheet allocation "O" and transaction type "LB". The debt security must therefore be initially reported under the balance sheet allocation "L" before it can be repurchased. In case the security reporting to the competent authority is made in gross terms (both as a liability and asset), the repurchased proportion is however reported under the balance sheet allocation "A". If the repurchased proportion is amortised, the amortised proportion is no longer reported.

When data on the same security are reported in several rows, each row must be identified separately at least either via different internal identifier, transaction, nominal value currency or classification according to recognition in financial statements.



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Example: Reporter's security holding and the part of the security the reporter has sold under repo agreement/lent are reported in separate rows.

ROW 1: Reporter's holdings of ISIN coded security		ROW 2: Reporter sells on the basis of repo agreement/lends the ISIN coded seucurity holding in row 1	
Record type	SBS	Record type	SBS
Type of reporter's identifier	Y	Type of reporter's identifier	Y
Reporter's identifier	NNNNNNNN	Reporter's identifier	NNNNNNNN
Allocation of balance sheet items	A	Allocation of balance sheet items	O
Transaction	S	Transaction	RS
Instrument	511	Instrument	511
Reserved	-	Reserved	-
Internal identifier	ABC123	Internal identifier	ABC123
ISIN code	USXXXXXX	ISIN code	USXXXXXX
Reserved	-	Reserved	-
Reserved	-	Reserved	-
Capital certainty	-	Capital certainty	-
Number of instruments	5000,00	Number of instruments	1000,00
Total nominal value	-	Total nominal value	-
Nominal value currency	USD	Nominal value currency	USD
Total market value (dirty price)	500000,00	Total market value (dirty price)	100000,00
Market value currency (dirty price)	EUR	Market value currency (dirty price)	EUR
Classification according to recognition in financial statements	2	Classification according to recognition in financial statements	-
Total market value (clean price)	-	Total market value (clean price)	-
Market value currency (clean price)	-	Market value currency (clean price)	-
Intra-group items	N	Intra-group items	-
Direct investment	-	Direct investment	-
Dividends	-	Dividends	-
Dividend currency	-	Dividend currency	-
Reserved	-	Reserved	-
Reserved	-	Reserved	-
Reserved	-	Reserved	-
Counterparty's sector	-	Counterparty's sector	1221
Counterparty's home country	-	Counterparty's home country	GB
Issue date	-	Issue date	-
Maturity date	-	Maturity date	-
Reserved	-	Reserved	-
Reserved	-	Reserved	-
Reserved	-	Reserved	-
Country of issue	-	Country of issue	-
Type of issuer's identifier	-	Type of issuer's identifier	-
Issuer's identifier	-	Issuer's identifier	-
Issuer's name	Bank ABC	Issuer's name	Bank ABC
Issuer's sector	-	Issuer's sector	-
Issuer's home country	-	Issuer's home country	-



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Example: A security issued by the reporter and any part repurchased are reported in separate rows.

ISIN coded debt security issued by the reporter		Repurchased part of ISIN coded debt security issued by the reporter	
Record type	SBS	Record type	SBS
Type of reporter's identifier	Y	Type of reporter's identifier	Y
Reporter's identifier	NNNNNNNN	Reporter's identifier	NNNNNNNN
Allocation of balance sheet items	L	Allocation of balance sheet items	O
Transaction	S	Transaction	RS
Instrument	511	Instrument	511
Reserved	-	Reserved	-
Internal identifier	ABC123	Internal identifier	ABC123
ISIN code	XSXXXXXX	ISIN code	XSXXXXXX
Reserved	-	Reserved	-
Reserved	-	Reserved	-
Capital certainty	-	Capital certainty	-
Number of instruments	-	Number of instruments	-
Total nominal value	500000,00	Total nominal value	100000,00
Nominal value currency	EUR	Nominal value currency	EUR
Total market value (dirty price)	550000,00	Total market value (dirty price)	102000,00
Market value currency (dirty price)	EUR	Market value currency (dirty price)	EUR
Classification according to recognition in financial statements	4	Classification according to recognition in financial statements	-
Total market value (clean price)	545000,00	Total market value (clean price)	101800,00
Market value currency (clean price)	EUR	Market value currency (clean price)	EUR
Intra-group items	-	Intra-group items	-
Direct investment	-	Direct investment	-
Dividends	-	Dividends	-
Dividend currency	-	Dividend currency	-
Reserved	-	Reserved	-
Reserved	-	Reserved	-
Reserved	-	Reserved	-
Counterparty's sector	-	Counterparty's sector	1221
Counterparty's home country	-	Counterparty's home country	GB
Issue date	20080101	Issue date	-
Maturity date	20151031	Maturity date	-
Reserved	-	Reserved	-
Reserved	-	Reserved	-
Reserved	-	Reserved	-
Country of issue	-	Country of issue	-
Type of issuer's identifier	-	Type of issuer's identifier	-
Issuer's identifier	-	Issuer's identifier	-
Issuer's name	-	Issuer's name	-
Issuer's sector	-	Issuer's sector	-
Issuer's home country	-	Issuer's home country	-



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6.9 Classification of security according to recognition in financial statements

Report in this field the category in which the security is classified according to treatment in financial statements (Code list 35: Recognition in financial statements). The classification complies with IFRS 9.

One of the following classification alternatives applies to securities recorded as assets:

Securities at fair value through profit or loss (2, 4, 41 and 8):

2 = Financial assets held for trading

4 = Financial assets designated at fair value through profit or loss

41 = Financial assets at fair value through profit or loss, excl. financial assets held for trading

8 = Financial assets at fair value through other comprehensive income

6 = Financial assets at amortised cost

14 = Cash balances at central banks and other demand deposits.

One of the following classification alternatives applies to securities recorded under liabilities:

Securities at fair value through profit or loss (2, 4, 41 and 8):

2 = Financial liabilities held for trading

4 = Financial liabilities designated at fair value through profit or loss

41 = Financial liabilities at fair value through profit or loss, excl. financial liabilities held for trading

8 = Financial liabilities at fair value through other comprehensive income

6 = Financial liabilities at amortised cost

If the same security is included in different balance sheet sections, the items are to be reported separately.

6.10 Short selling of security

Short selling of a security is reported in the SBS record with value O in the field *Allocation of balance sheet items*. Field *Transaction* takes the value SH. Quantity data (field *Number of instruments*) are reported as negative figures. SH values (short sale) reported in the SBS record are not included in the balance sheet.



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If the short selling is not associated with repo lending and the counterparty cannot be identified, field *Counterparty's sector* takes the value 126 (stock exchange) and the stock exchange's location country is reported in field *Counterparty's home country*.

Debt arising from short selling (FIN-FSA Regulations and guidelines 1/2013, Notes) must be reported in the REST record with the instrument *short sale* (instrument 1.714). Positions sold short must be reported positive.



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Example

The reporter sells short, under repo agreement, an ISIN coded share purchased from a Swedish bank.

Record type	SBS
Type of reporter's identifier	Y
Reporter's identifier	NNNNNNNN
Allocation of balance sheet items	O
Transaction	SH
Instrument	511
Reserved	-
Internal identifier	ABC123
ISIN code	SEXXXXXX
Reserved	-
Reserved	-
Capital certainty	-
Number of instruments	-1000,00
Total nominal value	-
Nominal value currency	SEK
Total market value (dirty price)	-100000,00
Market value currency (dirty price)	EUR
Classification according to recognition in financial statements	2
Total market value (clean price)	-
Market value currency (clean price)	-
Intra-group items	N
Direct investment	-
Dividends	-
Dividend currency	EUR
Reserved	-
Reserved	-
Reserved	-
Counterparty's sector	1221
Counterparty's home country	SE
Issue date	-
Maturity date	-
Reserved	-
Reserved	-
Reserved	-
Country of issue	-
Type of issuer's identifier	-
Issuer's identifier	-
Issuer's name	Bank ABC
Issuer's sector	-
Issuer's home country	-



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6.11 Money market paper arranged on behalf of others

Money market paper arranged on behalf of others are reported individually in the SBS record as supplementary information to the data collection. In respect of these items, the outstanding amount at month-end is reported at nominal and market value using the balance sheet allocation "M" regardless of who is holding the security. If the reporter holds a money market paper arranged by itself, it is reported separately using the value "A" in balance sheet allocation.

In addition, money market paper arranged and matured during the month are reported. These are reported using the value "M" in balance sheet allocation and the transaction value "F". In these cases, the nominal value reported is the nominal value of the issue and the market value (clean) the amount received in the issue.

Example:

Money market paper arranged on behalf of others, stock		Money market paper arranged on behalf of others, issue and maturity during the period
Record type	SBS	SBS
Type of reporter's identifier	Y	Y
Reporter's identifier	NNNNNNNN	NNNNNNNN
Allocation of balance sheet items	M	M
Transaction	S	F
Instrument	33	33
Reserved	-	-
Internal identifier	ABC123	ABC123
ISIN code	FIXXXXXX	-
Reserved	-	-
Reserved	-	-
Capital certainty	-	-
Number of instruments	-	-
Total nominal value	5000000,00	5000000,00
Nominal value currency	EUR	EUR
Total market value (dirty price)	4975000,00	-
Market value currency (dirty price)	EUR	
Classification according to recognition in	-	-



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financial statements		
Total market value (clean price)	4970000,00	4950000,00
Market value currency (clean price)	EUR	EUR
Intra-group items	-	-
Direct investment	-	-
Dividends	-	-
Dividend currency	-	-
Reserved	-	-
Reserved	-	-
Reserved	-	-
Counterparty's sector	-	
Counterparty's home country	-	
Issue date	20160601	20170308
Maturity date	20170315	20170315
Reserved	-	-
Reserved	-	-
Reserved	-	-
Country of issue	-	-
Type of issuer's identifier	Y	O
Issuer's identifier	NNNNNNNN	368417
Issuer's name	Municipality ACB	Company ABC
Issuer's sector	-	11102
Issuer's home country	-	FI



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7 DATA ON LOANS AND DEPOSITS (LD RECORD) AND OTHER BALANCE SHEET ITEMS (REST RECORD)

In RATI reporting, data on loans and deposits are reported in the content record LD. Other balance sheet items are reported in the REST record. If impairments cannot be allocated in LD record rows, the data can be reported in the IL record.

Part of MFIs also report corresponding consolidated data in the KOTI report, particularly in the CS record.

The following sections describe the (mostly) common classifications and variables relating to the above-mentioned records. Consolidated reporting (KOTI) is described in more detail in section 16 of these instructions.



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8 FINANCIAL INSTRUMENT CLASSIFICATION

Financial instruments are broken down into two classes: instruments included in RATI records (Code list 8) and those in KOTI records (Code list 8b).

Financial instruments are classified as assets or liabilities or both, and partly as off-balance sheet items.

Financial instruments are reported without the letter I and the following full stop.

8.1 Currency

Currency (I.21) (ie cash) is always an asset in RATI reporting (Code list 5, asset [A]). For currency, the data are reported in the REST record separately for banknotes and coins denominated in euro (Code list 10: Currency, EUR) versus other currencies (Code list 10b: Unknown currency, 003). Non-euro currencies are reported as a single amount, converted into euro. No counterpart is reported for currency.

Only the banknotes and coins included in *Cash* are reported here as currency. Other items, such as lunch vouchers and stamps, are reported as other assets (instrument category I.719).



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Example

Currency, euro-denominated and total for other denominations

	Currency, EUR	Currency, other denominations
Record type	REST	REST
Type of reporter's identifier	Y	Y
Reporter's identifier	NNNNNNNN	NNNNNNNN
Allocation of balance sheet items	A	A
Transaction	S	S
Reserved	-	-
Instrument	21	21
Reserved	-	-
Reserved	-	-
Intra-group items	-	-
Internal identifier	-	-
Sector	-	-
Country code	-	-
Reserved	-	-
Conversion currency	EUR	003
Book value	1000,00	1000,00
Book value currency	EUR	EUR



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8.2 Deposits

*Deposits (wide)*⁴ are broken down into six subclasses in RATI classification. In RATI reporting, deposits are always MFI's liabilities (L) and are always reported in the LD record. The value of a deposit account (LD record 32: Book value) cannot be negative. If a deposit account shows a minus balance, the overdrawn amount is reported on the asset side of the balance sheet.

Deposit instruments in RATI reporting are:

- transferable overnight deposits (I.221)
- non-transferable overnight deposits (I.222)
- promissory notes (non-marketable) (I.223)
- repos (I.224)
- deposits with an agreed maturity (I.225)
- deposits redeemable at notice (I.226)
- e-money: Hardware based (I.227)
- e-money: Software-based (I.228)

Transferable overnight deposits (I.221) cover, of deposits from the public, all deposits that are payable on demand without significant restrictions or drawing costs. Transferable overnight deposit accounts can be used to perform, on demand, a payment to a different economic agent by commonly used means of payments, such as credit transfer and direct debit, credit or debit card, and cheques. Overnight deposits linked with a credit facility are reported as overdrafts on the asset side of the balance sheet when the account balance is negative at the end of the month.

Transferable overnight deposits also include credit institutions' liabilities to companies as compensation for their customers' credit card payments.

Non-transferable overnight deposits (I.222) cover, from money market deposits, overnight deposits, and from deposits from the public, such

⁴ In ECB data collection, *deposits (wide)* mean all amounts owed to creditors other than those arising from issuing securities. The term thus has a broader sense than the generally used term *deposits from the public*, as it covers all sectors and liabilities to credit institutions, to the public and public sector entities, including ordinary deposits and repurchase agreements. Consequently, of the sectors included in *the public*, deposits (wide) cover traditional deposits from the public which are not securities-based, repos (and compatible other funding based on repurchase agreements, such as sell and buy-back agreements), non-marketable money market promissory notes and other promissory notes. It also includes ordinary money market deposits and deposits by the central government. The category deposits (wide) includes also the amount of money on payment cards issued in the name of MFIs and other liabilities arising from the issue of electronic money, even if they are recorded in the Standard Balance Sheet under other items than those mentioned above in this paragraph. The category deposits (wide) may be classified in more detail depending on the creditor sector.



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deposit accounts payable on demand that can only be used for cash withdrawal or that can only be used through another account of the same owner. Loans taken by MFIs to be repaid by close of business on the day following that on which the loan was granted are also included in this item. Long-term savings accounts are classified as non-transferable overnight deposits.

Promissory notes (non-marketable) (I.223) include funding agreements based on promissory notes where the customer is the lender and the credit institution is the borrower. Non-marketable promissory notes are also entered under this item. This item further includes loans taken by MFIs for funding purposes with a repayment due after the day following that on which the loan was granted.

Repos (I.224) or repo sales are counterparts of cash received in exchange for securities/gold sold by the reporters at a given price under a firm commitment to repurchase the same (or similar) securities/gold at a fixed price on a specified future date.⁵ Amounts received by the reporters in exchange for securities/gold transferred to a third party ('temporary acquirer') are to be classified 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 reporters retain effective (economic) ownership of the underlying securities/gold and all risks and rewards of the underlying securities during the operation.

The following variants of repo-type operations are all structured in such a way as to satisfy the conditions necessary for treatment as collateralised loans. Hence amounts received by the reporters (in exchange for securities/gold temporarily transferred to a third party) are classified under 'repurchase agreements' :

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

In order to maintain consistency with the treatment of repo-type operations, securities lent out under securities lending operations remain on the original owner's balance sheet (and are not to be recorded on the balance sheet of

⁵ Repos and reverse repos are reported in the LD record as entered in the MFI's balance sheet. Securities underlying repo agreements entered in the balance sheet are reported in the SBS record, each separately. Securities underlying possible off-balance sheet agreements are also reported in the SBS record.



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the temporary acquirer) where there is a firm commitment to reverse the operation (and not merely an option to do so). Securities underlying repo-type operations are reported in the SBS record in instrument category I.33 *debt securities*.

NOTE.

In the case of repo sales, reporters must report as new business (N) the entire amount of the contract at the time the contract was concluded. Whether payment has been made or not is not relevant for the statistical reporting of new business. The reporting of new business does not necessarily have an impact on the balance sheet.

To put it simply, the situation for repo sales is the same as for a loan taken out in trances. Whether a loan is taken out in one or several trances is not relevant for interest rate statistics. A contract concluded at the date t^0 is included for the entire amount in the MFI interest rate statistics on new business.

Deposits with an agreed maturity (I.225) consists of all items that have an agreed fixed maturity and that cannot be converted into currency before an agreed fixed term or that can only be converted into currency before that agreed term provided that the holder is charged some kind of penalty. The group also includes other money market deposits than those made on an overnight basis.

This item also includes administratively regulated savings deposits where the maturity related criterion is not relevant. Financial products with roll-over provisions must be classified according to the earliest maturity. Although deposits with agreed maturity 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. Savings deposits for first home purchase (ASP deposits) are also classified as deposits with an agreed maturity. .

If a credit institution receives emergency liquidity assistance (ELA) from the Bank of Finland, this is reported as a deposit with an agreed maturity (I.225).

If a monetary policy counterparty has withdrawn a loan in connection with a main refinancing operation (MRO), the loan must be reported in the RATI report as a deposit with an agreed maturity. The counterparty of the transaction is the Bank of Finland and the home country is Finland. The



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maturity of main refinancing operations is one week. Similarly, if a monetary policy counterparty has participated in targeted longer-term refinancing operations (TLTRO), the loan must be reported as a deposit with an agreed maturity. In calculating the original maturity of TLTRO operations, 26 September 2018 is used as the repayment date. If a counterparty applies for and is provided refinancing in every TLTRO operation, the LD record will in time include several rows for central bank debt, because some of the items have a different original maturity.

Deposits redeemable at notice (I.226) are non-transferable deposits without any agreed maturity which cannot be converted into currency without a period of prior notice, before the expiry the conversion into currency is not possible or possible only with a penalty. They also include savings deposits or yield deposits which, although perhaps legally withdrawable on demand, would be subject to penalties and restrictions such as restrictive drawing provisions according to national practice. Non-transferable deposits subject to substantial penalties are classified in maturity category *up to 3 months* and investment accounts subject to withdrawal restrictions in maturity category *over 3 months and up to two years*.

Hardware based (I.227) and software based (I.228) e-money are transferable deposits. Electronic money covers electronically stored monetary value that is represented by a claim on the issuer. It must not be issued at a premium and must be acknowledged as a means of payment by other undertakings than the issuer. In MFI balance sheet and interest rate statistics, e-money is included in overnight deposits.

Electronic money is *hardware-based (I.227)* when the customers receives a hand-held electronic medium, often a prepaid payment card with a microprocessor chip.

Electronic money is *software-based (I.228)* when used on a PC with specialised software that normally transfers the electronic value via a network, such as the Internet. In MFI balance sheet and interest rate statistics, e-money is included in overnight deposits.

8.3 Securities other than shares and equity, excluding derivatives (debt securities)

Securities other than shares and equity, excluding derivatives (I.33) include primarily money market instruments and bonds. In these instructions, the term *debt securities* is also used. Debt securities are reported on a security-by-security basis in the SBS record. The following items are reported as debt securities:



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- securities that give the holder the unconditional right to a fixed or contractually determined income in the form of coupon payments and/or stated fixed sum at a specific date (or dates) or starting from a date defined at the time of issue
- negotiable loans that have been restructured into a large number of identical documents and that can be traded on a secondary market
- subordinated debt in the form of debt securities.

Securities lent 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 received securities under a repurchase agreement, this sale must be recorded as an outright transaction in securities/gold and entered in the balance sheet of the temporary acquirer as a negative position in the securities portfolio/gold.

8.4 Derivatives

8.4.1 Stock data on derivatives

Derivatives stock data are classified either as standardised derivatives (instrument category I.341), OTC derivatives (I.342) or as an FX spot item (I.343). Total derivatives (I.34) is not used in the RATI reporting. Derivatives stock data are reported in the REST record aggregated by country, currency and sector, ie not on a security-by-security basis. If eg in the balance sheet adjustment phase, a derivative item is found which cannot be allocated according to the above mentioned factors, report the item with country code XX, currency code UUU, intra-group item code N and leave the sector field empty. Only derivatives in the MFI's balance sheet are reported.

Derivatives with a positive gross market value are reported as assets (A) and derivatives with a negative gross market value are reported as liabilities (L).

Standardised derivatives (I.341) are derivative contracts that are traded and/or settled in a stock exchange or comparable marketplace (S.126), the terms of which are defined in the rules of such exchange or marketplace and the market price of which is quoted in such exchange or marketplace on a daily basis. In addition to gross market value, the contract currency and the marketplace's country are reported on standardised derivatives. If



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the counterparty to a standardised derivative is the trader and not the stock exchange, sector is reported as S.125.

OTC derivatives (I.342), ie non-standardised derivatives, are bilateral contracts that are not settled by a derivatives exchange or clearing house. In addition to gross market value, the contract currency, counterparty's sector and counterparty's country are reported on OTC derivatives. *OTC derivatives with characteristics corresponding to standardised exchange-traded derivatives are to be classified as OTC derivatives.*

FX spot items (I.343) are currency trades executed at the standardised spot date of the currency pair, ie that are priced at clean spot rate without forward points. Spot trades are reported as stock data (transaction "S") only to the extent they are entered in the balance sheet. Spot trades not entered in the balance sheet are only reported as flow data (transaction "F") (for payment flows arising from contracts with non-residents, see section 8.4.2).

If there is a central counterparty clearing house (CCP) between the reporter and the derivatives exchange, the CCP's sector (S.125, S.126 or S.122) and country are reported as the data on the counterparty. If the terms and conditions of trades executed via a central counterparty's clearing house are standardised and the trades are executed or settled in a stock exchange, the derivatives are classified as standardised. In other cases, trades executed via a clearing house are classified as OTC derivatives.

Conversion currency (REST record field 15):

- For **quanto derivatives**, report the currency in which the underlying is converted.
- For **basket derivatives**, report the agreed currency of the payment leg.
- For **index derivatives**, report the agreed currency of the payment leg.
- For **currency derivatives and interest rate and currency swaps**, report the agreed currency of the payment leg.
- If the settlement is effected in several currencies, report the main currency.

Examples of the treatment of derivatives, stock data.

Options. An option contract is always regarded as the investor's (holder's) assets and the seller's (writer's) liability; thus, in reporting the gross values of outstanding contracts, purchased options (or contracts with a positive



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value at the reporting date) are included in assets (+) and written options (or options with a negative value at the reporting date) in liabilities (-).

Futures. Gross market value assets or liabilities are reported on the gross values of outstanding contracts.

Forward contracts (incl. FRAs) and foreign exchange swaps. At the start of a forward contract, the market value of the contract is zero. During the life of the contract, the market value of the underlying changes, and the value of the contract may also be positive (asset) or negative (liability). In addition, the value may flip from positive to negative (or vice versa) during the life of the contract. The value of a non-standardised forward contract can be determined by discounting the payment flows related to the contract. A foreign exchange swap refers to a spot transaction in currencies linked with a reverse forward transaction.

Interest rate and currency swaps. An interest rate swap or a currency swap refers here to a contract under which the contracting parties agree to exchange payment streams (cash flows) linked with a specified notional principal amount according to a predetermined payment schedule. If the cash flows represent interest payments and are denominated in the same currency, it is a question of an interest rate swap. If the cash flows (and notional principal amounts) are denominated in different currencies, it is a question of a currency swap or cross-currency interest rate swap. An interest rate swap or a currency swap normally also involves the exchange of notional principal amounts at the close of the contract (sometimes also at the start). Repayments of principal are also possible during the life of the contract. The value of a non-standardised interest rate or currency swap can be calculated as the difference between the discounted present values of the remaining contractual cash flows at the appropriate reporting time (beginning or end of reporting month). The discount rate for calculating present value is the market interest rate applicable to the remaining maturity of the contract. If a currency swap is based on an actual asset or liability (ie the contract can be identified with a specific asset or liability) and the exchangeable cash flows relate to both principal and interest, the value can also be determined as follows:

- 1) If an interest rate or currency swap is based on an **asset**, the value of the contract is reported as the difference (positive or negative) between the remaining principal amounts (incl. accrued interest) of the asset acquired via the contract and of the original (underlying) asset.



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- 2) If an interest rate or currency swap is based on a **liability**, the value of the contract is reported as the difference (positive or negative) between the remaining principal amounts (incl. accrued interest) of the original liability and the liability acquired via the contract.

8.4.2 Derivatives net payments

Derivatives net payments (REST record, transaction F): Report only payment flows (cash flows) realised during the reporting month from contracts with non-residents.

Derivatives net payments are classified as standardised derivatives (instrument category I.342), OTC derivatives (instrument category I.342) or as an FX spot item (instrument category I.343). Total derivatives (I.34) is not used in the reporting. Derivatives net payments (flows) are reported in the REST record as aggregated sums, broken down by derivative category and country.

Opposing payment flows (to and from contracting parties) can be netted for the reference month by country and instrument. Thus, only one net amount paid or received (in respect of each country and instrument) is reported for derivatives net payments. The net amount is entered into transaction F according to the direction of the net payment, either as *net payments to contracting parties* (Allocation of balance sheet items: L) or *net payments from contracting parties* (Allocation of balance sheet items: A). In both cases the net payment amount takes a positive sign (reported without a sign).

Payments reported under *derivatives net payments* include premiums payable at the start of standardised derivatives contract periods, settlements made during the life of such contracts (non-repayable margin payments) and net settlements effected at the close of the contract, as well as all net payments between parties in connection with OTC derivatives contracts.



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Example Derivatives

	OTC derivative	Standardised derivative	FX spot	Derivatives net payments	Derivatives net payments	Derivatives, adjustment
Record type	REST	REST	REST	REST	REST	REST
Type of reporter's identifier	Y	Y	Y	Y	Y	Y
Reporter's identifier	NNNNNNNN	NNNNNNNN	NNNNNNNN	NNNNNNNN	NNNNNNNN	NNNNNNNN
Allocation of balance sheet items	A	L	A	L	A	A
Transaction	S	S	S	F	F	S
Reserved	-	-	-	-	-	
Instrument	342	341	343	341	342	342
Reserved	-	-	-	-	-	
Reserved	-	-	-	-	-	
Intra-group items	N	N	N	-	-	N
Internal identifier	-	-	-	-	-	-
Sector	11102	126	1221	-	-	-
Country code	FI	GB	DE	US	DE	XX
Reserved	-	-	-	-	-	-
Conversion currency	EUR	GBP	USD	-	-	UUU
Book value	1000,00	1000,00	1000,00	50,00	50,00	50,00
Book value currency	EUR	EUR	EUR	EUR	EUR	EUR

Examples of treatment of derivatives, net payments:

Options. Premiums paid/received in buying or selling (writing) options and any net settlements received/paid at the close of contracts are entered under *derivatives net payments*. In the case of certain standardised types of option (primarily interest rate options), any regular settlements (variation margins) effected during the life of the bond contract are also included.

Futures. In the case of futures, margin payments effected during the life of a contract are recorded under *derivatives net payments*.

Forward contracts (incl. FRAs) and foreign exchange swaps. With forward contracts, payments made between parties during the life and at the close of the contract are entered under *derivatives net payments*. Typical payments include net settlements effected at the close of bond forwards and forward rate agreements.

Interest rate and currency swaps. Contractual cash flows between contracting parties are netted and reported under *derivatives net payments*.



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8.5 Loans

In R ATI classification, *loans (wide)* are broken down into seven subcategories. They are always reported in the LD record. Loan amount (LD record, field 32 *Book value*) cannot be negative. If a loan receives a minus sign, the overdrawn amount is reported on the liabilities side of the balance sheet.

In R ATI reporting, loans are allocated as follows (Code list 5: Allocation of balance sheet items):

1. assets (A)
2. off-balance sheet items (O):
 - loans serviced by the MFI for a financial vehicle corporation (FVC) / securitisation special purpose entity (SSPE)
 - intermediated loans that are granted/negotiated by the reporting MFI to a Finnish economic agent and transferred to the balance sheet of the same group's undertaking located abroad. Intermediated loans do not include loans intermediated from government funds.
 - undrawn credit facilities.

The reported loan subcategories are:

- money market promissory notes (non-marketable) (I.41)
- revolving loans (I.42)
- overdrafts (I.43)
- extended credit card credit (I.44)
- convenience credit card credit (I.45)
- reverse repos (I.46)
- other loans (I.47)
 - Financial leases (I.47211),
 - Factoring (I.47311)
 - Other trade receivables (I.47319)
 - Other loans (I.4791).

Money market promissory notes (I.41) include non-marketable money market claims based on promissory notes.

Revolving loans (I.42) are agreements between a lender and borrower that allow a borrower to take advances, during a defined period and up to a certain limit, and repay the advances at his discretion before a defined date.



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Revolving loans are loans that have all the following four features:

1. the borrower may use or withdraw funds to a pre-approved credit limit without giving prior notice to the lender
2. the amount of available credit can increase and decrease as funds are borrowed and repaid
3. the credit may be used repeatedly⁶
4. there is no obligation of regular repayment of funds.

The amounts withdrawn by the lender and not yet repaid (outstanding amounts) are reported here. The total amount owed by the borrower is reported, irrespective of whether it is within or beyond any limit agreed beforehand between the lender and the borrower with regard to size and/or maximum period of the loan.

Revolving loans also include claims in respect of hire purchase contracts as well as accounts receivable financing (factoring) and accounts payable financing (confirming), if the four features of revolving loans are fully or almost fully met. But if the credit institution's agreement with the customer is in the form of a promissory note, it is included in *other loans* (I.47).

Overdrafts (I.43) are debit balances on current accounts. The debit amount reported is the total amount owed by the borrower, irrespective of whether it is beyond any limit agreed beforehand between the lender and the borrower with regard to size and/or maximum period of the loan. If the amount exceeding the maximum limit has been recorded in the bank's system under other assets, the excess amount can also be reported in RATI survey's REST record as part of other assets.

The reporter's TARGET2 balance (includes the minimum reserve deposit) at the Bank of Finland is reported with instrument I.43 and the counterparty sector is S.121. The interest rate linkage of the interest rate is O = Other interest rates. The interest rate paid on reserve deposits (minimum bid rate in the Eurosystem's main refinancing operations) is published on the Bank of Finland website:

http://www.suomenpankki.fi/en/tilastot/rahapolitiikan_valineet/Pages/tilastot_markkina-ja_hallinnolliset_korot_ekp_ja_markkinakorot_pv_chrt_en.aspx.

⁶ In ECB data collection, loans (wide) consists in practice of the following Standard Balance Sheet items: B11;0110 Claims on central banks repayable on demand, B03;03 Claims on credit institutions, B03;05 Claims on the public and public sector entities and B03;07 Leasing assets.



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Reserve deposit (checking account) at the Bank of Finland			Explanations
Record type	LD		LD record
Type of reporter's identifier	Y		Business ID
Reporter's identifier	NNNNNNNN		Business ID format
Allocation of balance sheet items	A		A = asset
Transaction	S		S = stock
Reserved	-		-
Instrument	43		Overdrafts
Reserved	-		-
Securitisation and loan transfers	-		Mandatory, if the balance sheet item is securitised or otherwise transferred from the balance sheet and also when the securitised item is still on the credit institution balance sheet
Transaction period	-		Only for flow data
Reserved	-		-
Reserved	-		-
Purpose of loan	N		Mandatory
Intra-group items	N		Mandatory
Syndicated items	N		Mandatory
Collateral	-		Mandatory only for loans to non-financial corporations and households
Internal identifier	-		Not mandatory
Reserved	-		-
Sector	121		National central banks
Credit institution exempt from minimum reserves	-		Only for deposits
Name of credit institution exempt from minimum reserves	-		Only for deposits
ECB's auxiliary sectors	-		<> 123 tai 124
Industrial classification	-		Mandatory only for loans to non-financial corporations and sole proprietors
Country code	FI		Finland
Sector (securitisation and loan transfers)	-		Only in securitisations and loan transfers
ECB's auxiliary sectors (securitisation and loan transfers)	-		Only in securitisations and loan transfers
Counterparty's home country (securitisation and loan transfers)	-		Only in securitisations and loan transfers
Reserved	-		-
Reserved	-		-
Reserved	-		-
Conversion currency ISO 4217	EUR		Mandatory
Book value	2000000.00		Book value
Book value currency	EUR		Always "EUR"



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Book value excl. non-performing stock	2000000.00	Mandatory only for stock data
Annualised agreed rate (%)	1.00	Interest rate of item
Annual percentage rate of charge (%)	-	Only for new loan agreements
Interest payable	500.00	Mandatory only for stock data
Reserved	-	-
Reserved	-	-
Next interest rate reset	-	Mandatory only for loans to non-financial corporations and households
Interest rate linkage	O	Other interest rate
Initial period of fixation	-	Only for new loan agreements and withdrawals
Original maturity	0	Not defined
Remaining maturity	1	At maximum 1 year
Size of loan to non-financial corporation	-	Only for new loan agreements with non-financial corporations and new withdrawals by non-financial corporations
Deposit account's term of notice	-	Only for deposits redeemable at notice
Individual loan losses and impairments	0.00	Mandatory

Extended credit card credit (I.44) is defined as the credit granted after the due date(s) of the previous billing cycle(s) has/have passed, ie debit amounts on the card account that have not been settled when this was first possible. The interest rate charged for extended credit card credit is usually greater than 0%. The interest rate can also be a tiered rate.

Convenience credit card credit (I.45) is defined as the credit granted at an interest rate of 0% in the period between the payment transaction(s) effectuated with the card during one billing cycle and the date at which the debit balances from this specific billing cycle become due. Convenience credit card credit can be granted either via delayed debit cards or via credit cards (ie cards providing convenience credit and interest-bearing credit, ie extended credit).

Reverse repos (I.46) or repo purchases. Purchases of repos on binding resale commitment recorded on the balance sheet⁷, reported at purchase price. Reverse repos are part of the credit institution's lending. The credit

⁷ Repos and reverse repos are reported in the LD record as entered in the MFI's balance sheet. Securities underlying repo agreements entered in the balance sheet are reported in the SBS record, each separately. Securities underlying possible off-balance sheet agreements are also reported in the SBS record.



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institution acts as a buyer (investor) and purchases, with commitment resell, securities owned by its customers.

The more detailed instrument breakdown of “other loans” used in credit reporting will be introduced in RATI reporting as optional starting from reporting period 2018M1/Q1. Due to national data needs, the breakdown will become mandatory from reporting period 2019M1/Q1.

If the reporter uses the code list of credit data collection in which “other loans” (47) are replaced by the codes below, the reporter must also indicate this by adding the value 1 in the BS record, field 23.

- Financial leases (47211),
- Factoring (47311)
- Other trade receivables (47319) and
- Other loans (4791).

Financial leases (I.47211) mean financial leases as defined in points 5.134–5.135 of Annex A of Council Regulation (EU) No 549/2013:

- A financial lease is a contract under which the lessor as legal owner of an asset conveys the risks and benefits of ownership of the asset to the lessee. Under a financial lease, the lessor is deemed to make, to the lessee, a loan with which the lessee acquires the asset. Thereafter the leased asset is shown on the balance sheet of the lessee and not the lessor; the corresponding loan is shown as an asset of the lessor and a liability of the lessee.
- Financial leases may be distinguished from other kinds of leases because the risks and rewards of ownership are transferred from the legal owner of the good to the user of the good. Other kinds of leases are (i) operating lease; and (ii) resource lease. Contracts, leases and licenses, as defined in Chapter 15, can be considered as leases as well.

Factoring (47311) refers to the sale of a firm’s (the factoring client’s) claims (in full or in part) recorded under accounts receivable (in the form of invoices), representing money due from its customers, to a financial institution known as a “factoring company”. The factoring company, which may be an MFI, buys the receivables at a price which is lower than the face value of the invoice, thereby effectively charging the applicable fees and interest. The factoring company manages the sales ledger and the collection of the accounts under the terms agreed by the factoring client. The customers send their payments directly to the factoring company. Thus,



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finance is extended for the length of the trade debt. A revolving loan is not involved.

Other trade receivables (47319) include loans to other debtors granted on the basis of bills or other documents that give the right to receive the proceeds of transactions for the sale of goods or provision of services. Factoring transactions are excluded.

The loans in the category *Other loans* (4791) are loans not included in the categories listed above. Loans mean loans as defined in points 5.112–5.114 of Annex A of Council Regulation (EU) No 549/2013.

In cases where the reporter does not yet introduce the more detailed instrument breakdown in reporting year 2018, the BS record field 23 is left empty and other loans are reported in the LD record using instrument code 47.

Other loans (I.47) include all other loans not included in the other loan categories (I.41–I.46). Such items are eg lending for house purchase or business, study loans and financial leasing. Claims in respect of hire purchase contracts, accounts receivable financing (factoring) and accounts payable financing (confirming) are reported as revolving loans (I.42) if the four features of revolving loans are fully or almost fully met. But if the credit institution's agreement with the customer is in the form of a promissory note, it is included in other loans (I.47).

8.5.1 Syndicated loans

For syndicated loans, the syndication is reported as additional information in the LD record field 15. Syndicated loans are also reported in one of the financial asset categories I.41–I.47.

Syndicated loans are single loan agreements, 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 the total credit lines) are regarded as syndicated loans.

The syndicated loan is usually arranged and coordinated by one institution (the ‘lead manager’), and is actually made by various participants in the syndicate. Participants, including the lead manager, all report their share of



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the loan vis-à-vis the borrower (ie not vis-à-vis the lead manager) in their balance sheet assets.

Whether the loan is syndicated or not is also reported for items on the liabilities side of the MFI's balance sheet.

8.5.2 Undrawn credit facilities

This item refers to binding lines of credit granted to customers which are not yet withdrawn. Undrawn credit facilities are reported as off-balance sheet items: the LD record field 4 (*Allocation of balance sheet items*) takes the value O and field 5 (*Transaction*) takes the value P. Undrawn credit facilities are classified in one of the financial asset categories 1.41–1.47.

Further mandatory data to be reported for undrawn credit facilities are counterparty's sector, purpose of loan, counterparty's home country and conversion currency.

The limit or withdrawn amounts of current (checking) accounts and other similar products with overdraft facility are reported as undrawn credit facilities. The amount withdrawn is reported as a loan and the possible positive account balance is reported as a deposit.

Example:

Household's genuine new loan agreement (EUR 200,000), of which only EUR 50,000 is withdrawn in the reporting month. EUR 150,000 is reported as undrawn credit facility. The stock of loans at month-end is the withdrawn amount, EUR 50,000.

	Genuine new loan agreement	New drawdown	Stock	Undrawn part
Record type	LD	LD	LD	LD
Type of reporter's identifier	Y	Y	Y	Y
Reporter's identifier	NNNNNNNN	NNNNNNNN	NNNNNNNN	NNNNNNNN
Allocation of balance sheet items	A	A	A	O
Transaction	N01	D	S	P
Reserved	-	-	-	-
Instrument	47	47	47	47
Reserved	-	-	-	-



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Securitisation and loan transfers	-	-	-	-
Transaction period	-			
Reserved	-			
Reserved	-			
Purpose of loan	H	H	H	H
Intra-group items	-	-	-	-
Syndicated items	-	-	-	-
Collateral	M	M	M	-
Internal identifier	-	-	-	-
Reserved	-			
Sector	143	143	143	143
Credit institutions exempt from minimum reserves	-	-	-	-
Name of credit institution exempt from minimum reserves	-	-	-	-
Sector (securitisation and loan transfers)	-	-	-	-
ECB's auxiliary sectors	-	-	-	-
Industrial classification	-	-	-	-
Country code	FI	FI	FI	FI
Sector (securitization and loan transfers)	-	-	-	-
ECB's auxiliary sectors (securitisation and loan transfers)	-	-	-	-
Counterparty's home country (securitization and loan transfers)	-	-	-	-
Reserved	-			



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Reserved	-			
Reserved	-			
Conversion currency	EUR	EUR	EUR	EUR
Book value	200 000.00	50 000.00	50 000.00	150 000.00
Book value currency	EUR	EUR	EUR	EUR
Book value excl. non-performing stock	-	-	-	-
Annualised agreed rate (%)	2.13	2.13	2.13	-
Annual percentage rate of charge (%)	2.21	-	-	-
Interest payable	-	-	1.58	
Reserved	-			
Reserved	-			
Next interest rate reset	-	-	1	-
Interest rate linkage	E	E	E	
Initial period of fixation	31	31	-	-
Original maturity	21	21	21	
Remaining maturity	-	-	3	-
Size of loan to non-financial corporation	-	-	-	-
Deposit account's term of notice	-	-	-	-
Individual loan losses and impairments	-	-	0.00	-

8.6 Shares and other equity

Shares and other equity are broken down into four subcategories:

- quoted shares (instrument category I.511)
- all other (unquoted) shares (instrument category I.512)
- other equity (instrument category I.513)
- fund shares (instrument category I.52).



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Shares and other equity are reported on a security-by-security basis in the SBS record as assets and liabilities. Shares in housing and real estate companies are reported in the same way as other securities: each in their own row in the SBS record.

Quoted shares (I.511) cover those shares with prices quoted on a recognised stock exchange or other form of secondary market. Shares cover beneficial interest in the capital of corporations in the form of securities which in principle are negotiable.

Unquoted shares (I.512) cover shares with prices that are not quoted on a recognised stock exchange or other form of secondary market. Shares cover beneficial interest in the capital of corporations in the form of securities which in principle are negotiable.

Other equity (I.513) includes the following⁸:

- all forms of equity in corporations which are not shares:
 - the equity in incorporated partnerships subscribed by unlimited partners
 - the equity in limited liability companies whose owners are partners and not shareholders
 - the capital invested in ordinary or limited partnerships recognised as independent legal entities
 - the capital invested in co-operative societies recognised as independent legal entities
- capital invested in financial and non-financial quasi corporations.

Fund shares (I.52) cover shares in money market funds, investment funds and venture capital funds.

Own share capital (cooperative capital) is reported in the SBS record at the accounting value/nominal value. The value is reported in field *Total market value (dirty price)*.

Subsidiary company shares are reported share by share in the SBS record.

⁸ SNA 2010.



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The list of investment funds is available at:

<https://www.suomenpankki.fi/en/Statistics/investment-funds/list-of-investment-funds/>.

8.7 Other assets and liabilities

In R ATI reporting, other assets and liabilities are reported in the REST record. The instruments for other assets (Field 4 *Allocation of balance sheet items* takes the value A) and liabilities (Field 4 *Allocation of balance sheet items* takes the value L) are:

- Interest reconciliation item (unallocated interest payable) (*I.711*)
- Amounts receivable / payable in respect of transit items (*I.712*)
- Receivables on disposals of securities / Accounts payable on securities (*I.713*)
- Short sale (*I.714*)
- Other items (*I.719*)

Interest reconciliation item (I.711) is the so-called "adjustment item" of loans and deposits, which can be used if the interest payable on loans and deposits in the LD record does not tally with the balance sheet. As a rule, interest payable on loans and deposits is reported in field 37 of the LD record, allocated to the loan and deposit reported in its respective row.

Accounts receivable / payable in respect of transit items (I.712)
Accounts receivable in respect of transit items are reported in gross values. Transit items represent funds (usually belonging to the customer) that are in the course of being transmitted between MFIs. Items include cheques and other forms of payment that have been sent for collection to other MFIs.

Accounts payable in respect of transit items are reported in gross values. Transit items represent funds (usually belonging to customers) that are in the process of being transmitted between MFIs. Items include credit transfers that have been debited from customers' accounts and other items for which the corresponding payment has not yet been made by the reporting agent.

In addition, under this item are reported gross accounts payable in respect of suspense items, which are not related to securities but are held in the MFI balance sheet as either receivables or debts and which are not booked



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in the name of customers but which nevertheless relate to customers' funds (eg funds that are awaiting investment, transfer or settlement).

Under *Receivables on disposals of securities / Accounts payable on securities* (I.713) are reported net amounts payable in respect of future settlements of transactions in securities. Under this item are also reported gross amounts receivable in respect of suspense items, which are receivables or debts held in the MFI balance sheet which are not booked in the name of customers but which nevertheless relate to customers' funds (eg funds that are awaiting investment, transfer or settlement).

The category *Short sale* (I.714) is used for reporting debt arising from short selling (FIN-FSA Regulations and guidelines 1/2013, Notes: derivative contracts and other debt held for trading purposes). Short sale positions are reported as positive figures.

Other items (I.719) comprise all other items included in other assets and other liabilities than those reported with instruments I.711 - I.714. These include eg receivables and amounts payable that are not related to the main MFI business, such as amounts due to suppliers, tax debt, unpaid salaries and social security contributions. In addition, overdrafts and capital redemption agreements concluded by MFIs with life insurance companies are entered under other assets. Provisions representing liabilities against third parties (such as pensions and dividends) are reported under other liabilities. Dividend claims and unpaid dividends are also reported under this item.

Other liabilities is also used for reporting insurance payments related to derivatives. These are margin payments (margins) made under derivatives contracts that are normally classified as 'deposit liabilities'. The complexities of current market practice may make it difficult to identify those margins that are truly repayable, because different types of margin are placed indistinguishably within the same account, or those margins that provide the MFI with resources for on-lending. In these cases, it is acceptable to classify these margins under 'remaining liabilities' (other liabilities) or as 'deposit liabilities', according to national practice.

Other (remaining) assets and liabilities are reported by country, currency and sector, if possible.

Items for which the country, currency and/or sector cannot be reported are reported as unspecified items: country takes the value XX, currency the value UUU and the sector field is left empty.



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8.8 Non-financial assets

In R ATI reporting, non-financial assets refer to equity capital other than share capital and reserves (I.81) and to fixed assets (I.82). Both items are reported in the REST record, each as an aggregated lump sum. Fixed assets are always assets (A) and other capital and reserves are always liabilities (L).

Other capital and reserves (I.81) include depreciation difference and voluntary provisions, share premium account, revaluation reserve, other restricted reserves, non-restricted reserves, profit (loss) brought forward to accounting period and profit (loss) for the financial year.

Fixed assets (I.82) consists of non-financial assets, tangible or intangible, which are intended to be used repeatedly for more than one year by the MFI. They include land and buildings occupied by the MFIs, as well as equipment, software and other infrastructure. Fixed financial assets such as shares and participations in real estate corporations are not reported here but instead in the LD or SBS records under loans, debt securities or shares and other equity, according to the type of instrument.

Shares in housing and real estate companies are reported in the same way as other securities: each in their own row in the SBS record.

Example Non-financial assets

Column	Other capital and reserves	Fixed assets
Record type	REST	REST
Type of reporter's identifier	Y	Y
Reporter's identifier	NNNNNNNN	NNNNNNNN
Allocation of balance sheet items	L	A
Transaction	S	S
Reserved	-	-
Instrument	81	82
Reserved	-	-
Reserved	-	-
Intra-group items	-	-
Internal identifier	-	-
Sector	-	-
Country code	-	-
Reserved	-	-
Conversion currency	-	-
Book value	60000,00	500000,00
Book value currency	EUR	EUR



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9 SECTORAL AND INDUSTRIAL CLASSIFICATION

9.1 Sectoral classification

Sectoral classification applies in both RATI and KOTI data collections uniformly to counterparties and issuers, regardless of the country of residence (Code list 11: Sector). Hence, a non-resident unit is classified in the same way as a resident unit. Therefore, the sector S.2 cannot be used in the reporting.

The classification for reporting is compatible with the official Finnish classification (Nomenclature of the Classification of Sectors 2012, Statistics Finland).

The sector to be reported can be chosen from the various sector hierarchy levels if a specific level is already used in the MFI's internal accounting. Sector codes with maximum length of 5 characters are allowed.

It is particularly worth noting that the categories *employment pension schemes* (S.13141) and *other social security funds* (S.13149) are applied to Finnish entities, whereas *social security funds* (S.1314) is used in the case of other countries. The sector *state government* (S.1312) is not used in Finland. Of other EU countries, it is used in Belgium, Germany, Spain, Austria and Portugal.

For more information on classification of sectors in Finland, see http://www.stat.fi/meta/luokitukset/sektoriluokitus/001-2013/index_en.html.

Statistics Finland offers a classification service for enterprise data collections (csv. file) which is available for all reporters. The file contains the following information on all enterprises operating in Finland: business ID, name, sector code according to both the sectoral classification of 2000 and 2012, and the enterprise's industrial classification codes at two digit level. The file is posted at Statistics Finland's website at http://www.stat.fi/tup/yrluok/index_en.html. Accessing the file requires user ID and password which can be requested by email at rahoitus@stat.fi.

The ECB maintains a list of MFIs (S.121, S.1121, S.1222, S.1223 and S.123), investment funds (S.1242 and S.1241) and financial vehicle corporations (FVCs, S.125) operating in the EU, see <http://www.ecb.europa.eu/stats/mfi/html/index.en.html>.



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EIOPA publishes on its website a list of insurance undertakings (S.128) at the address <https://eiopa.europa.eu/regulation-supervision/registers/register-of-insurance-undertakings> and a list of pension funds (S.129) at the address <https://eiopa.europa.eu/regulation-supervision/registers/register-of-institutions-for-occupational-retirement-provision>.

Example

Enter the sector classification code without the prefix ‘S.’, eg ‘123’.

A Finnish housing corporation in private ownership can be reported by using the sector code alternatives 112, 1121 or 11122.

A Finnish employment pension insurance company can only be reported by using the sector code 13141.

When reporting international organisations, it is of utmost importance to use the international organisation code as country code, since the same organisation may get a different sector in different statistics. The Bank of Finland classifies international organisations with organisation codes (reported in the field Country code).

In the REST record, the counterparty's sector is reported, except for instrument categories *currency* (I.21) and *non-financial assets* (I.8). *Other assets and liabilities* (I.7) are reported by sector (and by country and currency), where possible (see also section 8.7).

9.1.1 Reporting of ECB's auxiliary sectors: securitisation and other loan transfers

In addition to the borrower's sector, the LD record is used for reporting (field 25) the sector of the financial vehicle corporation / securitisation special purpose entity (FVC/SSPE), which deals with loan securitisation, and the sector of an undertaking participating in other loan transfers (Code list 11: Sector). The sector of the FVC/SSPE is always S.125.

If the sector of the FVC/SSPE or other undertaking is S.125, field 26 *ECB's auxiliary sectors (securitisation and loan transfers)* must also be reported. For an FCV/SSPE, the field takes the value 1. In case of some other than an FVC/SSPE, the field is left empty (Code list 30: ECB's auxiliary sectors); (see also section 12).



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9.1.2 Reporting of ECB's auxiliary sectors: FVC/SSPE or central counterparty clearing house as loan or deposit counterparty

If the sector of the counterparty to a loan or deposit is S.125 or S.126, field 22 *ECB's auxiliary sectors* must be reported. If the counterparty is an FVC/SSPE, the field takes the value 1. If the counterparty is a central counterparty clearing house (CCP), the field takes the value 2. (Code list 30: ECB's Auxiliary sectors).

The European Securities and Markets Authority (ESMA) maintains a list of central counterparty clearing houses (the sector of these entities is normally S.125) at

https://registers.esma.europa.eu/publication/searchRegister?core=esma_registers_mifid_ccp

Central counterparty clearing houses in the list at 16 June 2017:

BIC code	Name	Country code
ATHCGRA1	ATHEXCLEAR	GR
BACPFRPPXXX	LCH CLEARNET SA	FR
	CCP AUSTRIA ABWICKLUNGSSTELLE	
CAAHATWWXXX	FUER BOERSENGESCHAEFTE GMBH	AT
CCEGITRXXX	CASSA DI COMPENSAZIONE E GARANZIA	IT
CCEXGB2LXXX	CME CLEARING EUROPE LIMITED	GB
EEXCDE8LXXX	EUROPEAN COMMODITY CLEARING AG	DE
	EUROPEAN CENTRAL COUNTERPARTY	
EMCFNL2A	N.V.	NL
EUXCDEFFXXX	EUREX CLEARING AG	DE
HCHANL2A	ICE CLEAR NETHERLANDS B.V.	NL
ICEUGB2LXXX	ICE CLEAR EUROPE LIMITED	GB
KCCPPLPWXXX	KDPW_CCP S.A.	PL
KELRHUHBXXX	Keler CCP Central Counterparty Ltd.	HU
LCHLGB2EXXX	THE LONDON CLEARING HOUSE LIMITED	GB
LCHLGB2LXXX	LCH.CLEARNET LIMITED	GB
LMECGB2LXXX	LME CLEAR LTD	GB
MEFFESBBXXX	BME CLEARING	ES
OMECESSXXX	NASDAQ CLEARING AB	SE
OMICPTPLXXX	OMICLEAR – CC, SA	PT
	CENTRAL DEPOSITORY AND CLEARING	
SDAHHR22XXX	COMPANY INC.	HR



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FVCs engaged in securitisation transactions are listed on the ECB website at: <http://www.ecb.europa.eu/stats/money/mfi/html/index.en.html>.

9.2 Industrial classification

The industrial classification (Statistics Finland's Standard Industrial Classification, TOL 2008) is applied in RATI reporting to counterparties to loans granted, regardless of the counterparty's country of residence (Code list 31: Industrial classification).

The highest level of aggregation allowed is the two-digit level. Lower aggregation levels can also be used.

Loans for which the industry cannot be specified are reported as undefined items (Code list 31: Industrial classification, *Industry unknown*, for example 00).

Example

'Wholesale of cars' can be reported using industrial classification codes 45, 451, 4511 or 45111.



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10 OTHER CLASSIFICATIONS

Reporting of interest rates and classification according to *Initial period of fixation* are covered in section 11.3.

10.1 Allocation of balance sheet items

In each content record, specify in the field *Allocation of balance sheet items* (Code list 5) whether the item is a balance sheet asset (A), balance sheet liability (L) or an off-balance sheet item (O).

10.2 Transaction

In RATI reporting, the code *Transaction* can identify the following data:

- stocks (S)
- flows (F)
- new deposit agreements (N)
- genuine new loan agreements (N01)
- renegotiated loan agreements (N02)
- new drawdowns of loans (D)
- undrawn credit facilities (P)
- short sales (SH)
- repo sales (RS) and repo purchases (RB) as well as the securities underlying such transactions⁹.

In the SBS record, the transaction reported in the field *Transaction* is always stock data (S). However, instruments underlying repo agreements must be differentiated from other debt instruments and shares with codes (RS) and (RB).

⁹ Repos and reverse repos are reported as balance sheet loan claims and deposit liabilities (stock data). In the SBS record, securities underlying repo agreements are also reported on a security by security basis, regardless of whether they are entered in the balance sheet or not.



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Example

Transaction code in SBS record

	Holdings of shares (with and without ISIN code)	Own share capital (with and without ISIN code)	Repo sale (SBS)	Repo purchase (SBS) collateral sold	Repo purchase (SBS) collateral not sold	Short sale
Record type	SBS	SBS	SBS	SBS	SBS	SBS
Type of reporter's identifier	Y	Y	Y	Y	Y	Y
Reporter's identifier	NNNNNN NN	NNNNNN NN	NNNNNN NN	NNNNNN NN	NNNNNN NN	NNNNNN NN
Allocation of balance sheet items	A	L	O	O	O	O
Transaction	S	S	RS	RB	RB	SH
Instrument	511	511	511	511	511	511

The LD record is used for reporting end-month data on loan and deposit stocks (S). It is also used for reporting *new deposit agreements* (N) and *genuine new loan agreements* (N01) made during the month, *new drawdowns of loans* (D) during the month and *renegotiated loan agreements* (N02) during the month. For new agreements and drawdowns, see section 11.2.

Loan stocks can be either balance sheet items or off-balance sheet items (securitised loans, loans serviced for FVC/SSPE and intermediated loans). The LD record is also used for reporting, as off-balance sheet items, undrawn credit facilities (P). Flow data (F) relating to securitisation and other loan transfers are also reported here. The IL record is used for reporting collectively assessed impairments to a loan stock.

The REST record is used for reporting balance sheet data on items other than securities, loans and deposits (transaction code S, stock). Data on derivatives net payments (transaction code F, flow) are also reported here.

The BS record is used for reporting the balance sheet total and annual figures for personnel and offices. The BS record does not contain a *Transaction* field.

In KOTI reporting, transaction can refer to stocks (S) or to risk transfers: inward risk transfer (I) or outward risk transfer (O). More detailed information on KOTI reporting is given in section 16.



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10.3 Country and area classification and international organisations

In the LD, SBS and REST records, the majority of data (counterparty and issuer) is broken down by country (and partly by sector) (SBS record field 40). Breakdowns (eg counterparty's country, sector, industrial classification and purpose of loan) are not mandatory in the IL record, but are useful.

Debt securities without the ISIN code issued by the MFI itself are classified (SBS record field 35), by exception, according to the country of issuance.

The home country of the FVC/SSPE is also reported.

OTC derivatives (I.342) and FX spot items (I.343) are reported in the REST record field 13 aggregated by counterparty's home country. Standardised derivatives (I.341) are aggregated according to marketplace's location country. Country classification applies to the reporting of both stocks and net payments.

Countries are classified according to the ISO 3166 standard (Code list 9: Country ISO 3166). International organisations are classified by their own country and sector classification (Code list 9b: International organisations) (see also section 9.1 Sectoral classification).

10.4 Reporting currency and conversion currency

The reporting currency is always euro (EUR). MFIs using another currency in NAV calculation must convert the reported data into EUR.

In the SBS record, the nominal value currency (conversion currency, field 15) is reported for all instruments. In the case of debt securities (instrument category I.33), report the currency of the instrument's nominal value. In the case of other instruments, report the currency in which the instrument was originally quoted or calculated before conversion into EUR. Hence, one ISIN code can have data in several SBS record rows if there are several currencies (see also section 6.8).

The nominal value currency (conversion currency) is reported in the SBS and REST record field 15, in the IL record field 31 and in the KOTI report's CS record field 12.

10.5 Collateral and guarantees

The ECB requires that loan stocks, genuine new loan agreements and renegotiated loan agreements of non-financial corporations, households and



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non-profit institutions serving households are classified according to collateral. Collateral data are also collected on these sectors' new drawdowns on loans.

Of balance sheet data, loan stock that is 100% secured by mortgage or real estate collateral is reported to the ECB. For the purposes of interest rate statistics, new loans fully covered by collateral and/or guarantee are also reported.

Acceptable collateral/guarantees are only those specified in 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. Thus eg personal guarantees are not recognised.

A loan is regarded as collateralised if the collateral or total sum of collateral and guarantees covers the total amount of the loan; LTV (loan to value, value of loan relative to value of collateral) is less than or equal to 1. LTV is calculated using the total value of collateral – not the value used in capital adequacy calculations. However, before LTV is calculated, the higher-priority claims on collateral are deducted. If the total value of collateral (fair value) is not available in reporter's internal system, it is estimated using the best possible method.

Loan collateral is reported for on-balance sheet loan stock, new drawdowns, genuine new agreements and renegotiated loan agreements. Collateral is not reported for separately-reported interest payable on a loans.

In R ATI reporting, each loan is classified in a single collateral category – not in several as in capital adequacy calculations.

The collateral is reported in LD record field 16. The alternative categories are:

- uncollateralised (U)
- collateral deficit (D)
- mortgages and real estate collateral ($\geq 100\%$) (M)
- mortgages and real estate collateral ($< 100\%$) (P)
- other collateral (O)
- guarantee (G).

Uncollateralised loan (U) is a loan with LTV=0.



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Category *Collateral deficit (D)* covers loans with LTV greater than 1, ie loans where the value of the collateral is less than the amount of the loan.

Category *Mortgages and real estate collateral ($\geq 100\%$) (M)* refers to loans where the total amount of the loan is secured by a mortgage or real estate collateral. This category also includes summer residences suitable for year-round occupation.

Category *Mortgages and real estate collateral ($< 100\%$) (P)* refers to loans where the sum of collateral and guarantees exceeds the total amount of the loan ($LTV \leq 1$), but the mortgage or real estate collateral does not cover the entire loan. The mortgage or real estate collateral is the main security for the loan. This category also includes summer residences suitable for year-round occupation.

Category *Other collateral (O)* is used for reporting loans where the sum of collateral and guarantees exceeds the total amount of the loan ($LTV \leq 1$) and the main security for the loan is other than mortgage or real estate collateral, eg security portfolio.

Category *Guarantee (G)* is used for reporting loans where the sum of collateral and guarantees exceeds the total amount of the loan ($LTV \leq 1$) and the main security for the loan is a guarantee.

10.6 Original maturity

The original maturity of a deposit and loan agreement is reported in the LD record field 43 (Code list 13: Original maturity). Deposits and loans remain in the same maturity category throughout their entire lifetimes. Asset and liability items whose maturity has been defined as perpetual or in excess of 50 years are reported in maturity category 99.

Only deposits with an agreed maturity (I.225) and (non-marketable) promissory notes (I.223) and repos (I.224) are reported as new deposit agreements, always according to the original maturity.

New loan agreements with non-financial corporations and households are broken down according to the initial period of interest rate fixation and the original maturity.

In the case of overdrafts, extended credit card credit, convenience credit card credit and revolving loans, original maturity is reported in category



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maturity not defined. The Bank of Finland combines these data for the ECB in the category *up to 1 year*.

The original maturity of overnight deposits, deposits with an agreed maturity and e-money (instrument categories I.221, I.222, I.226, I.227 and I.228) is always *Repayment on demand / overnight*, ie the value is 1.

In the SBS record, ISIN coded securities recorded on the asset side of the balance sheet can be reported without issuance and maturity dates, which the Bank of Finland can retrieve from the ECB's CSDB. In the case of securities without an ISIN code, however, issuance and maturity dates must be reported.

Debt securities issued by the MFI are included in the reserve base. Their issuance and maturity dates are always reported, also in the case of ISIN coded securities. Reporting of this data ensures the congruence of information between the reporter and the ECB's CSDB in connection with the acknowledgement of minimum reserves (notified party).

10.7 Remaining maturity

In RATI reporting, the remaining maturity of the stock of loans is reported in the LD record field 44. Remaining maturity is determined according to the date on which the loan principal is totally repaid. Hence, only one data item is reported for remaining maturity.

In the CS record of KOTI reporting, consolidated financial claims and claims on debt securities as well as local entities' local claims and liabilities are reported according to the remaining maturity (Code list 14: Remaining maturity).

10.8 Interest rate reset period

For stocks of loans to non-financial corporations and households, the interest rate reset period is reported in the LD record field 40 *Next interest rate reset*. This is the period specified in the loan contract for loan interest rate reset. The field takes the value 1 when the rate is reset within the next 12 months and 2 when the rate is reset within the next 12 to 24 months. In other cases, the value is 3 (Code list 22: Interest rate reset).

The interest rate reset category *in the next 12 months* includes loans tied to Euribor and prime rates and loans subject to some other interest rate linkage in which the loan interest rate is continuously reset. Loans where the rate is



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reset on the basis of an index or the MFI's administrative decision are also reported in the category *in the next 12 months*.

In the case of repos and reverse repos, interest rate reset is reported according to original maturity.

In the case of loans to other sectors than households and non-financial corporations, the field is left empty.

10.9 Interest rate linkage

Loans and deposits (LD record) are reported by interest rate linkage (Code list 23: Interest rate linkage). The interest rate linkage is reported for stocks, new agreements and new drawdowns at the reporting period. (Please note exception for interest rate ceiling, see section 11.5).

Interest rate linkage categories are as follows:

- Euribor rates (E)
- own reference rates (R)
- fixed interest rates (F)
- index or derivative (I)
- other (O).

Euribor rates: loans and deposits which only use Euribor rates as reference rates are reported in this category.

Own reference rates: loans and deposits which only use the reporter's own reference rates such as prime rates as reference rates are reported in this category.

Fixed interest rates: loans and deposits with a fixed interest rate. Loans and deposits with zero interest rate (for example convenience credit card credit) are also reported in this category.

Index or derivative: loans and deposits which use the market performance of an index or a derivative as a reference rate are reported in this category. The loan or deposit can also include a fixed or Euribor-linked share that is paid regardless of the development of index or derivative.

Other: loans and deposits which use eg base rate or Libor as a reference rate are reported in this category (see also section 11.2.3 Change in interest rate linkage).



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In the case of repo purchases and sales, the interest rate linkage category is primarily “F”, fixed interest rates. In the case of open end repos, other categories are also possible.

10.10 Size of loan

New loan agreements with non-financial corporations and new drawdowns of loans by non-financial corporations are classified in the LD record field 45 according to the size of loan (Code list 19). Each separate loan is classified in this field – not the aggregate sum of a customer’s loans. The loan size categories are:

- up to EUR 50,000 (11)
- over EUR 50,000 and up to EUR 250,000 (12)
- over EUR 250,000 and up to EUR 1 million (2)
- over EUR 1 million (3).

10.11 Intra-group items (RATI reporting)

In RATI reporting, in the case of stocks of loans and deposits (LD record), debt securities, shares and other equity (SBS record) and derivatives (REST record), such items are reported separately in their own rows where the counterparty is the same group's or conglomerate's financial or insurance corporation (S.12)¹⁰, foreign affiliate or parent company (Code list 16: Intra-group items). No similar separate reporting is required for flow data.

If the counterparty to a loan, deposit, debt security, share, other equity or derivative is

- 1) a financial or insurance company or a foreign affiliate in the *same group*, the classification code is C,
- 2) the group's parent company, the classification code is P,
- 3) a non-group undertaking or some group undertaking other than those specified in 1) and 2), the classification code is N.

Reporting of consolidated data in KOTI reporting is discussed in section 16.

¹⁰ Includes other monetary financial institutions (S.122), other financial intermediaries (eg investment funds) [S.124]), financial auxiliaries [S.126] and insurance corporations [S.128]).



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10.12 Classification of loan purpose

In R ATI reporting, the stock of loans, genuine new loan agreements, renegotiated loan agreements and new drawdowns of loans by households (S.14) and non-profit institutions serving households (S.15) are classified according to the purpose of loan (Code list 15: Purpose of loan).

Other sectors are excluded from this classification, in which case the LD record field 13 *Purpose of loan* always takes the value N.

The loan purpose categories are:

- housing loans (residential buildings and shares and participations in housing companies) (H)
- holiday residencies (R)
- student loans (S)
- consumption credit (C)
- other purpose (O)
- not defined (N).

If loans to sole proprietors are taken out for private purposes, they are classified in the normal way under the respective loan purpose categories. Loans taken out for business purposes (eg car loans), are classified as *other purpose* (O).

Households' credit card credit and overdrafts are always classified in category *consumption credit* (C). However, credit card credit and overdrafts of non-profit institutions serving households are classified in category *other purpose* (O).

10.12.1 Housing loans (H)

Housing loans include loans related to residential buildings and to shares and participations in housing companies.

Residential buildings:

Loans granted to the purchase or building of residential buildings. Loans granted for the renovation of residential buildings including loans for refurbishments of lesser scope than basic renovation.

Shares and participations in housing companies:



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Loans granted for the purchase of shares or equity in housing companies or cooperatives, or residential real estate companies. In addition, loans granted for renovation concerning housing companies or cooperatives, or residential real estate, including loans for refurbishment of lesser scope than basic renovation.

Loans for the purchase of investment dwellings are also classified as housing loans.

10.12.2 Holiday residencies (R)

Loans granted for the purchase or renovation of new or old free-time/summer residencies, including loans for refurbishment of lesser scope than basic renovation.

10.12.3 Student loans (S)

Loans granted to private persons for studies or financing of study trips and similar.

10.12.4 Consumption credit (C)

Loans granted to households for the purchase of consumer goods and services intended for personal use. The items that should be reported here include:

- all bank account overdrafts and credit card credit, including those on cheque accounts with overdraft facility
- credit granted for travel, excluding study or business trips
- other credit granted to households for consumption (eg purchase of a car, domestic appliances, etc.).

10.12.5 Other purpose (O)

Loans not covered by the categories listed above. For example, loans granted for business activity (production purposes), arrangement of debts, investment in shares etc and for other similar purposes.

For example, a loan granted to a farmer for the purchase of seed grain or a tractor is not consumption credit but comes under the category *other purpose*. However, a loan granted to a farmer for the purchase of a car is classified as *consumption credit* if the car is bought for private use and as *other purpose* if the car is bought for business purposes.



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10.12.6 Not defined (N)

Loans to other sectors than households (S.14) and non-profit institutions serving households (S.15) are not broken down by loan purpose. For other sectors, *Purpose of loan* (LD record, field 13) takes the value N.



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11 INTEREST RATE DEFINITIONS IN THE RATI DATA COLLECTION

11.1 Definitions of interest rates

The annualised agreed rate is the interest rate that is defined in the agreement between the MFI and the customer, converted to an annual basis. It describes the interest rate that an MFI pays on deposits or charges for loans. The interest rate is always reported from the perspective of the reporter, ie if the interest rate paid or received by the MFI differs from the rate paid or received by the customer, the rate paid or received by the MFI is reported. For example, subsidies paid to the customer by a third party are not taken into account, since they do not affect the interest rate paid or received by the MFI. If the interest paid by the customer does not go to the bank in full but part of the interest rate is paid to a third party, only the bank's share is reported. In addition, the interest rates are reported in gross terms before taxes.

Non-performing loans and below-market-rate loans granted for debt restructuring are not taken into account in calculating the average interest rate on loan stocks. A below-market-rate loan is linked to a reference rate and carries a zero or negative margin (Financial Supervisory Authority's S report). However, loans to personnel with zero or negative margin are included in interest rate statistics.

Only stock data are reported on non-performing loans (transaction S), not for example new agreements (N01 or N02) or withdrawals (D). Interest rate data are not reported on non-performing loans. Non-performing loans are included in the book value in field 32, but deducted from field 34 *Book value excl. non-performing stock*. Interests on non-performing loans are not taken into account in the calculation of the agreed annual interest rate (field 35). If data reported in a row only consist of non-performing loans, interest rate data are reported as 0%. Nor are interest rate data in field 35 reported on below-market-rate loans.

The definition by the European Banking Authority (EBA) for non-performing loans is complied with. A loan is non-performing when the exposure is more than 90 days past-due or the borrower is unlikely to pay.

11.1.1 Annualised agreed rate

The annualised agreed rate (AAR) is reported for loans granted and deposits taken by MFIs in respect of stocks, new deposit agreements,



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genuine new loan agreements, renegotiated loan agreements and new drawdowns of loans. The AAR is the interest rate that is agreed on between the MFI and the customer and is converted to an annual rate taking into account the frequency of interest rate payments. The AAR covers all interest payments on deposits and loans, but no other charges that may apply. The AAR is quoted in percentages per annum.

If the dates of the interest capitalisation of the deposit and all the payments and repayments of the loan are at regular intervals within the year, the AAR is calculated as follows:

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

with:

- x as the annualised agreed rate,
r_{ag} as the nominal interest rate per annum that is agreed between the MFI and the customer where the dates of the interest capitalisation of the deposit and all the payments and repayments of the loan are at regular intervals within the year, and
n as the number of interest capitalisation periods for the deposit and (re)payment periods for the loan per year, ie n = 1 for yearly payments, n = 2 for semi-annual payments, n = 4 for quarterly payments and n = 12 for monthly payments.

In the calculation of the AAR, an essential feature is the frequency of interest payments, ie how often interest payments are capitalised or loan interest is paid to the bank. The original maturity of loan or deposit is not relevant here.

Example

A deposit yields 3% (nominal) until further notice and interest is added to the principal once a year. The annualised agreed rate equals the nominal rate, ie 3.00%:

$$i = \left(1 + \frac{r_{ag}}{n}\right)^n - 1 = \left(1 + \frac{3,00\%}{1}\right)^1 - 1 = 3,00\%$$

Example



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If the interest in the previous example is capitalised quarterly, the annualised agreed rate is slightly higher, 3.03%:

$$i = \left(1 + \frac{r_{ag}}{n}\right)^n - 1 = \left(1 + \frac{3,00\%}{4}\right)^4 - 1 = 3,03\%$$

Example

The annualised agreed rate is equal to the rate in the previous example, ie 3.03%, if the deposit has an agreed maturity of 3 months, where the nominal rate is 3% and interest is paid at maturity. In this case n = 4.

Example

If interest on a deposit with agreed maturity of 3 months is paid at the end of each month, n = 12 and the annualised agreed rate is 3.04%:

$$i = \left(1 + \frac{r_{ag}}{n}\right)^n - 1 = \left(1 + \frac{3,00\%}{12}\right)^{12} - 1 = 3,04\%$$

Example

If interest on an overnight deposit is paid daily, n = 365, and if the nominal yield is 3.00%, the annualised agreed rate is calculated as follows:

$$i = \left(1 + \frac{r_{ag}}{n}\right)^n - 1 = \left(1 + \frac{3,00\%}{365}\right)^{365} - 1 = 3,04\%$$

However, if the interest on an overnight deposit is paid once a year, the annualised agreed rate is 3.00%

$$i = \left(1 + \frac{r_{ag}}{n}\right)^n - 1 = \left(1 + \frac{3,00\%}{1}\right)^1 - 1 = 3,00\%$$

Example

The formula can also be used to derive the annualised agreed rate eg where a deposit of EUR 10,000 is placed for two years and EUR 11,000 is paid to the customer at maturity. Because the interest is paid once in two years, n = ½. The customer earns 10% in two years. The annualised agreed rate is 4.88%, calculated as follows:



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$$i = \left(1 + \frac{r_{ag}}{n}\right)^n - 1 = \left(1 + \frac{10,0\%}{2} \right)^{\frac{1}{2}} - 1 = 4,88\%$$

Example

The annualised agreed rate can be derived in a similar manner for a housing loan at 5.00% nominal interest, where interest is paid and principal repaid at monthly intervals. The annualised agreed rate is 5.12%:

$$i = \left(1 + \frac{r_{ag}}{n}\right)^n - 1 = \left(1 + \frac{5,00\%}{12} \right)^{12} - 1 = 5,12\%$$

Example

1. If the customer receives an interest subsidy from a third party, it is also reported in the LD record. The loan interest rate is eg Euribor + 5 percentage points, of which the customer pays Euribor + 2 percentage points and the third party 3 percentage points.
2. If there is a third party involved in the credit institution's loan arrangements who receives part of the interest paid by the customer, this part is not reported. The customer pays eg Euribor + 8 percentage points, of which 2 percentage points goes to a third party and 6 percentage points to the credit institution. The part received by the credit institution is reported to the Bank of Finland.

If the interest payments and the repayment of a loan occur at different intervals, the value of variable n in the above formula is determined by the frequency of the interest payments. Hence, if the loan interest rate is paid at regular intervals, this equation can be applied for instance in the following examples:

- bullet loan
- loan with amortisation-free periods and
- perpetual loan where the principal need not be repaid.

11.1.2 Narrowly defined effective rate

If the interest payments on a loan or deposit are not capitalised regularly, the MFI is required to report the narrowly defined effective rate (NDER) for loan and deposit stocks, new deposit agreements, genuine new loan



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agreements and new drawdowns of loans. The NDER is the interest rate that equalises the present value of all commitments other than charges, future or existing, agreed by the credit institution and the customer. NDER takes only the interest rate into account (no other charges related to the loan). NDER is equivalent to the interest rate component of the annual percentage rate of charge.

The narrowly defined effective rate and the annual percentage rate of charge are usually equal.

11.1.3 Annual percentage rate of charge

In respect of new business on consumer credit and housing loans, data are collected on annual percentage rate of charge (APRC), calculated in accordance with the Consumer Protection Act.¹¹ Since the law provides that the APRC is only calculated for loans granted to private persons, only the APRC for loans to households and sole proprietors are reported. Loans granted to non-profit institutions serving households (NPISHs) are therefore excluded from reporting.

Data on the APRC are collected on the average interest rate for genuine new loan agreements (transaction N01) and renegotiated loan agreements (transaction N02). When calculating the interest rate, all charges relating to drawing down and otherwise servicing the loan are taken into account. These include the cost of opening the account, account management and handling, administration, invoicing and preparation of documents. On non-performing loans, only the transaction (= S, stock) is reported, with interest rate data. Other transactions shall not be reported (N01 = genuine new loan agreement, N02 = renegotiated loan agreement, D = new withdrawal).

11.2 New agreement/new business and new drawdowns of loans

In the statistics on new business on loans and deposits, the ECB monitors the amount of loans granted to the non-financial corporation and household sectors and the cost of such financing as well as the amount of funds placed by these sectors with MFIs and the interest rates paid on such deposits. Changes in the interest rates on new loans and deposits and in new loan and deposit amounts provide information on the transmission of monetary policy in the economy.

¹¹ See the Consumer Protection Act and directive 2008/48/EC of the European Parliament and of the Council.



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New loans and deposits are recorded in the ECB's interest rate statistics at the date the contract is made so that the total amount of the agreed loan/deposit and the interest rate known at the contract date are reported in connection with new business. However, national authorities also monitor the amount of loan drawdowns and the related interest rates in the reporting period.

New business/agreements refer to any bilateral new agreement made between the customer and the MFI during the reference period, which specify the interest rate on the loan/deposit and other terms and conditions of the contract. New agreements are broken down in two categories:

1. *genuine new agreements* that specify for the first time the interest rate and other terms and conditions of the contract
2. *new agreements made as a result of renegotiations* of the terms and conditions of a contract.

New deposit agreements are only reported at the level of new agreements (transaction N). By contrast, new loan agreements are reported either as genuine new loan agreements (N01) or as renegotiated loan agreements (N02). The sum of genuine new loan agreements and renegotiated loan agreements must correspond to new loan agreements reported before 2014.

Information on new agreements and new drawdowns are only reported on the following deposit and loan instruments:

- non-marketable promissory notes (223)
- repos (224)
- deposits with agreed maturity (225)
- non-marketable money market promissory notes (41)
- reverse repos (46)
- other loans (47).

For overnight deposits, deposits redeemable at notice, e-money and credit card credit, only end-month stock data are reported because for the ECB end-month stocks correspond to new business carried out during the month.

11.2.1 New deposit agreements

New deposit agreements (transaction N) refer to all new agreements made between the customer and the MFI during the reference period which specify for the first time the interest rate of the deposit, as well as all new agreements made as a result of renegotiations of the terms and conditions of



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deposits. For normal time deposits where a fixed sum is placed for a predefined period of time, new business only arises when a new account is opened for the first time, at which point the customer and the credit institution agree on the deposit amount and the interest rate. Normally, deposits with agreed maturity are not prolonged, but should this be possible, prolongation resulting from new negotiations should be treated as new business. However, automatic renewal of a deposit with agreed maturity is not new business. For savings deposits for first home purchase (ASP deposits), the initial amount of money placed is reported as new business, not the whole savings target.

11.2.2 Genuine new loan agreements, renegotiated loan agreements and new drawdowns of loans

Genuine new loan agreements (transaction N01) refer to all new loan agreements made between the customer and the MFI, which specify for the first time the interest rate of the loan and other contractual terms and conditions, irrespective of whether the loan is drawn down during the reference period or not. Genuine new loan agreements increase the total amount of loans granted.

Renegotiated loan agreements (transaction N02) refer to loan agreements that are made as a result of renegotiations of existing loans. Contrary to genuine new loan agreements, renegotiated loan agreements do not increase the amount of loans granted.

The reporting of a *transferred* loan varies depending on the role of the customer:

1. Bank A sells/transfers a loan to Bank B without the customer's knowledge and the terms and conditions of the contract are not changed. The transaction is reported as a transfer, and not as a new loan agreement.
2. If the terms and conditions of the contract change in connection with the transfer, the original loans is reported as a renegotiated loan agreement (in this case also the customer is aware active/aware of the transfer).
3. If a customer takes out a new loan from Bank B to repay the loan taken from Bank A and, in addition, concludes a new contract, the entire amount is reported as a genuine new loan agreement.

Example:

From a loan of EUR100,000 at Bank A, EUR 100,000 is transferred to Bank B, and Bank B grants an additional loan of EUR 10,000.



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Customer withdraws EUR 110 000 from Bank B.

1.

Transaction	Loan transfers	Bank A	Bank B
D			10,000
N01			10,000
S		0 *)	110,000
F	LS	100,000	
F	LA		100,000

2.

Transaction	Loan transfers	Bank A	Bank B
D			10,000
N01			10,000
N02			100,000
S		0 *)	110,000
F	LS	100,000	
F	LA		100,000

3.

Transaction	Loan transfers	Bank A	Bank B
D			110,000
N01			110,000
S		0 *)	110,000

*) EUR 100,000 deducted from stock data.

New negotiations can lead to an agreement eg when the loan margin is renegotiated. However, prolongations of existing contracts that are carried out automatically, ie without any active involvement of the customer, and that do not involve any renegotiations of the terms and conditions of the contract, are not considered as renegotiated loan agreements.

Amortisation-free period. If the possibility for an amortisation-free period is agreed on when the terms and conditions of the contract were negotiated it is not reported as a renegotiated loan agreement. If the possibility for an amortisation-free period is not included in the loan agreement and it is agreed on separately, e.g. in connection of the bank's campaign, it is reported as a renegotiated loan agreement (transaction N02).

A credit institution's binding credit offer to the customer is not reported as a genuine new or renegotiated loan agreement. New business arises only when the customer approves loan terms and conditions (signs the contract).

New drawdowns include drawdowns of new loans during the reference period. In the case of a loan renewal where the total amount of the loan exceeds the original amount, only the excess amount is reported as a new drawdown.



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11.2.3 Changes in interest rate linkage

Automatic adjustment of the reference rate in the contract (eg Euribor, prime) is not new business because it does not involve renegotiations of existing contracts. Such interest rate adjustments are only reflected in interest rates on loan and deposit stocks.

In contrast, adjustment of marginal added to (or subtracted from) the reference rate agreed between the customer and the credit institution as a result of negotiations between the customer and the credit institution is new business. Such a case is reported in the LD record, either as a new agreement (deposits) or a renegotiation (loans).

A change in interest rate linkage (eg a change of the reference rate from Euribor to prime rate or another Euribor rate, or from a fixed to Euribor-linked rate) is not a new agreement, if a change in interest rate linkage has been agreed in the existing contract. Nor are such cases renegotiated loan agreements. If however the change in interest rate linkage is the result of new negotiations, the loan is reported as a renegotiated loan agreement. If the change in interest rate linkage involves negotiations on the loan margin, the loan is also reported as a renegotiated loan agreement.

Example

10-year loan with a fixed rate for the first four years, after which a new interest rate level is negotiated for the remaining loan period. The 4-year fixed rate agreed at the time the contract was initially concluded is a genuine new loan agreement. The interest rate agreed after the initial four years is a renegotiated loan agreement.

Example

10-year loan. At the time the contract is concluded the interest rate is negotiated for the whole loan period and is fixed for the first year, Euribor + x% for the second year and Euribor + y% for the remainder of the loan period. In this case only the fixed rate agreed for the first year is new business, because predefined changes in interest rate fixation or margins are not regarded as new business. Rather, such changes are part of the terms and conditions agreed at the time the contract was concluded.

11.2.4 Top-up loan

In case of additional loan taken on top of an outstanding loan, new business is the amount that is negotiated. For example, a customer who has an outstanding consumer credit of EUR 5,000 at 9% can ask the credit institution to lend a further EUR 2,000. In this case, genuine new loan



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agreement is the incremental loan of EUR 2,000 for which interest rate is negotiated separately. If the terms and conditions of the original loan (EUR 5,000) are also renegotiated during the negotiations for the incremental EUR 2,000, the incremental part is reported as a genuine new loan agreement and the original loan (EUR 5,000) is reported as a renegotiated loan agreement. .

11.2.5 Loan taken out in tranches

In some cases (eg loan for building a house) a customer may take out a loan in tranches. Nevertheless, the full loan amount is reported as a new agreement for the month the loan contract was made. However, each tranche taken out is reported as a new drawdown for the respective month.

Umbrella contracts allow the customer to draw loans on several types of loan accounts up to a certain maximum amount applying to all loan accounts together. At the time of the agreement on such a contract, the form the credit will take and/or the time at which the credit will be drawn and/or the interest rate are not specified, but a range of possibilities might be agreed. Such umbrella contracts as a whole are not regarded as new agreements. Rather, each withdrawal is reported as a new agreement and is also taken into account in stocks data.

11.2.6 Interest rate on lending not taken out

If a loan is taken out in tranches, for example for financing the building of a house, the credit institution granting the loan may charge interest on the amount granted but not yet withdrawn. This is not recorded in interest rate statistics, neither as new business nor as stocks. This is not considered as part of the lending interest rate: it is a related charge that might be included in the annual percentage rate of charge by national conventions, but not in the calculation of the annualised agreed rate.

11.3 Initial period of fixation

Initial period of fixation of the interest rate is reported for genuine new loan agreements, renegotiated loan agreements and new loan drawdowns. The initial period of fixation refers to the predetermined part of the contract period during which the interest rate cannot change. The initial period of fixation is reported in the LD record field 42 (Code list 24).

The initial period of fixation is not reported for new business on deposits with an agreed maturity and non-marketable promissory notes, but the original maturity of the deposit must be reported.



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The initial period of fixation of a new loan tied to a Euribor rate is generally the same as the maturity of the reference rate, as interest rates on such loans generally remain unchanged until the next reset date.

Loans tied to a prime rate are reported in the shortest initial period of fixation category, as the reference rate can, in principal, be changed at any time.

For repo purchases and sales, the original maturity is used as the initial period of fixation.

11.4 Time of recording

Interest rates on stocks are compiled as a snapshot of end-month observations and calculated as weighted averages of interest rates applied to loans and deposits on the last day of the month. Interest rates on genuine new loan agreements, renegotiated loan agreements, new deposit agreements and new drawdowns are calculated as weighted averages of all interest rates on new business/drawdowns conducted during the reference month.

Exceptions are overdrafts, revolving loans, convenience credit card credit, extended credit card credit as well as overnight deposits and deposits redeemable at notice. Of these, data are only collected on end-month average interest rates. End-month stocks of these instruments are considered to equal the volume of new business in the reference month.

11.5 Interest rate cap/interest rate floor

An interest rate cap or interest rate floor relating to a loan has no effect on the reporting of new business on loans. The interest rate linkage and initial period of fixation are reported as specified in the loan contract.

Example

New loan agreement in which the interest rate is tied to a prime rate:

Field 41: Interest rate linkage takes the value R

Field 42 Initial period of fixation takes the value 1 (floating rate and up to 1 month).



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For the stock of loans, the interest rate received by the MFI from the customer is always reported. Once the interest rate cap or interest rate floor has been reached, the interest is reported for the loan stock according to the cap. If an interest rate cap or interest rate floor has been tied to a loan linked to Euribor, the loan remains a Euribor-linked loan during the entire lifetime of the contract unless the reference rate of the agreement is changed. (See also section 10.9 Interest rate linkage).

11.6 Treatment of certain specific products

Step-up (step-down) loans and deposits are agreements with a fixed maturity to which an interest rate is applied that increases (decreases) during the contract period by a pre-fixed amount.

Example

Deposit with an agreed maturity of 4 years, which receives 2% interest in the first year, 3% in the second, 4% in the third and 5% in the fourth year. The annualised agreed rate reported as new business is the geometric average of the factors $1+interest\ rate$, ie 3.49%.

$$i = \sqrt[4]{(1 + 2\%)(1 + 3\%)(1 + 4\%)(1 + 5\%)} - 1 = 3.49\%$$

The interest rate reported as the rate on deposit stock is in turn the interest rate applied at the reporting date, ie 2% in the first year, 3% in the second etc.

Deposit agreements may be connected with terms and conditions according to which the final deposit interest rate is not known at the time of agreement. For example, in addition to a predetermined fixed rate, a deposit with an agreed maturity can also bear a possible interest rate determined ex post, which is linked to the performance of a share basket. In this case only the fixed interest rate known at the time of agreement is reported as the interest rate of the new deposit with agreed maturity. The possible additional interest rate is taken into account in stock data only at the maturity of the agreement.

When making a loan contract the customer and the bank may agree on very flexible interest rate arrangements. A loan can for example be taken out in tranches, and at the time the withdrawals are made, the customer may choose which of the following interest rates applies: one-month Euribor + 0.5% or three-month Euribor + 0.5%. After the contract is agreed the bank



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reports the total agreed amount as new business, but if the first tranche has not yet been withdrawn the bank cannot know which interest rate the customer will choose. By convention, in such cases the interest rate on new business is the interest rate from the alternative rates that gives the lowest value at the time the contract is agreed.

11.7 Interest payable

Interest payable on loans and deposits (interest accrued and not yet paid) is reported in the LD record field 37, allocated to each reported loan and deposit item (row). If the total interest payable reported in the LD record does not tally, the adjustment item can be included in other assets or other liabilities in the REST record with instrument 1.711 (interest reconciliation item, [unallocated interest payable]).



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12 REPORTING OF SECURITISED LOANS AND OTHER LOAN TRANSFERS

12.1 Background

A credit institution reports in the LD record securitised loans and other loan transfers (loan sales and acquisitions and other intermediated loans) during the reference period. Data are only reported on traditional securitisation, not on synthetic securitisation. A credit institution must also report end-month stocks of securitised loans, if the securitised loans remain on its balance sheet for example on the basis of IAS 39.

If the credit institution services, for a financial vehicle corporation (FVC) / securitisation special purpose entity (SSPE) or other company, a loan stock that it has securitised or otherwise transferred, it must report, on behalf of the managed entity, the loan stock as at the end of the reference period. No interest rate data are reported on loans serviced by the MFI for another entity. The stock of securitised loans recognised on the balance sheet is reported in the same way as other on-balance sheet loans, ie interest rate data are also reported on these items.

A credit institution reports end-month loan stocks also in respect of intermediated loans, ie cases where it has transferred loans to a non-resident group undertaking, and the information is available. If this information is not directly available to the credit institution, it should confer with the Bank of Finland on how to proceed.

Securitisation refers to transactions involving either:

- 1) Traditional securitisation as defined in Article 4(61) of Regulation No 575/2013:

‘securitisation’ means a transaction or scheme, whereby the credit risk associated with an exposure or pool of exposures is tranches, having both of the following characteristics:

- a) payments in the transaction or scheme are dependent upon the performance of the exposure or pool of exposures;
- b) the subordination of tranches determines the distribution of losses during the ongoing life of the transaction or scheme;



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- 2) Securitisation as defined in Article 1(2) of ECB Regulation ECB/2013/40 involving the economic transfer of the exposures being securitised to a securitisation special purpose entity (SSPE) which issues securities:

‘securitisation’ means a transaction or scheme whereby:

- a) an asset or pool of assets, or part thereof, is transferred to an entity that is separate from the originator and is created for or serves the purpose of the transaction or scheme; and/or
- b) the credit risk of an asset or pool of assets, or part thereof, is transferred to the investors in the securities, units in securitisation funds, other debt instruments and/or derivatives issued by an entity that is separate from the originator and is created for or serves the purpose of the transaction or scheme; and where, in connection with the transfer of credit risk, the transfer is conducted to the effect that:
 - the securitised assets are transferred to an entity that is economically separate from the originator and created for or serves the purpose of the transaction or scheme. This is accomplished by the transfer of ownership of the securitised exposures from the originator or through sub-participation; or
 - through the use of credit derivatives, collateral or a similar mechanism;

and

where such securities, units in securitisation funds, debt securities and/or derivatives are issued, they do not represent the originator's payment obligations.

Loan disposal (Code list 20: Securitisation and loan transfers, category *LS, loan sale*) means the economic transfer of a loan or loan portfolio by the reporting MFI to another economic agent (possible also within a banking group), achieved either by transfer of ownership or by sub-participation.

Loan acquisition (Code list 20, category *LA*) means the economic transfer of a loan or loan portfolio from another economic agent to the reporting MFI (possible also within a banking group), achieved either by transfer of ownership or by sub-participation.



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An intermediated loan (Code list 20, category *LI*) is a loan granted/negotiated by the reporting MFI to a Finnish economic agent and transferred to the balance sheet of an undertaking in the same group located abroad without having had them on the MFI's own balance sheet.

A financial vehicle corporation (FVC) / Securitisation special purpose entity (SSPE) is an undertaking that carries out one or more securitisation transactions and protected from the bankruptcy or other default of the originator, and which issues or intends to issue, securities, securitisation fund units, other debt instruments and/or financial derivatives and/or legally or economically owns, or may own, assets underlying the issue of securities, securitisation fund units, other debt instruments and/or financial derivatives that are offered for sale to the public or sold on the basis of private placements.

Servicer means here an MFI which manages the loans securitised or loans otherwise transferred (sold) on a day-to-day basis in terms of the collection of loan repayments and interest from the borrowers, which it then forwards to investors in the securitisation scheme or to the loan purchaser. The managed loan stock may remain in the balance sheet or be transferred off balance sheet. In both cases, the loan stock is reported.

12.2 Reporting of securitised loans

In respect of securitised loans and other loan transfers during the reporting period, the instrument, purpose of loan, currency, original maturity as well as the borrower's sector and home country are reported in the LD record. The transaction for a loan securitisation during the reference period is always a flow (F) (Field 7, "Transaction"). Credit institutions in the 'tail' also report in the LD record field 10 *Transaction period* the year and month when the securitisation was carried out. In addition, the amount of recorded loan losses (credit losses, write-offs) and impairments (write-downs) as at the transaction date is also reported in field 47 *Individual loan losses and impairments*.

Loan securitised during the period (Field 9 "Securitisation and loan transfers" are reported using the following codes:

- "SR" = Securitised loan (loan servicing)
- "SL" = Securitised loan (no loan servicing)



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For securitised loans, the amount of loans derecognised from the balance sheet during the reference period, and any amount that may remain on the balance sheet on the basis of IAS 39, are reported separately. If the item is derecognised from the balance sheet, field 4 takes the value O and, if the item remains on the balance sheet, field 4 "Allocation of balance sheet items" takes the value A.

If the credit institution continues to service securitised loans, or the securitised loans remain on its balance sheet of the credit institution under IAS39 provisions, the credit institution continues to report these securitised loan stocks. Field 5 "Transaction" takes the value S and field 9 "Securitisation and loan transfers" the value SS (Post-securitisation serviced loan).

The sector and home country of the FVC/SSPE or other company acting as counterparty to loan securitisations are also reported. The sector of the FVC/SSPE is always 125 and the ECB's auxiliary sector takes the value 1.

TABLE 1: Reporting combinations relating to securitisation

TRANSACTIONS RELATED TO SECURITISATION (F) REPORTING OF STOCKS AFTER SECURITISATION (S)	SR		SL	
	Services loan portfolio		Does not service loan portfolio	
	Does it remain on the balance sheet:		Does it remain on the balance sheet:	
Net flows of loans securitised: transactions with impact on reported loan stocks calculated as disposals minus acquisitions	Yes -	No X	Yes -	No X
Net flows of loans securitised: transactions without impact on reported loan stocks calculated as disposals minus acquisitions	X	-	X	-
Reported as a combination of fields 04, 05 and 09 in the LD record:	A + F + SR	O + F+ SR	A + F + SL	O + F + SL



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Securitised loans for which the MFI acts as servicer	-	X	-	-
Outstanding amounts of securitised loans not derecognised	X	-	X	-
Reported as a combination of fields 04, 05 and 09 in the LD record:	A + S + SS	O + S + SS	A + S +SS	-
Alternative	1	2	3	4

Examples

- 1) A credit institution has securitised, to an Irish FVC/SSPE, its housing mortgage loans to Finnish residents with an initial maturity of 19 years, in the amount of EUR 20 million. The item is derecognised from the credit institution's balance sheet and the credit institution does not act as the servicer. A loan loss of EUR 25,000 is recognised in connection with the securitisation.
- 2) In June a credit institution in the 'tail' securitises uncollateralised overdrafts granted to non-financial corporations in Finland, denominated in US dollar, in the amount of EUR 5 million. The original maturity is up to 1 year. The counterparty to securitisation is a Dutch FVC/SSPE. No loan loss is recognised.
- 3) A credit institution has securitised, to an Irish FVC/SSPE, collateralised loans granted to the entrepreneurs in a Finnish small breweries with an initial maturity of 14 years, in the amount of EUR 12 million. The item remains in the credit institution's balance sheet and the credit institution acts as the servicer. The loans are linked to the 12-month Euribor and the agreed annual interest rate is 5.47%. Interest amounting to EUR 1234 is transferred to the FVC/SSPE and the loans mature in 5 years.

	1) Derecognition from balance sheet, FVC/SSPE used, but loan not serviced, full reporter	2) Item remains on the balance sheet, tail reporter	3) Securitised loan stock remaining on the balance sheet, full reporter
Record type	LD	LD	LD
Type of reporter's identifier	Y	Y	Y
Reporter's identifier	NNNNNNNN	NNNNNNNN	NNNNNNNN



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Allocation of balance sheet items	O	A	A
Transaction	F	F	S
Reserved	-	-	-
Instrument	47	43	47
Reserved	-	-	-
Securitisation and loan transfers	SL	SL	SS
Transaction period	-	2013M07	-
Reserved	-	-	-
Reserved	-	-	-
Purpose of loan	H	N	O
Intra-group items	-	-	N
Syndicated items	-	-	N
Collateral	-	-	M
Internal identifier	-	-	-
Reserved	-	-	-
Sector	141	11102	141
Credit institution exempt from minimum reserves	-	-	-
Name of credit institution exempt from minimum reserves	-	-	-
ECB's auxiliary sectors	-	-	-
Industrial classification	-	-	1105
Country code	FI	FI	FI
Sector (securitisation and loan transfers)	125	125	125
ECB's auxiliary sectors (securitisation and loan transfers)	1	1	1
Counterparty's home country (securitisation and loan transfers)	IE	NL	IE
Reserved	-	-	-
Reserved	-	-	-
Reserved	-	-	-
Conversion currency ISO 4217	EUR	USD	EUR
Book value	20000000,00	5000000,00	12000000,00
Book value currency	EUR	EUR	EUR



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Book value excl. non-performing stock	-	-	12000000,00
Annualised agreed rate (%)	-	-	5,47
Annual percentage rate of charge (%)	-	-	-
Interest payable	-	-	1234,00
Reserved	-	-	-
Reserved	-	-	-
Next interest rate reset	-	-	1
Interest rate linkage	-	-	E
Initial period of fixation	-	-	-
Original maturity	20	0	15
Remaining maturity	-	-	3
Size of loan to non-financial corporation	-	-	-
Deposit account's term of notice	-	-	-
Individual loan losses and impairments	-25000,00	0,00	0,00

For loans sold during the reference period, the reporter reports the instrument, purpose of loan, currency and initial maturity as well as the borrower's sector and home country. Transactions for loan sales during the reference period are always flows "F" (Field 5, "Transaction"). Credit institutions reporting in the 'tail' also report in field 10 "Transaction period" the year and month in which the sale was completed. In addition, the total amount of loan losses and impairments recorded at the time of the transaction is reported in field 47 "Individual loan losses and impairments".

If a sold loan is derecognised from the balance sheet, field 4 "Allocation of balance sheet items" takes the value O, and it is added/remains on the balance sheet, field 4 "Allocation of balance sheet items" takes the value A. Loans sold during the period (field 9 "Securitisation and loan transfers") are reported using the code LS (loan sale).

Similarly to securitisation, the reporting of stock data on sold loans shall continue if the credit institution acts as the servicer of the loan portfolio on behalf of a third party or the loans remain on the credit institution's balance



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sheet based on IAS39 provisions. In this case, field 9 "Securitisation and loan transfers" takes the value "LH" = Stock of loans sold and serviced.

The amounts of sold loans are not reported if the loans have been sold to a domestic credit institutions (alternatives 1, 2 and 3).

The sector and home country of the buyer or seller are also reported. The respective fields are *Sector (securitisation and loan transfers)* and *Counterparty's home country (securitisation and loan transfers)*.

TABLE 2: Reporting combinations relating to loans sold

TRANSACTIONS RELATED TO LOAN SALES (F) REPORTING OF STOCKS AFTER LOAN SALE (S)	SR		SL	
	Services loan portfolio		Does not service loan portfolio	
	Does it remain on the balance sheet:		Does it remain on the balance sheet:	
	Yes	No	Yes	No
Net flows of loans transferred by other means than securitisation: transactions with impact on reported loan stocks calculated as disposals minus acquisitions	-	X	-	X
Net flows of loans transferred by other means than securitisation: transactions without impact on reported loan stocks calculated as disposals minus acquisitions	X	-	X	-
Reported as a combination of fields 04, 05 and 09 in the LD record:	A + F + LS	O + F+ LS	A + F + LS	O + F + LS
Loans sold and derecognised for which the MFI acts as servicer	-	X	-	-
Outstanding amounts of sold loans not derecognised	X	-	X	-



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Reported as a combination of fields 04, 05 and 09 in the LD record:	A + S + LH	O + S + LH	A + S + LH	-
Alternative	1	2	3	4

12.3 Reporting of loans acquired

In respect of loans acquired during the reporting period, the instrument, purpose of loan, currency, original maturity as well as the borrower's sector and home country are reported. The transaction for a loan acquisition during the reference period is always a flow (F) (field 5, Transaction). Credit institutions in the 'tail' also report in field 10 Transaction period the year and month when the acquisition was carried out. In addition, the amount of recorded loan losses (credit losses, write-offs) and impairments (write-downs) as at the transaction date is also reported in field 47 Individual loan losses and impairments.

Loans acquired during the period (field 9 "Securitisation and loan transfers") are reported using the code "LA" (Loans acquired).

Loan acquisitions which are not transferred on the credit institution's balance sheet need not be reported even if the credit institution acted as their servicer (Table 3, alternative 2). Loans acquired and entered on the balance sheet are reported as normal loans with no indication of the acquisition.

The sector and home country of the company, from which the loans were acquired, are also reported.

The alternatives for loans sold and acquired can be considered in parallel (Tables 2 and 3). In alternative 4 for loans sold (=LS4), a credit institution sells loans to the effect that it ceases to service them and the loans are derecognised from its balance sheet. In alternative 1 for loans acquired (LA1), the credit institution begins to service loans it has acquired and enters them on its balance sheet. The other combinations are LS3 and LA2; LS2 and LA3; LS1 and LA4.



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TABLE 3: Reporting combinations relating to loans purchased

TRANSACTIONS RELATED TO LOAN ACQUISITIONS (F) REPORTING OF STOCKS AFTER LOAN ACQUISITIONS (S)	SR		SL	
	Services loan portfolio		Does not service loan portfolio	
	Does it remain on the balance sheet:		Does it remain on the balance sheet:	
Yes	No	Yes	No	
Net flows of loans transferred by other means than securitisation: transactions with impact on reported loan stocks calculated as disposals minus acquisitions	X	-	X	-
Net flows of loans transferred by other means than securitisation: transactions without impact on reported loan stocks calculated as disposals minus acquisitions	-	X	-	X
Reported as a combination of fields 04, 05 and 09 in the LD record:	A + F + LA	O + F+ LA	A + F + LA	O + F + LA
Loans purchased and derecognised for which the MFI acts as servicer	-	-	-	-
Outstanding amounts of loans purchased not derecognised	-	-	-	-
Reported as a combination of fields 04, 05 and 09 in the LD record:	A+S+null	-	A+S+null	-
Alternative	1	2	3	4



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Examples

- 1) A credit institution has acquired housing loans granted to Finnish households totalling EUR 10,000,000 from a Finnish deposit bank. The original maturity of the loans is 5 years. The credit institution is a tail reporter.
- 2) A credit institution reporting in the tail sells consumer credit granted to Swedish households totalling EUR 10,000,000 to a Swedish deposit bank, and an impairment of EUR 1,500 is recognised in connection with the sale. The original maturity of the loans is 2 years.

	3) Loan acquisition, (added to the balance sheet)	4) Loan sale (derecognised from the balance sheet)
Record type	LD	LD
Type of reporter's identifier	Y	Y
Reporter's identifier	NNNNNNNN	NNNNNNNN
Allocation of balance sheet items	A	O
Transaction	F	F
Reserved	-	-
Instrument	47	47
Reserved	-	-
Securitisation and loan transfers	LA	LS
Transaction period	2012M11	2013M08
Reserved	-	-
Reserved	-	-
Purpose of loan	H	C
Intra-group items	-	-
Syndicated items	-	-
Collateral	-	-
Internal identifier	-	-
Reserved	-	-
Sector	143	143
Credit institution exempt from minimum reserves	-	-
Name of credit institution exempt from minimum reserves	-	-
ECB's auxiliary sectors	-	-
Industrial classification	-	-
Country code	FI	SE
Sector (securitisation and loan transfers)	1221	1221
ECB's auxiliary sectors (securitisation and loan transfers)	-	-
Counterparty's home country (securitisation and loan transfers)	FI	SE
Reserved	-	-



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Reserved	-	-
Reserved	-	-
Conversion currency ISO 4217	EUR	SEK
Book value	10000000,00	10000000,00
Book value currency	EUR	EUR
Book value excl. non-performing stock	-	-
Annualised agreed rate (%)	-	-
Annual percentage rate of charge (%)	-	-
Interest payable	-	-
Reserved	-	-
Reserved	-	-
Next interest rate reset	-	-
Interest rate linkage	-	-
Initial period of fixation	-	-
Original maturity	6	3
Remaining maturity	-	-
Size of loan to non-financial corporation	-	-
Deposit account's term of notice	-	-
Individual loan losses and impairments	0,00	-1500,00

12.4 Loans serviced for FVC/SSPE or other company and intermediated loans

If a credit institution services, for an FVC/SSPE or other entity which is not a domestic MFI, securitised loans or loans otherwise transferred from the balance sheet, it reports the loans serviced in the LD record as off-balance sheet items, by the country of the FVC/SSPE/other company. No interest rate data are reported on serviced loans if they have been derecognised from the credit institution's balance sheet. Field 4 *Allocation of balance sheet items* takes the value O. Field 9 *Securitisation and loan transfers* takes the value SS if the loans have been securitised and the value LH if the loans have been transferred (sold) in some other way. Only loans that have been transferred from the credit institution's balance sheet to outside the domestic MFI sector, either by means of securitisation or in some other way (sale), are reported as serviced loans. Other possible loans that the FVC/SSPE/other company had on its balance sheet prior to the transfer are not reported in the RATI report.

If the credit institution has transferred loans from its balance sheet eg to the balance sheet of a group undertaking located in another country (intermediated loans), almost all the same data are reported as for on-balance sheet loan stocks, including interest rate data. The remaining maturity, next interest rate reset and interest payable are not reported. The counterparty's sector and country, ie the sector and home country of the



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company in which the loans were transferred, are also reported. Field 4 *Allocation of balance sheet items* takes the value O and field 9 *Securitisation and loan transfers* the value LI.

If the information on intermediated loans is not directly available to the credit institution, it should confer with the Bank of Finland on how to proceed.

Examples

- 1) A credit institution has securitised, to an Irish FVC/SSPE, its housing mortgage loans granted to households in Finland, in the amount of EUR 20 million. The item is derecognised from the balance sheet and the credit institution acts as servicer of the securitised loans. At the end of the reference period, the remaining loan stock is EUR 10 million. The original maturity of the loans is 9 years.
- 2) A credit institution has granted euro-denominated mortgage-backed loans tied to Libor to Finnish companies operating in the telecommunications sector. The loans have been transferred to a group undertaking in Norway. The loan stock is EUR 14 million, on which the average interest rate is 3.58% and original maturity is 8 years. There are no non-performing loans or below-market-rate loans in the loan stock.
- 3) A credit institution has granted housing loans to Finnish households and has sold part of the loans outside the MFI sector, to a company operating in Finland and belonging to sector 125 *other financial intermediaries*. The credit institution services the loan stock for the company. The loan stock totals EUR 80,000 and the original maturity is 12 years. A loan loss of EUR 1,000 has been recognised during the reporting period.



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Column	1) Securitised loans, serviced for FVC/SSPE	2) Intermediated loans	3) Loan sold, serviced for the purchaser (other financial intermediary)
Record type	LD	LD	LD
Type of reporter's identifier	Y	Y	Y
Reporter's identifier	NNNNNNNN	NNNNNNNN	NNNNNNNN
Allocation of balance sheet items	O	O	O
Transaction	S	S	S
Reserved	-	-	-
Instrument	47	47	47
Reserved	-	-	-
Securitisation and loan transfers	SS	LI	LH
Transaction period	-	-	-
Reserved	-	-	-
Reserved	-	-	-
Purpose of loan	H	N	H
Intra-group items	-	-	-
Syndicated items	-	-	-
Collateral	-	M	-
Internal identifier	-	-	-
Reserved	-	-	-
Sector	141	11103	143
Credit institution exempt from minimum reserves	-	-	-
Name of credit institution exempt from minimum reserves	-	-	-
ECB's auxiliary sectors	-	-	-
Industrial classification	-	61	-
Country code	FI	FI	FI
Sector (securitisation and loan transfers)	125	1222	125
ECB's auxiliary sectors (securitisation and loan transfers)	1	-	-
Counterparty's home country (securitisation and loan transfers)	IE	NO	FI
Reserved	-	-	-
Reserved	-	-	-
Reserved	-	-	-
Conversion currency ISO 4217	EUR	EUR	EUR
Book value	10000000,00	14000000,00	80 000.00
Book value currency	EUR	EUR	EUR



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Book value excl. non-performing stock	-	14000000,00	-
Annualised agreed rate (%)	-	3,58	-
Annual percentage rate of charge (%)	-	-	-
Interest payable	-	-	-
Reserved	-	-	-
Reserved	-	-	-
Next interest rate reset	-	-	-
Interest rate linkage	-	R	
Initial period of fixation	-	-	
Original maturity	11	9	13
Remaining maturity	-	-	-
Size of loan to non-financial corporation	-	-	-
Deposit account's term of notice	-	-	-
Individual loan losses and impairments	-	-	1000



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13 VALUATION

In the Bank of Finland's reporting on MFIs, the Financial Supervisory Authority's Regulations and guidelines 1/2013 is applied in the valuation of balance sheet.

In this reporting, balance sheet items are reported at book values (carrying amount). Balance sheet assets and liabilities must comply with those reported to the Financial Supervisory Authority in the Standard Balance Sheet. The balance sheet total is reported in the RATI-BS record field 14.

MFI reporting involves the concepts *nominal value*, *market value (dirty price)* and *market value (clean price)*. A debt security's market value (dirty price) is the gross price, which includes the interest accrued. The market value (clean price) is a net price, without interest accrued.

For debt securities, the nominal value, (conversion) currency, clean price and dirty price are reported in EUR. For shares and other equity, the market value (or other value recorded in the balance sheet) is reported in the dirty price field. The nominal value or accountable par is not reported for shares and other equity.

Deposits and loans are reported in EUR at the nominal value and on a gross basis according to stock data at the end of the month (deposits separately, loans separately, book value, field 32). Nominal value is the amount of principal that a debtor is contractually obliged to repay to a creditor.

Other balance sheet items are reported at balance sheet value.

Loans are reported on a net basis, ie without possible loan losses and impairments.

Interest payable (accrued unpaid interest) on loans and deposits is reported in the LD record field 37. If interest payable reported in the LD record do not tally, the adjustment item is reported as part of other assets or other liabilities in the REST record (see also the paragraph on interest reconciliation item in section 8.7).

13.1.1 Non-performing loans

Only stock data are reported on non-performing loans (transaction S), not for example new agreements (N01 or N02) or withdrawals (D). Interest rate data are not reported on non-performing loans. Non-performing loans are included in the book value in field 32, but deducted from field 34 *Book*



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value excl. non-performing stock. Interests on non-performing loans are not taken into account in the calculation of the agreed annual interest rate (field 35). If data reported in a row only consist of non-performing loans, interest rate data are reported as 0%. Nor are interest rate data in field 35 reported on below-market-rate loans.

The definition by the European Banking Authority (EBA) for non-performing loans is complied with. A loan is non-performing when the exposure is more than 90 days past-due or the borrower is unlikely to pay.

13.1.2 Impairments

Monthly changes in impairments are reported in RATI data. Impairments are reported with a minus/plus sign in the field *Individual loan losses and impairments*. Increases are reported as negative values and decreases/reversals as positive values. Changes must be reported as long as the loan remains on the balance sheet.

Impairments on assets individually assessed are reported in the LD record, using the same classifications as for the loan itself. Collective impairments may be reported in the LD or IL record. If the IL record is used for reporting, the reporting MFI should provide a breakdown of collective impairments according to the loan instrument, sector, maturity and purpose of loan.

13.2 Revaluation adjustments due to price and exchange rate changes

The Bank of Finland does not collect data on revaluation changes due to price and exchange rate changes, but instead calculates the data using the reported data, the ECB's Centralised Securities Database and exchange rate data. For this reason, revaluation adjustments due to price and exchange rate changes are not reported.

13.3 Market value (dirty price)

In the SBS record field 16, the (aggregated) market value – either the original euro-denominated value or value converted into euro – for the respective security is reported. The (book) value reported as in financial statements may differ from market value (see section 6.8).

A debt security is reported here, as a rule, at market value including interest payable (dirty price). Market value is reported in EUR, as is the market value currency in the SBS record field 17 *Market value currency (dirty price)*.



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If the (implicit) interest of zero-coupon debt securities is not accrued in the balance sheet, the dirty price equals the clean price.

13.4 Market value (clean price)

A security (other than share or other equity) is reported at market value (SBS record, field 19), which in this case excludes the interest payable (clean price). The market value is reported in EUR, as is the market value currency in the SBS record field 20 (*Market value currency; clean price*).

Example

An MFI has invested on 22 Dec 2008 in a security, ‘Metsä Oyj 5.6%’ issued by Metsä Oyj. The security is denominated in Swedish krona and its nominal value is SEK 1 million. The MFI holds these loans in the nominal value of SEK 2 million.

In this case, the total nominal value and nominal value currency are reported in the SBS record fields 14 and 15 as follows:

Field 14	2000000,00
Field 15	SEK

For index-linked bonds, the nominal value multiplied by the current index multiplier is reported.



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14 MINIMUM RESERVE CALCULATIONS

All credit institutions in the euro area are subject to minimum reserves. The Bank of Finland has no separate data collection for minimum reserve calculations. Instead, minimum reserve requirements are calculated on the basis of data reported in the R ATI survey's LD and SBS records. The ECB announces the reserve maintenance periods, on the basis of which the Bank of Finland prepares a calendar for reporting minimum reserves. The calendar indicates the maintenance periods, on which statistical period's report the minimum reserve requirement is based, deadlines for the revision of statistical data and the dates for notifying entities subject to minimum reserves of the amount of their required minimum reserves. The calendar is submitted to reporters at the end of the year and it is also published on the Bank of Finland's website at <https://www.suomenpankki.fi/en/Statistics/reporting-instructions/mfi-data-collection/>

The minimum reserve requirements consist of the following items:

MINIMUM RESERVE BASE

- 1 Deposits (wide)*
- 2 ./.. Deposits of over 2 years
- 3 ./.. Repo sales

- 4 Debt securities with an agreed maturity of up to 2 years
- 5 ./.. Standardised deduction coefficient, 15%

SUMMARY

- 6 Reserve base ($=1+4-2-3-5$)
- 7 Required holdings before deduction of lump-sum allowance (1.0% X 6)
- 8 ./.. Lump-sum allowance**

- 9 Required holdings after deduction of lump-sum allowance ($=7-8$)

* Excluding holdings of other entities subject to reserve requirements and Eurosystem holdings.

** Lump-sum allowance equals required holdings if required holdings are less than EUR 100,000.

Minimum reserve requirements include all deposits (instruments 1.221–1.228) except those of euro area central banks (S.121), euro area deposit



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banks (S.1221) and other euro area credit institutions (S.1222). Exceptions are euro area credit institutions that have been exempted from the reserve requirements by the ECB. Currently (10 October 2017) 3 institutions are exempted.

MFI code	Name	Country code
GR069	Co-operative Bank of Chania, L.L.C.	GR
IT0000103225010	BANCA POPOLARE DI VICENZA SPA IN LIQUIDAZIONE COATTA AMMINISTRATIVA	IT
IT0000102998324	VENETO BANCA S.P.A. IN LIQUIDAZIONE COATTA AMMINISTRATIVA	IT

An updated list of MFIs exempt from minimum reserves is available on the ECB's website at https://www.ecb.europa.eu/stats/money/mfi/general/html/monthly_list.en.html. These are listed under 'The population of MFIs subject to the Eurosystem's minimum reserve requirements but exempt'.

Deposits from non-euro area countries are subject to reserve requirements even if they are from the credit institution's parent company and/or bank and even if the non-euro area country has a national minimum reserve system. In other words, a subsidiary or branch operating in Finland always reports funding from a non-euro area parent company as a deposit, usually with the code "221" = transferable overnight deposits, or code "225" = deposits with an agreed maturity.

From the SBS record, items calculated in the minimum reserve base include, from the liabilities side of the balance sheet, debt securities (I.33) issued by the credit institution itself with an original maturity of up to 2 years. The Bank of Finland calculates the original maturity from the issue and maturity dates. The reported data are also compared with data in the ECB's CSDB and clarification is requested from reporters if there are mismatches between the data. Since there is no detailed information on debt security holders, a standardised deduction is applied to debt securities.

The reserve ratios applied to the minimum reserves, the lump-sum allowance and the standardised are determined by the ECB and may change at any time. The Bank of Finland will notify institutions subject to minimum reserve requirements of any such changes.



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Once a RATI report has successfully been sent via the DCS service, a feedback file containing a preliminary reserve base calculation appears in the DCS service. The feedback file can be used to check the amount of required reserves and to make corrections to the report, if needed. The Bank of Finland will send an official notification on required reserves three banking days prior to the start of a maintenance period.

If the depositor is a deposit bank (S.1221) or other credit institution (S.1222), the LD record field 20 *Credit institution exempt from minimum reserves* must also be reported.

The following field values apply:

- *N* if the institution is a euro area credit institution subject to minimum reserve requirements. All Finnish credit institutions are subject to minimum reserve requirements.
- *Y* if the institution is a euro area credit institution subject to minimum reserve requirements but exempted from them by the ECB (the 8 institutions mentioned above), or when the institution is a non-euro area institution. In the first case (exemption), field 21 *Name of credit institution exempt from minimum reserves* must also be reported. For non-euro area credit institutions, no name is reported.

The following table gives the values of LD record field attributes that have an effect on minimum reserve requirements.



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Record type	LD
Type of reporter's identifier	Y
Reporter's identifier	NNNNNNNN
Allocation of balance sheet items	L
Transaction	S
Reserved	-
Instrument	221, 222, 223, 225, 226, 227, 228
Reserved	-
Securitisation and loan transfers	-
Transaction period	-
Reserved	-
Reserved	-
Purpose of loan	-
Intra-group items	ALL
Syndicated items	-
Collateral	-
Internal identifier	-
Reserved	-
Sector	ALL excl. 121, 1221*, 1222*
Credit institution exempt from minimum reserves	If the sector is 1221 or 1222 but the institution is exempt from minimum reserves, it is indicated in this field and the item is included in the reserve base
Name of credit institution exempt from minimum reserves	If the counterparty exempt from minimum reserves is an euro area institution, it is indicated in this field
ECB's auxiliary sectors	-
Industrial classification	-
Country code	ALL
Counterparty's sector (securitisation and loan transfers)	-
ECB's auxiliary sectors (securitization and loan transfers)	-
Counterparty's home country (securitization and loan transfers)	-
Reserved	-
Reserved	-
Reserved	-
Conversion currency ISO 4217	ALL
Book value	123 123.12
Book value currency	EUR
Book value excl. non-performing stock	-
Annualised agreed rate (%)	1.23
Annual percentage rate of charge (%)	-
Interest payable	123.12
Reserved	-
Reserved	-
Next interest rate reset	-
Interest rate linkage	ALL
Initial period of fixation	-
Original maturity	0, 1, 201, 202, 203, ,3
Remaining maturity	-
Size of loan to non-financial corporation	-
Deposit account's term of notice	1, 2
Individual loan losses and impairments	-

*If credit institution is exempt from minimum reserves, the item is included in the reserve base.



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Correspondingly, the following table gives the values of SBS record field attributes taken into account in the calculation of minimum reserve requirements.

	ISIN coded	No ISIN code
Record type	SBS	SBS
Type of reporter's identifier	Y	Y
Reporter's identifier	NNNNNNNN	NNNNNNNN
Allocation of balance sheet items	L	L
Transaction	S	S
Instrument	33	33
Reserved	-	-
Internal identifier	ALL	ALL
ISIN code	ALL	-
Reserved	-	-
Reserved	-	-
Capital certainty	ALL	ALL
Number of instruments	-	-
Total nominal value	123123.12	123123.12
Nominal value currency	ALL	ALL
Total market value (dirty price)	123123.12	123123.12
Market value currency (dirty price)	EUR	EUR
Classification according to recognition in financial statements	ALL	ALL
Total market value (clean price)	123123.12	123123.12
Market value currency (clean price)	ALL	ALL
Intra-group items	ALL	ALL
Direct investment	-	-
Dividends	-	-
Dividend currency	-	-
Reserved		
Reserved		
Reserved		
Counterparty's sector	-	-
Counterparty's home country	-	-
Issue date	ALL	ALL
Maturity date	Previous + 2 years	Previous + 2 years
Reserved	-	-
Reserved	-	-
Reserved	-	-
Country of issue	ALL	ALL
Type of issuer's identifier	Y	Y
Issuer's identifier	NNNNNNNN	NNNNNNNN
Issuer's name	Bank oyj	Bank oyj
Issuer's sector	1221/1222	1221/1222
Issuer's home country	FI	FI

A credit institution must inform the Bank of Finland by email (rahoitustilastot@bof.fi) on any future mergers or other structural changes,



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well before the change takes effect, because such changes have an impact on minimum reserve calculations.

The reporter's *minimum reserve deposit* at the Bank of Finland is reported with instrument I.43 and the counterparty sector is S.121. The interest rate linkage of the interest rate is O = Other interest rates. The interest rate paid on reserve deposits (minimum bid rate in the Eurosystem's main refinancing operations) is published on the Bank of Finland website: https://www.suomenpankki.fi/fi/Tilastot/rahapolitiikan-valineet/taulukot/rapo-taulukot-fi/perusrahoitusoperaatiot_fi/.



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15 MFI CONSOLIDATED DATA COLLECTION (KOTI)

MFI consolidated quarterly data collection (KOTI) is linked to the monitoring of banks' international activities by the Bank for International Settlements (BIS).

The Bank of Finland submits to the BIS aggregated consolidated group-level data on Finnish credit institutions' balance sheet items and certain off-balance sheet commitments. Data are also submitted on certain indicators of group capital adequacy and on country risk transfers.

Data submitted to BIS are country- and sector-specific, not MFI-specific.

15.1 Reporting obligation

- The Bank of Finland selects into the group of reporters those **Finnish MFIs** that have a substantial amount (over EUR 200 million) of cross-border claims or
- at least one foreign branch or at least one foreign subsidiary that is engaged in MFI business.

Finnish MFIs refer to groups that are engaged in MFI business in Finland and whose highest parent institution subject to national financial supervision is resident in Finland.¹²

In addition to Finnish groups, the Bank of Finland selects into the group of reporters the Finnish subsidiaries and branches of foreign MFI groups that fulfil the above-mentioned requirements and whose parent institution is resident in another BIS country¹³ but from which the parent institution does not report to the BIS.

The Bank of Finland checks each year whether an institution meets the criteria for being included in KOTI reporting and informs the KOTI reporters of their reporting obligation.

¹² In Finland, the supervision of MFIs is the responsibility of the Financial Supervisory Authority.

¹³ The BIS countries are (at 1 September 2014): the Netherlands, Argentina, Australia, Belgium, Brazil, Chile, Spain, South Korea, Hongkong, India, Ireland, Italy, Austria, Japan, Canada, Greece, Luxembourg, Mexico, Norway, Panama, Portugal, France, Sweden, Germany, Singapore, Finland, Switzerland, Taiwan, Denmark, Turkey, the United Kingdom, and the United States.



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15.2 Reporting in practice

KOTI data are submitted to the Bank of Finland no later than the last banking day of the month following the reference period.

The reporters submit the data as a CSV report file to the Bank of Finland. The data are submitted electronically, using the DCS service (Data Collection Service).

Instructions for creating a CSV file and for submitting data are available in a separate instruction on the KOTI record structure. Codes used for the reporting are described in separate code lists. The record structure instructions and the code lists are available for downloading on the Bank of Finland website¹⁴.

On questions related to the contents and concepts of reporting, reporters are requested to contact the Bank of Finland at Rahoitustilastot@bof.fi.

On technical questions related to reporting, reporters are requested to contact the help desk provided by the operator of the DCS service (OpusCapita, information.fi@itella.com).

15.3 Data reported in the KOTI survey

Data reported in KOTI reporting relate to a *group*¹⁵ consisting of the MFI (reporter) resident in Finland and selected for the survey and its domestic and foreign subsidiaries engaged in *banking business* and its foreign branches. At minimum, ‘group’ refers to the reporter itself.

The KOTI report consists of the following three parts (records):

1. Batch record (000) includes basic data related to the reporter and the report.
2. Consolidated record (CS) includes a breakdown of the group’s
 - financial claims on the balance sheet
 - liabilities on the balance sheet
 - local financial claims and liabilities of domestic and foreign group units

¹⁴ See <https://www.suomenpankki.fi/en/Statistics/reporting-instructions/mfi-data-collection/> → Consolidated data collection (KOTI).

¹⁵ Virati reporting institution level 205 = consolidation group of deposit bank.



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- fixed assets on the balance sheet
- cross-border risk transfers related to claims
- off-balance sheet commitments.

3. Balance sheet record (BS) includes data on the group's

- risk-weighted assets on the balance sheet
- Tier 1 capital, and
- balance sheet total.

All KOTI data must be consolidated, i.e. intra-group items must be eliminated.

Sections 16.3.1–16.3.7 provide instructions for the reporting of the above-mentioned items.

15.3.1 Financial claims excl. derivatives of a group (KOTI instrument I.111)

The financial claims of a group are reported in KOTI reporting (instrument 111), and they include the following items:

- currency (*RATI instrument category I.21*)
- holdings of debt securities (money market paper and bonds) (*RATI instrument category I.33*)
- loans (*RATI instrument categories I.41–I.47*)
- shares and other equity (*RATI instrument categories I.511–I.52*)
- other assets (*RATI instrument categories I.711–I.719*)

The above-mentioned RATI instrument categories are described in section 8 of these instructions.

Financial claims also include interest payable which in RATI reporting is allocated to each reported loan row.

Claims arising from derivatives are not included in financial claims reported under instrument 111 ; they are reported as a separate item (see section XX).

A group's financial claims are reported in the CS record¹⁶, where

¹⁶ See KOTI record structure.



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- record field 4 (allocation of balance sheet items) takes the value “A” (assets)
- record field 5 (transaction) takes the value “S” (stock)
- record field 6 (BIS unit) takes the value “G” (group)
- record field 7 (instrument) takes the value “111” (financial claims excl. derivatives).

The data are reported broken down by counterparty sector (Record field 9, Code list 11), counterparty country (Record field 10, Code list 9) conversion currency (Record field 12, Code list 10), and remaining maturity (Record field 16, Code list 14).

The book value of claims is reported in euro (EUR). The reported items may include only claims on non-group economic units.

15.3.2 The financial liabilities excl. derivatives of a group (KOTI instruments 22, 33, 51, 7 and 81)

The financial liabilities of a group consist of the following instruments¹⁷:

- deposits (*RATI instruments I.221–228 → KOTI instrument 22*)
- debt securities (*RATI instrument I.33 → KOTI instrument 33*)
- shares and other equity (*RATI instruments I.511–513 → KOTI instrument 51*)
- other liabilities (*RATI instruments I.711–719 → KOTI instrument 7*)
- other capital and reserves (*RATI instrument I.81 → KOTI instrument 81*).

The above-mentioned RATI instrument categories are described in section 8 of these instructions.

Interest accrued and not yet paid on deposits is not reported under deposits in the KOTI data collection (KOTI instrument 22); it is included in other liabilities (KOTI instrument 7).

A group’s financial liabilities are reported in the CS record¹⁸, where

- record field 4 (allocation of balance sheet items) takes the value L (liability)

¹⁷ The instrument codes applied in RATI and KOTI reporting are available on the Bank of Finland website at <https://www.suomenpankki.fi/en/Statistics/reporting-instructions/mfi-data-collection/>

¹⁸ See KOTI record structure.



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- record field 5 (transaction) takes the value S (stock)
- record field 6 (BIS unit) takes the value G (group)
- record field 7 (instrument) takes the value 22, 33, 51, 7 or 81.

Debt securities (KOTI instrument 33) must be broken down in record field 16 according to remaining maturity. Providing a breakdown of debt securities by counterparty sector, counterparty country and conversion currency is voluntary.

Instructions for the reporting of liabilities related to **derivatives contracts** are available in section 16.3.6.

15.3.3 Local financial claims and liabilities (KOTI instrument I.115)

Local financial claims and liabilities are assets and liabilities of group units located in Finland and abroad, in which the counterparty is a non-group economic unit located in the same country as the group unit.

All reported local financial claims must be included in the group's financial claims reported with KOTI instrument 111 (see section 16.3.1) and local liabilities must be included in the group's liabilities reported with KOTI instruments 22, 33, 51, 7 and 81. Local financial claims and liabilities are thus part of a group's financial claims and liabilities.

Local financial claims and liabilities do not include claims and liabilities related to derivatives.

Local financial claims and liabilities are reported in the CS record, where

- record field 7 (instrument) takes the value 115
- record field 4 (allocation of balance sheet items) takes the value A (asset) or L (liability)
- in the reporting of data on domestic group units, record field 6 (BIS unit) takes the value D
- in the reporting of data on foreign group units, record field 6 takes the value F.

Local financial claims are reported broken down by counterparty country (Code list 9), conversion currency (Code list 10), counterparty sector (Code list 11) and remaining maturity (Code list 14).

Local liabilities are only broken down by conversion currency, counterparty country and remaining maturity.



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The country code of **local financial claims and liabilities** is always the code of the country where the group unit in question is located

Example

(1) Financial claim of a group

A group extends a euro-denominated loan of EUR 1 million to a German deposit bank. The group is reported with value G in the CS record field *BIS unit* and value 111 in field *Instrument*.

(2) Local financial claim of a local unit

A group's subsidiary bank located in Germany has extended a euro-denominated loan of EUR 1 million to a German deposit bank. The local loan extended by the subsidiary is reported with value F in the CS record field *BIS unit* and value 115 in field *Instrument*.

Column	Financial claim of a group	Local financial claim of a local subsidiary/branch.
Record type	CS	CS
Type of reporter's identifier	Y	Y
Reporter's identifier	NNNNNNNN	NNNNNNNN
Allocation of balance sheet items	A	A
Transaction	S	S
BIS unit	G	F
Instrument	111	115
Internal identifier	-	-
Sector	1221	1221
Country code	DE	DE
Reserved	-	-
Conversion currency	EUR	EUR
Book value	1000000,00	1000000,00
Book value currency	EUR	EUR
Reserved	-	-
Remaining maturity	3	3

Had the subsidiary bank in Germany extended the loan to an entity outside Germany, it would not have been reported as a local claim but as a financial claim excl. derivatives (111).



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15.3.4 Fixed assets

The group's total fixed assets are reported in the CS record (RATI instrument I.82, see section 8.8), where

- record field 4 (allocation of balance sheet items) takes the value A (asset)
- record field 5 (transaction) takes the value S (stock)
- record field 6 (BIS unit) takes the value G (group)
- record field 7 (instrument) takes the value 82.

15.3.5 Risk transfers related to reported financial claims

Risk transfer related to claims refers to a situation where the country of the immediate counterparty risk associated with the claim is reallocated to another country by means of collateral, guarantee, derivative contract or other similar arrangement. In such a case, the country of the immediate counterparty risk (residence of the *immediate risk*) is different from the country where the ultimate risk lies (residence of the *ultimate risk*).

The reporter reports in the KOTI report the following:

- risk transfers related to the group's reported financial claims and
- risk transfers related to reported local claims.

Risk transfers within the same counterparty country are not reported.

Risk transfers are reported in the KOTI report in two rows. One row is for the reporting outward risk transfer (decrease in country risk) and one row is for the reporting of inward risk transfer (increase in country risk). Risk transfer is denoted in the CS record field 5 *Transaction*. The code for risk transfers is:

- Outward risk transfer (O)
- Inward risk transfer (I)

Outward risk transfer (O) reduces country risks. For example, if a third party in Japan has guaranteed a loan granted to a company in Sweden, the amount guaranteed by the third party is reported for these loan claims in the outward risk row. The counterparty's country is Sweden. Hence, outward risk reduces the risk position in Sweden.



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Inward risk transfer (*I*) increases the risk position against a given counterparty country. This concept refers to the entity to which the risk is transferred eg via possible guarantees or collateral. For instance, if a loan is granted to a company in Sweden and it is guaranteed by a third party in Japan, the amount guaranteed by the third party is reported for these loan claims in the inward risk row (ie the same amount as in the corresponding outward risk row). The counterparty's country is Japan. Hence inward risk reduces the risk position in Japan.

The other data reported in the row *Outward risk transfer* and the corresponding row *Inward risk transfer* differ only in terms of record field 5 (Transaction) and record field 10 (Counterparty country), and possibly record field 9 (Counterparty sector).

Risk transfers are reported broken down by counterparty sector (Code list 11) and country (Code list 9). If the risk related to one claim is transferred to several countries, all positions are reported in their own rows. Risk transfers related to a group's claims are reported with the BIS unit, value G, and risk transfers related to local claims are reported with the BIS unit, value F or D.

In the case of collateralised financial claims, the ultimate counterparty risk is always allocated to the country where the guarantor resides. However, acceptable collateral and guarantees are only those specified in 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. Thus eg personal guarantees are not accepted.

If credit default swaps have been used to reduce counterparty risk, the country of ultimate risk is the country where the counterparty to the derivative contract resides. The notional value/face value of the contract (rather than the market value) is reported. Similarly, in cases where immediate country risk has been transferred by means of other derivatives or eg asset-backed securities to another country, the country of ultimate risk is the country where the counterparty resides.

15.3.6 Claims and liabilities related to derivative contracts (KOTI instrument 34)

Derivative claims are derivatives (RATI instruments I.341, I.342 and I.343, see section 8.4) booked on the balance sheet with a positive market value. **Derivative liabilities** are derivative positions with negative market values.



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Derivative claims and liabilities are reported in the KOTI report's CS record, where

- record field 4 (allocation of balance sheet items) takes the value A (asset) or L (liability)
- record field 5 (transaction) takes the value S (stock)
- record field 6 (BIS unit) takes the value G (group)
- record field 7 (instrument) takes the value 34.

Derivatives are always reported on the ultimate risk basis, ie the counterparty's country code and sector are reported based on the country of residence and sector of the underlying securities.

15.3.7 Off-balance sheet items (KOTI instruments I.112 and I.113)

The reporter reports in the CS record the following off-balance sheet items of the group:

- commitments (KOTI instrument category I.112)
- irrevocable commitments (KOTI instrument category I.113).

Commitments are commitments given to a third party on behalf of a customer. The item consists of the following instruments:

- *Guarantees (Virati U 01 01)*: commitments given by the credit institution on behalf of another party. A foreign guarantee refers to any guarantee issued on behalf of a non-resident party. The point here is that the guarantee may give rise to a claim on the non-resident party for the credit institution.
- *Guarantee commitments (Virati U 01 03)*: guarantee commitments and other commitments related to individual business transactions. The category includes contract bonds, export guarantees and performance bonds issued by the credit institution on behalf of its customer in favour of a third party as a guarantee for the fulfilment of a specified commercial obligation, an obligation under public law or an obligation to compensate. Other corresponding commitments related to individual business transactions are also reported here.
- *Other*: other commitments given by the credit institution on behalf of a customer in favour of a third party include the following:
 - bills of exchange contingencies (Virati U 01 02),



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- transactions with recourse (Virati U 01 04),
- pledges and mortgages (Virati U 01 05),
- short-term commitments related to transactions (Virati U 01 06)
- other commitments given to a third party (Virati U 01 09).

Irrevocable commitments are commitments given in favour of a customer. The item consists of the following instruments:

- ***underwriting commitments***: underwriting commitments issued in connection with an issue of securities as well as bond, commercial paper and other similar programmes where the credit institution undertakes to underwrite the securities issued. Report separately programmes that involve note issuance facilities and revolving underwriting facilities, ie where the credit institution undertakes to purchase the part of the certificates of deposits that remains unsubscribed.
- ***forward asset purchases***: agreements on the purchase of shares, promissory notes or other asset items at a specified future date without an obligation to resell. Ordinary currency, interest rate and stock derivatives are not reported here but according to Virati categories 06, 07 and 08.
- ***securities sold with a resale option***: securities sold with an option written by the credit institution to the buyer entitling the latter to sell the securities back to the credit institution if he so wishes.
- ***forward forward agreements which oblige the credit institution to make a deposit***: Agreements which oblige the credit institution to make a deposit on a specified date in the future. Agreements for which the value dates are one or two days after the trading date are not reported here.
- ***partly paid securities***: securities obtained by the credit institution for which the credit institution has paid only a part of the selling price and where the seller retains the right to demand payment of the remaining part in the future. Report here only agreements that have not been entered in the balance sheet. The part of the selling price which has not been paid and which the seller may demand is reported as an off-balance sheet item.
- ***unutilised (undrawn) credit facilities***: irrevocable credit line facilities granted to customers other than those included in the above categories. Report only the unutilised part of the facilities. Unutilised credit facilities comprise items that generate cash flows the amount or value date of which depends on the borrower. The reported item is used eg in estimating the cash flows associated with liquidity risk. Probable cash flows should be reported according to



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the principle of prudence. Unutilised overdraft facilities and undisbursed credit commitments are the most important items reported under unutilised credit facilities.

- ***other potential assets.***

Off-balance sheet items are reported in the CS record field 4 (Balance sheet allocation) with the code O.

Off-balance sheet items are always reported on the ultimate risk basis, i.e. the item is allocated to the country of ultimate risk.

15.4 Examples of transactions in KOTI reporting

Example

A group has extended a loan of EUR 1 million in Swedish krona to a company operating in Sweden. The claim is reported in its own row without risk transfer. However, the loan is partially guaranteed by a deposit bank in the United Kingdom. The guarantee is reported as an inward risk transfer (Transaction I) in its own row in which sector takes the value 1221 (deposit bank) and country the value GB (United Kingdom). The amount of the guarantee is deducted from Sweden as an outward risk transfer (Transaction O). In that row, sector takes the value 11102 (national private non-financial corporation) and country the value SE (Sweden).

Column	Financial claim of a group	Outward risk transfer	Inward risk transfer
Record type	CS	CS	CS
Type of reporter's identifier	Y	Y	Y
Reporter's identifier	NNNNNNNN	NNNNNNNN	NNNNNNNN
Allocation of balance sheet items	A	A	A
Transaction	S	O	I
BIS unit	G	G	G
Instrument	111	111	111
Internal identifier	-	-	-
Sector	11102	11102	1221
Country code	SE	SE	GB
Reserved	-	-	-
Conversion currency	SEK	-	-
Book value	1000000,00	500000,00	500000,00
Book value currency	EUR	EUR	EUR
Reserved	-	-	-



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Remaining maturity	3	-	-
If the loan was extended by a group unit operating in Sweden, the data should be reported as instructed above, and in addition, with the BIS unit, value F, both as a local claim and as a <i>Outward risk transfer</i> and <i>Inward risk transfer</i> related to a local claim. Hence, in this case, a total of six separate rows would be reported for the loan in question.			

Example

A group has extended a loan of EUR 1 million in Swedish krona to a company operating in Sweden. The claim is reported in its own row without risk transfer .

If:

- (a) the loan is backed by a guarantee from a Finnish non-group deposit bank or
- (b) the company operating in Sweden that received the loan has provided a Finnish government bond as collateral, an inward risk transfer is reported for Finland and the same amount is reported as an outward risk transfer for Sweden.

Column	Financial claim of a group	Outward risk transfer	Inward risk transfer
Record type	CS	CS	CS
Type of reporter's identifier	Y	Y	Y
Reporter's identifier	NNNNNNNN	NNNNNNNN	NNNNNNNN
Allocation of balance sheet items	A	A	A
Transaction	S	O	I
BIS unit	G	G	G
Instrument	111	111	111
Internal identifier	-	-	-
Sector	11102	11102	1221/1311
Country code	SE	SE	FI
Reserved	-	-	-
Conversion currency	SEK	-	-
Book value	1000000,00	1000000,00	1000000,00
Book value currency	EUR	EUR	EUR
Reserved	-	-	-
Remaining maturity	3	-	-

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If the loan was backed by eg. German government bonds, the inward risk transfer would be reported for Germany, allocated to country DE (Germany) and sector 1311 (general government).

Example

A group has deposited EUR 1 million in a branch of a US bank in Germany. The claim is reported in its own row without risk transfer. Inward risk transfer is allocated to the country in which the controlling parent of the branch is located (US). Outward risk is allocated to the country in which the original deposit was made (DE).

Column	Financial claim of a group	Outward risk transfer	Inward risk transfer
Record type	CS	CS	CS
Type of reporter's identifier	Y	Y	Y
Reporter's identifier	NNNNNNNN	NNNNNNNN	NNNNNNNN
Allocation of balance sheet items	A	A	A
Transaction	S	O	I
BIS unit	G	G	G
Instrument	111	111	111
Internal identifier	-	-	-
Sector	1221	1221	1221
Country code	DE	DE	US
Reserved	-	-	-
Conversion currency	EUR	-	-
Book value	1000000,00	1000000,00	1000000,00
Book value currency	EUR	EUR	EUR
Reserved	-	-	-
Remaining maturity	3	-	-

16 CLASSIFICATIONS

Classifications (code lists) used in the reporting are posted as XML documents on the Bank of Finland website at:

<https://www.suomenpankki.fi/en/Statistics/reporting-instructions/mfi-data-collection/>.