

In case of discrepancies between the French and the English text,
the French text shall prevail

Report S 1.1

«Monthly statistical balance sheet of credit institutions»

Banque centrale du Luxembourg

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S 1.1 «Monthly statistical balance sheet of credit institutions»

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1 Introduction

1.1 Reporting population

Report S 1.1 must be provided by all resident credit institutions regardless of their legal status.

1.2 Frequency and reporting deadlines

Report S 1.1 must be provided to BCL on a monthly basis no later than 10 working days after the end of the reference period.

The exact reporting dates for report S 1.1 are published on the website of the BCL (<http://www.bcl.lu>).

2 Types of breakdowns

Assets and liabilities must be broken down according to the following four criteria:

- country of the counterpart
- currency in which assets and liabilities are expressed
- economic sector of the counterpart
- initial maturity

The nomenclature and the codes to use are detailed in the document «Definitions and concepts for the statistical reporting of credit institutions».

However, assets and liabilities must not always be split according to all of these breakdowns aforementioned. Hence, only the breakdowns requested in report S 1.1 «Monthly statistical balance sheet of credit institutions» attached to the present instructions must be reported to BCL.

2.1 Country

Assets and liabilities must be split according to the country of residency or the country of the registered office, i.e. the country where the centre of economic interest of a counterpart is located, with a two character ISO code.

It should be noted that only the country breakdowns requested in report S 1.1 «Monthly statistical balance sheet of credit institutions» attached to the present instructions must be reported to BCL.

2.2 Currency

Assets and liabilities must be split according to the currency in which they are broken denominated with a three character ISO code.

It should be noted that only the currency breakdowns requested in report S 1.1 «Monthly statistical balance sheet of credit institutions» attached to the present instructions must be reported to BCL.

2.3 Economic sector

Assets and liabilities must be split according to the economic sector of the counterpart with a five character code from the list of sectors in the document «Definitions and concepts for the statistical reporting of credit institutions».

It should be noted that only the economic sector breakdowns requested in report S 1.1 «Monthly statistical balance sheet of credit institutions» attached to the present instructions must be reported to BCL.

In addition, for the purpose of compiling the reserve requirement, the following sub-sectors:

- of the sector 11000 MFI: Credit institutions
 - of the sector 39000 Supranational institutions if the country code is «XE»
- must be provided for the items representing deposits and debt securities issued.

Item	Code	Sector
Debt securities	11001	BCL, ECB, EIB, NCBs and credit institutions subject to reserve requirements
Deposits	11002	BCL, and credit institutions subject to reserve requirements
Deposits	11003	ECB, NCBs and credit institutions subject to reserve requirements

2.4 Initial maturity

Amounts must be split according to initial maturity with a three character code with a three character code from the list in the document «Definitions and concepts for the statistical reporting of credit institutions».

It should be noted that only the maturity breakdowns requested in report S 1.1 «Monthly statistical balance sheet of credit institutions» attached to the present instructions must be reported to BCL.

However, it must be mentioned that for the compilation of the reserve base as well as the reserve requirement, an additional initial maturity band must be reported. The latter regroups

the compensated amounts between credits and deposits with an initial maturity up to 2 years.

Code	Initial maturity
BRM	Compensated amounts

3 Total assets and total liabilities

Items 1-000 «Total assets» and 2-000 «Total liabilities» are compiled by adding up the amounts recorded in all other lines except the «of which» lines.

3.1 Assets

The following «of which» lines should not be considered for the compilation of total assets.

Lines not to be taken into consideration for compiling the total of line 1-000	
Other credits	
1-023-LU-EUR-42211	1-023-X3-EUR-42211
1-023-LU-XX2-42211	1-023-X3-XX2-42211

3.2 Liabilities

The following «of which» lines should not be considered for the compilation of total liabilities.

Lines not to be taken into consideration for compiling the total of line 2-000		
Overnight deposits	Deposits with agreed maturity	Deposits redeemable at notice
2-021-LU-EUR-11002	2-022-LU-EUR-11002	2-023-LU-EUR-11002
2-021-LU-EUR-41113	2-022-LU-EUR-41113	2-023-LU-EUR-41113
2-021-LU-XX2-11002	2-022-LU-XX2-11002	2-023-LU-XX2-11002
2-021-LU-XX2-41113	2-022-LU-XX2-41113	2-023-LU-XX2-41113
2-021-X3-EUR-11003	2-022-X3-EUR-11003	2-023-X3-EUR-11003
2-021-X3-EUR-41113	2-022-X3-EUR-41113	2-023-X3-EUR-41113
2-021-X3-XX2-11003	2-022-X3-XX2-11003	2-023-X3-XX2-11003
2-021-X3-XX2-41113	2-022-X3-XX2-41113	2-023-X3-XX2-41113

Lines not to be taken into consideration for compiling the total of line 2-000	
Sale and repurchase agreements	Debt securities issued
2-024-LU-EUR-11002	2-030-XX-XXX-11001
2-024-LU-EUR-41113	
2-024-LU-EUR-41114	
2-024-LU-XX2-11002	
2-024-LU-XX2-41113	
2-024-LU-XX2-41114	
2-024-X3-EUR-11003	
2-024-X3-EUR-41113	
2-024-X3-EUR-41114	
2-024-X3-XX2-11003	
2-024-X3-XX2-41113	
2-024-X3-XX2-41114	

3.3 Lines containing additional information on assets and liabilities

The lines containing additional information on assets and liabilities must not be taken into consideration for compiling total assets and liabilities.

4 Compilation of the reserve requirement

4.1 Compensation of credits and deposits

The objective of the column entitled «Compensated amounts» is to offer credits institutions the opportunity to compensate credits and deposits in order to reduce the volume of liabilities to be included in the reserve base.

These compensations of credits and deposits are allowed if the following three conditions are fulfilled simultaneously:

- the creditor and the debtor are the same physical or moral person¹
- credits and the deposits are expressed in the same currency
- credits and the deposits have the same maturity; if not, the credit must have an initial maturity prior to the deposit with which it is netted

The column «Compensated amounts» includes the amounts compensated between the items of the following table as long as these items have an initial maturity of up to or including 2 years.

Thus, only the compensations that affect the liability items included in the reserve base with a 21% reserve ratio are recorded in this column.

¹ The same moral person refers to a single institutional unit located in the same territory as the reporting credit institution. Netting across national territorial borders is not permitted.

The assets and liabilities items concerned are the following:

Assets	Liabilities		
Credits	Overnight deposits	Deposits with agreed maturity	Deposits redeemable at notice
1-020-LU-EUR-11000	2-021-LU-EUR-11000	2-022-LU-EUR-11000	2-023-LU-EUR-11000
1-020-LU-EUR-12000	2-021-LU-EUR-11002	2-022-LU-EUR-11002	2-023-LU-EUR-11002
1-020-LU-EUR-30000	2-021-LU-EUR-12000	2-022-LU-EUR-12000	2-023-LU-EUR-12000
1-020-LU-EUR-41100	2-021-LU-EUR-31000	2-022-LU-EUR-31000	2-023-LU-EUR-31000
1-020-LU-EUR-41200	2-021-LU-EUR-32000	2-022-LU-EUR-32000	2-023-LU-EUR-32000
1-020-LU-EUR-42100	2-021-LU-EUR-41100	2-022-LU-EUR-41100	2-023-LU-EUR-41100
1-020-LU-XX2-11000	2-021-LU-EUR-41200	2-022-LU-EUR-41200	2-023-LU-EUR-41200
1-020-LU-XX2-12000	2-021-LU-EUR-42100	2-022-LU-EUR-42100	2-023-LU-EUR-42100
1-020-LU-XX2-30000	2-021-LU-EUR-42200	2-022-LU-EUR-42200	2-023-LU-EUR-42200
1-020-LU-XX2-41100	2-021-LU-XX2-11000	2-022-LU-XX2-11000	2-023-LU-XX2-11000
1-020-LU-XX2-41200	2-021-LU-XX2-11002	2-022-LU-XX2-11002	2-023-LU-XX2-11002
1-020-LU-XX2-42100	2-021-LU-XX2-12000	2-022-LU-XX2-12000	2-023-LU-XX2-12000
1-021-LU-EUR-42200	2-021-LU-XX2-31000	2-022-LU-XX2-31000	2-023-LU-XX2-31000
1-022-LU-EUR-42200	2-021-LU-XX2-32000	2-022-LU-XX2-32000	2-023-LU-XX2-32000
1-023-LU-EUR-42200	2-021-LU-XX2-41100	2-022-LU-XX2-41100	2-023-LU-XX2-41100
1-021-LU-XX2-42200	2-021-LU-XX2-41200	2-022-LU-XX2-41200	2-023-LU-XX2-41200
1-022-LU-XX2-42200	2-021-LU-XX2-42100	2-022-LU-XX2-42100	2-023-LU-XX2-42100
1-023-LU-XX2-42200	2-021-LU-XX2-42200	2-022-LU-XX2-42200	2-022-LU-XX2-42200

4.2 Line ERO reserve requirement

The reserve base as well as the reserve requirement of a credit institution is compiled on the basis of liabilities of the statistical balance sheet. For this purpose, report S 1.1 «Monthly statistical balance sheet of credit institutions» contains a line, entitled 2-ERO-XX-XXX-90000 «Reserve requirement», that should contain the amount of the reserve requirement.

In order to compile the reserve requirement, the credit institution proceeds step by step.

4.2.1 Compilation of the reserve base

The reserve base is defined on the basis of certain liabilities items and may be split into two parts.

4.2.2 Liability Items included in the reserve base with a reserve ratio of 12%

These are the following items:

- Overnight deposits
- Deposits with agreed initial maturity up to or including 2 years
- Deposits redeemable at notice up to or including 2 years notice
- Debt securities issued with initial maturity up to or including 2 years

4.2.3 Liability Items included in the reserve base with a reserve ratio of 0%

These are the following items:

- Deposits with agreed initial maturity over 2 years
- Deposits redeemable at notice over 2 years notice
- Sale and repurchase agreements
- Debt securities issued with initial maturity over 2 years

4.2.4 Compensations

As credit institutions have the opportunity to compensate credits and deposits in order to reduce the volume of the reserve base, the liability items should be reduced by the amounts recorded in column «Compensated amounts» foreseen for this purpose.

4.2.5 Deductions

4.2.5.1. Liabilities vis-à-vis central banks and credit institutions subject to reserve requirement

The liabilities vis-à-vis the European Central Bank, National central banks that are members of the ESCB and credit institutions that are subject to the reserve requirement of the ESCB are excluded from the reserve base.

It is important that credit institutions report the volume of liabilities vis-à-vis these entities in order to proceed to the deduction of these amounts when compiling the reserve base. These amounts are reported under the following lines:

- 11002 of which: BCL, and credit institutions subject to reserve requirement

- 11003 of which: ECB, BCL, and credit institutions subject to reserve requirement

4.2.5.2. Debt securities issued

As far as concerns «Debt securities issued», the issuing credit institutions must confirm the amount held by credit institutions that are subject to the ESCB's reserve requirement in order to be allowed to deduct these amounts from their reserve base. If credit institutions cannot provide that proof, they may deduct a standardised amount that is compiled with a ratio defined by the European Central Bank.

For the time being this ratio is fixed at 30%. However, this ratio is revised by the ECB on a semi-annual basis and credit institutions will be informed of any change of this ratio via BCL circular.

If credit institutions record in line 2-030-XX-XXX-11001 an amount that is higher than 30% of the amount recorded in line 2-030-XX-XXX-90000, they must provide the BCL with the information that is necessary in order to prove that the actual holder of the securities is subject to the ESCB's reserve requirement.

This information must be provided together with the S 1.1 «Monthly statistical balance sheet of credit institutions».

It is important to mention that credit institutions must report the amount to be deducted under line 2-030-XX-XXX-11001. In the event that the deduction is limited to the standardised 30%, this amount must be reported.

4.2.6 Compilation of the reserve requirement

The reserve requirement is compiled by applying a ~~12~~12% ratio to the liability items included in the reserve base with a ~~12~~12% reserve ratio and by applying the 0% ratio to the liability items included in the reserve base with a 0% reserve ratio.

Finally, the reserve requirement is reduced by an allowance.

For the time being, this allowance is fixed at 100 000 EUR. However, it may be revised by the ECB and credit institutions will be informed of any change of this allowance via a BCL circular.

4.2.7 Example

The simplified example does not contain amounts for each liability item included in the reserve base and the reserve requirement; its only objective is to briefly illustrate the compilation methodology for the reserve base and the reserve requirement.

For a given liability side of the balance sheet (in EUR):

April
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EUROSYSTEME

Line	<= 3 months	> 3 months and <= 1 year	> 1 year and <= 2 years	> 2 years	No breakdown	Compensated amounts	Reserve base with 1%	Reserve base with 0%
2-021-LU-EUR-11000					2 000 000	200 000	1 800 000	
2-021-LU-EUR-11001					1 000 000	100 000	-900 000	
2-021-X3-XX2-31000					500 000		500 000	
2-022-LU-XX2-31000	0	0	2 000 000	300 000		200 000	1 800 000	300 000
2-022-X3-XX2-42200	0	0	1 000 000	3 000 000			1 000 000	3 000 000
2-023-LU-EUR-41200	3 000 000	1 500 000	0	1 500 000		2 500 000	2 000 000	1 500 000
2-023-X3-XX2-42100	2 000 000	1 000 000	0	1 500 000			3 000 000	1 500 000
2-023-X4-XX2-11000	1 000 000	500 000	0	500 000			1 500 000	500 000
2-024-LU-EUR-42100					1 000 000			1 000 000
2-024-X3-XX2-31000					2 000 000			2 000 000
2-030-XX-XXX-90000	0	0	2 000 000	3 000 000			2 000 000	3 000 000
2-030-XX-XXX-11001	0	0	600 000	900 000			-600 000	-900 000
							12 100 000	11 900 000
							121 000	
							100 000	
							21 000	



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EUROSYSTÈME

Line	<= 3 m	> 3 m & <= 1 year	> 1 year & <= 2 years	> 2 years	No breakdown	Compensated amounts	Reserve base with 2%	Reserve base with 0%
2-021-LU-EUR-11000					2 000 000	200 000	1 800 000	
2-021-LU-EUR-11002					1 000 000	100 000	- 900 000	
2-021-X3-XX2-31000					500 000		500 000	
2-022-LU-XX2-31000	0	0	2 000 000	300 000		200 000	1 800 000	300 000
2-022-X3-XX2-42200	0	0	1 000 000	3 000 000			1 000 000	3 000 000
2-023-LU-EUR-41200	3 000 000	1 500 000	0	1 500 000		2 500 000	2 000 000	1 500 000
2-023-X3-XX2-42100	2 000 000	1 000 000	0	1 500 000			3 000 000	1 500 000
2-023-X4-XX2-11000	1 000 000	500 000	0	500 000			1 500 000	500 000
2-024-LU-EUR-42100					1 000 000			1 000 000
2-024-X3-XX2-31000					2 000 000			2 000 000
2-030-XX-XXX-90000	0	0	2 000 000	3 000 000			2 000 000	3 000 000
2-030-XX-XXX-11001	0	0	600 000	900 000			- 600 000	- 900 000
Total							12 100 000	11 900 000

It should be mentioned that the breakdown by initial maturity of debt securities issued is done by the BCL on the basis of the security by security reporting.

The example of the previous page:

- the amount of liabilities included in the reserve base with a 12% reserve ratio amounts up to 12 100 000 EUR
- the amount of liabilities included in the reserve base with a 0% reserve ratio amounts up to 11 900 000 EUR;

The reserve requirement is compiled as follows:

$$(12\,100\,000 \times 0,012) + (11\,900\,000 \times 0,00) = 242\,121\,000 \text{ EUR}$$

The allowance of 100 000 EUR is deducted from this reserve requirement. Thus, a net reserve requirement of 142.21 000 EUR must be reported under line 2-ERO-XX-XXX-90000 of report S 1.1 «Monthly statistical balance sheet of credit institutions».

If the BCL does not question this amount before the start of the maintenance period, the credit institution considers the amount as correct and fulfils its reserve requirement on the basis of this amount.