

# **Instructions for reporting monetary financial institution (MFI) balance sheet statistics**

Applicable as of the reporting for March 2023.



## Contents

1	Introduction .....	5
2	Reporting by MFIs .....	5
2.1	Frequency and submission dates .....	5
2.2	Submission .....	6
2.3	Reporting .....	6
3	Concepts and definitions.....	6
3.1	Reference period .....	7
3.2	Parent and head office .....	7
3.3	Valuation of lending and borrowing .....	7
3.4	Accrued interest.....	8
3.4.1	Gross and net accounting.....	8
3.5	Maturity breakdown.....	9
3.5.1	Loans by original and residual maturity .....	9
3.5.2	Deposits and borrowings with agreed maturity and notice period.....	10
3.6	Overnight loans .....	11
3.6.1	Transaction accounts with credit including revolving credits .....	11
3.6.2	Repos.....	12
3.6.3	Current accounts.....	12
4	Classification between different balance sheet items .....	13
4.1	Format.....	13
5	Counterpart allocation .....	13
5.1	Definition of households .....	13
5.2	Residence of households.....	14
5.3	Residence of companies .....	14
5.4	Sectors in Sweden .....	14
5.5	Sectors abroad.....	15
5.6	Central counterparties .....	15
5.7	Investment funds .....	16
5.8	Financial Vehicle Corporation (FVCs) .....	16
5.9	International organisations and authorities abroad.....	17
5.10	Counterparties for securities .....	18
6	Calculation of revaluations .....	19
6.1	Revaluations of loans/actual loan losses .....	19
6.2	Revaluations of securities, other than derivatives, measured at market value .....	19
6.2.1	Method 1 - Starting from transactions .....	19
6.2.2	Method 2 - Starting from acquisition value .....	22
6.3	Revaluations of securities, other than derivatives, measured according to the lowest value principle (LVP).....	24
6.4	Securities valued at acquisition value.....	25
6.5	Revaluations of derivatives.....	25

6.5.1	What counts as transactions in derivatives .....	25
6.5.2	MFIs compared to the Balance of Payments FD31.....	26
6.5.3	Exchange rate.....	27
6.5.4	Counterparty allocation of revaluation of derivatives.....	27
7	<i>Reporting of MFI foreign branch operations and balances</i> .....	27
8	<i>Specifications of the MFI form</i> .....	29
	Special_balance sheet .....	29
	Spec_T1 .....	30
	Spec_T2 .....	30
	Spec_T3_Sector .....	30
	Spec_T3_Counterparties_Maturity.....	31
	Spec_T3_Maturity specification.....	31
	Spec_T3_Collateral.....	32
	Spec_T3_Collateral_Maturity .....	35
	Spec_T3_Credit card credit .....	36
	Spec_T3_Type_of_credit .....	39
	Spec_T3_Syndicated_loans.....	41
	Spec_T3_Non-performing_loans .....	41
	Spec_T3_Leasing_objects .....	42
	Spec_T3_Leasing .....	44
	Spec_T4 .....	45
	Spec_T5 .....	45
	Spec_T6 .....	45
	Spec_T7 .....	46
	Derivative instruments .....	46
	Spec_T8 .....	49
	Spec_S1_Sector.....	49
	Spec_S1_Account_Maturity.....	51
	Spec_S1_Transferable_deposits .....	51
	Spec_S2 .....	52
	Spec_S3 .....	53
	Spec_S4 .....	54
	Spec_S5 .....	54
	Spec_S6_Short_positions.....	55
	Spec_Currency .....	56
	Spec_Country .....	56
	Housing credit institutions.....	56
	Loans purchased and sold.....	57
	Purchased_Sold_loans_outstanding.....	60
	MH_Assets.....	61
	MH_Liabilities .....	62
	Spec MH_Currency.....	62
	MH_Country.....	62
	Revaluations_Spec_T2.....	62
	Revaluations_Spec_T3_Counterparty .....	63
	Revaluations_Spec_T3_Collateral .....	63

Revaluations_Spec_T3_Syndicated loans .....	63
Revaluations_Spec_T5.....	63
Revaluations_Spec_T6.....	64
Revaluations_Spec_T7_mm.....	64
Revaluations_Spec_S3_mm. ....	64
Revalu_Spec_S6_Short_positions .....	65
About_sold_loans .....	66
Revaluations_MH.....	66
<i>Annex 1: .....</i>	<i>67</i>
<i>Annex 2: .....</i>	<i>68</i>
<i>B Annex 3: Decision tree for the classification of deposits and borrowings .....</i>	<i>70</i>
<i>Annex 4: Examples of revaluations in different types of derivatives .....</i>	<i>71</i>
1 option contract .....	72
2 Forward contract.....	74
3 Futures contract.....	75
4 Swap contracts .....	76
<i>Annex 5: Example letter of credit.....</i>	<i>78</i>

## 1 Introduction

This instruction supports the reporting of balance sheet statistics collected by Statistics Sweden on behalf of the Riksbank.<sup>1</sup>

The collection is regulated by the Riksbank's regulations (RBFS 2021:2), which contain general instructions on what data is requested and information on reporting obligations. The balance sheet statistics are a total survey of sector S.122 "Monetary financial institutions" according to the European System of Accounts (ESA). The collection is done by reporting a special balance sheet with various breakdowns and specifications, called the MFI form.

The statistics are published monthly on SCB's website and form the basis for deliveries to the European Central Bank (ECB), the Bank for International Settlements (BIS) and SCB's national accounts. The data are used by analysts, researchers and the media.

In addition to statistical purposes, Finansinspektionen and the Riksbank may also use the collected data for monitoring and supervising the financial markets.<sup>2</sup>

## 2 Reporting by MFIs

### 2.1 Frequency and submission dates

The reporting is done in an Excel form that must be received by Statistics Sweden no later than the 9th banking day after the end of the reference period<sup>3</sup>. The form also supports the loading of text files and contains summation controls. A timetable with current dates is posted annually on [www.scb.se/mfi](http://www.scb.se/mfi). The current version of the form is also available on the reporting agent page.

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<sup>1</sup> The ECB is responsible for statistics at the European level, and they have a more detailed manual for reporting.

(Manual on MFI interest rate statistics, [https://www.ecb.europa.eu/pub/pdf/other/manualonmfiiinterestratestatistics\\_201701.en.pdf](https://www.ecb.europa.eu/pub/pdf/other/manualonmfiiinterestratestatistics_201701.en.pdf)). In those cases

The SCB's instruction differs from the ECB's manual regarding the SCB.

<sup>2</sup> In accordance with the Act (2014:484) on a database for financial market monitoring and supervision.

<sup>3</sup> See section 3.1

## 2.2 Submission

The form is submitted via Statistics Sweden's web portal. A separate instruction for submission (Instructions for submission of Excel forms via Statistics Sweden's web portal) is available at [www.scb.se/mfi](http://www.scb.se/mfi).

## 2.3 Reporting

Items are reported in thousands of Swedish kronor. Cells without values should be left blank and no zeros should be reported.

Exceptions apply to the following data, which must be reported in the singular:

- Number of debit and/or credit cards (Spec\_T3\_Credit card)
- Number of deposit and borrowing accounts (Spec\_S1\_transferable\_deposits)

The rate to be used for foreign currency items is the closing rate at the balance sheet date.

Before submission, it should be checked that the form is consistent and does not contain any totalling errors. This can be checked in the Controls tab. If there are sum errors in the form, these must be corrected before the form is submitted to Statistics Sweden.<sup>4</sup>

## 3 Concepts and definitions

This section describes general methods and definitions that are common to several parts of the MFI form.

The contents of the MFI form form a separate balance sheet with different sections (specifications). The balance sheet is special, partly because it contains a currency breakdown and partly because certain deviations from general accounting principles are applied. The deviations to be made are addressed in the respective sections. As a consequence, the reported value of various items in the MFI form does not necessarily correspond exactly to the "book value" in the internal and external accounts.

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<sup>4</sup> To see how Statistics Sweden reviews reported data, see the file 'Review instructions for the MFI form'  
<https://www.scb.se/contentassets/ceda07aa933648609b096184bb3c63e1/granskningsanvisningar-till-mfi-blanketten201027.pdf>

### **3.1 Reference period**

The reference period of stocks refers to data at the end of each month, quarter or year, depending on the reporting frequency assigned to the reporting agent.

The reference period for revaluations, loans purchased and sold, new loans by mortgage institutions and some leasing items refers to flows during the month, quarter or year, depending on the reporting frequency assigned to the reporting agent.

### **3.2 Parent and head office**

According to section 4 of RBFS 2021:2, the legal entity to which the report refers is divided into two parts as follows:

- Head office: the Swedish part of the business of a Swedish legal entity and the business conducted in Sweden through a branch of a foreign legal entity,
- Foreign branches: branches of a Swedish legal entity located abroad.

This means that when the term 'head office' is used, it refers to the Swedish part of the legal entity, i.e. the mother minus the branch plus any intermediaries.

The term parent is used to describe the legal entity including foreign branches.

For foreign branches in Sweden, the term "parent" and "head office" are equivalent.

For Swedish legal entities, one MFI form must be submitted for the parent company and one form for all foreign branches.

### **3.3 Valuation of lending and borrowing**

Reporting of lending, deposits and borrowing shall be stated in nominal amounts, which deviates from the Swedish Financial Supervisory Authority's regulations and general guidelines on the annual accounts of credit institutions and securities companies (FFFS 2008:25).

Nominal amount means

- A loan that a borrower is contractually obliged to repay to the lender.
- Both upcoming and overdue amortisation, as well as overdue interest payments and charges

The nominal amount is recognised before deducting any impairment losses (provisions for bad debts) and provisions for transfer risks or changes in fair value due to credit risk. Loans and deposits shall be reported net of accrued interest and the amount shall be reported net of amortisation, i.e. realised credit losses.

The potential difference between the nominal and book amount that may arise on loans and deposits and that is not recognised under another item (as is the case for e.g. accrued interest and provisions) is recorded under Other assets, Accounting adjustments if they relate to the asset side and Other liabilities, Accounting adjustments if they relate to the liability side. The items Accounting adjustments are further explained in section 8, Spec\_T7 and Spec\_S3.

Under deposits and borrowing, the issue of marketable/transferable securities should not be included, as they are recognised in sections T3 and S1 and sub-items. Subordinated debt in the form of loans should be recognised as deposits and borrowings.

### **3.4 Accrued interest**

Accrued interest should be reported under deferred costs and accrued income (Spec\_T8) or Accrued costs and deferred income (Spec\_S4). Accrued interest may not be reported together with the main item, which is a deviation from FFFS 2008:25.

#### **3.4.1 Gross and net accounting**

Claims and liabilities must be recorded in the MFI report on a gross basis (for exceptions concerning short and long positions in the same security, see below). This means that the possibilities for net accounting (offsetting) provided for in paragraphs 42 to 50 of International Accounting Standard (IAS) 32 must not be applied in MFI reporting.

It can be particularly observed here:

- Loans and deposits are to be reported on a gross basis, including repurchase agreements, i.e. a repurchase agreement and a reverse repurchase agreement with the same counterparty and/or underlying asset may not be offset.
- Asset and liability derivatives may not be offset even if a legal right of set-off exists.



Hedge accounting rules also apply to statistical reporting and repurchases of own-issue securities are to be deducted from the liability item, as in the accounts.

Short and long positions in the same security are excluded from the gross reporting requirement in the MFI report:

- There is a legal right under the accounting rules to offset the asset and liability.
- And whether the holder intends to settle the positions with a net amount or to simultaneously realise the asset and settle the liability.

With regard to short and long positions in securities, the same treatment that is applied in the accounts may therefore be applied in the MFI reporting for the parent company's reporting. For branch reporting, the branches are to be considered as a separate institution, which means that netting for the branch report is to take place for long and short positions held by branches, but without taking into account the positions held by the head office.

**Example 1:** The reporting agent has derivatives with a positive market value of SEK 80 million and derivatives with a negative market value of SEK 30 million with the same counterparty. In MFI reporting, this is recorded as SEK 80 million on assets and SEK 30 million on liabilities.

**Example 2: The reporting agent** has a **long** position of SEK 100 million in a share A measured at fair value and a **short** position in share A measured at fair value of SEK 40 million. For accounting purposes, the reporting agent treats this as a shareholding of SEK 60 million in share A, which is also applied in MFI reporting.

**Example 3:** If the head office has a **short** position in share B of SEK 60 million while the branch has a **long** position of SEK 60 million in share B and these are offset for the parent, the parent report will not recognise either an asset or a liability while the branch report will record a holding (long position) of SEK 60 million.

## 3.5 Maturity breakdown

### 3.5.1 Loans by original and residual maturity

Where loans are distributed over different maturities, the last negotiated fixed-rate period (original maturity) is reported.

- A loan should be reported in the same maturity band throughout the agreed fixed interest period.
- If different interest rate fixation periods are set for a loan agreement, each part should be considered as a separate loan and reported according to the agreed interest rate fixation period.
- "Up to 3 months" includes variable rates and fixation periods up to and including 3 months.
- A loan that is renegotiated at the end of the fixed interest period should be reported according to the new fixed interest period.

On some tabs of the form, the remaining fixed interest period of the loan should also be reported. The remaining fixed interest period decreases gradually from the date of the report until the end of the fixed interest period. For a more detailed explanation, see Chapter 8, section Spec\_T3\_Maturity specification.

### **3.5.2 Deposits and borrowings with agreed maturity and notice period**

For new liabilities during the period, deposits with agreed maturity are reported. For outstanding amounts, deposits and borrowings are reported with agreed maturity and notice period.

Deposits and borrowings with agreed maturity refer to deposits that:

- cannot be withdrawn in cash or transferred to another account during the agreed term; or
- which can be withdrawn in cash or transferred to another account only with a fee or deterioration in the interest rate conditions.

Agreed maturity refers to the original maturity during which the deposit is locked or subject to withdrawal restrictions. Fixed rate accounts are generally deposits with an agreed maturity, but variable rate accounts may also fulfil the definition as the maturity may differ from the fixed rate period.

Administratively regulated deposits such as forestry accounts are included here according to maturity. Administratively regulated deposits where the maturity criterion is irrelevant are classified as deposits with an agreed maturity of over 2 years.

Repayable cash and cash equivalents pledged as collateral for derivative contracts are also recognised as deposits with an agreed maturity. However, repayable cash and cash equivalents pledged as collateral for securities lending are reported as repos.

Individual pension savings are not recorded here. Such savings are instead recorded under the item individual pension savings with a household counterpart.

Deposits and borrowings at notice refer to deposits that:

- cannot be withdrawn in cash or transferred to another account before the end of the notice period; or
- which can be withdrawn in cash before the end of the notice period only against a fee or deterioration of the interest rate conditions.

Under deposits redeemable at notice of up to three months, accounts with no period of notice or maturity but where withdrawals are subject to a significant fee or deterioration in interest rates are also included. Accounts with a limited number of free withdrawals per year are also included here, irrespective of the fee charged for non-free withdrawals.

A significant charge or deterioration in interest rate conditions means a charge/deterioration corresponding to more than 0.5 per cent of the withdrawal amount if the charge is expressed as a percentage of the withdrawal amount. If the withdrawal fee is expressed as a predetermined amount, significant means a withdrawal fee of more than SEK 15 per withdrawal.

Also included under 'deposits redeemable at notice over two years' are investment accounts with no period of notice or maturity, but where the possibility of withdrawal is restricted and the restriction cannot be waived by a fee or interest deduction.

### **3.6 Overnight loans**

Overnight loans refer to deposits with an agreed maturity of up to one Swedish banking day.

#### **3.6.1 Transaction accounts with credit including revolving credits**

For credit card credit and other transaction accounts with credit and revolving credit, only utilised and not yet repaid credit should be reported, i.e. not the entire credit granted.

Credit card credits include

- Credit cards where interest is charged because the utilised credit has not been paid at the first possible payment date.
- Credit cards where interest is charged as soon as the credit is used.

Other transaction accounts with credit and revolving credit include:

- Debit card claims, i.e. card credit at zero per cent interest (which, after an interest-free period, becomes an overdraft if not paid at the first possible payment date).
- Debit balances on current accounts (i.e. negative balances):
  - Credits that are not pre-authorized, i.e. overdrafts.
  - utilised credits granted in advance (but not linked to a card).
    - Building credits
    - Checking account

### **3.6.2 Repos**

For both repos and reverse repos (repos on the asset side), the book value is recognised of the purchase price paid in genuine repurchase transactions (for the definition of genuine repurchase transactions, see FFFS 2008:25, Chapter 3, Section 8) and repayable cash received as collateral for securities lending. Non-genuine repurchase transactions (the receiving party has the right, but not the obligation, to return the assets at a predetermined price) are also included here if it is obvious that the option to return the assets will be exercised.

### **3.6.3 Current accounts**

Current accounts refer to deposits with no agreed maturity, period of notice or significant restrictions on the terms and conditions of withdrawal, with both:

- deposits that are directly transferable (see definition of transferable deposits above)
- Deposits which are not directly transferable but which can be converted into cash in up to one business day without incurring a significant fee or deterioration in interest rates.

For the definition of significant restriction, charge or deterioration of interest rate conditions, see section 3.5.2

Accounts with a limited number of free withdrawals per year, irrespective of the fee charged for non-free withdrawals, shall be added to deposits with a notice period of up to and including 3 months,

For example, current accounts include salary accounts, savings accounts with free withdrawals and balances of prepaid cards issued by the institution.

Overnight loans or repayable liquid assets pledged as collateral for derivative contracts or securities lending are not counted as current accounts.

## **4 Classification between different balance sheet items**

### **4.1 Format**

When classifying balance sheet items, the directives in RBFS 2021:2 and its references to FFFS 2008:25 apply.

Note that when reporting the MFI form, the provisions on Deviation from the format of the balance sheet according to FFFS (2008:25), Chapter 3, Section 2 and ÅRKL (1995:1559), Chapter 3, Section 1, second paragraph, do not apply.

The criterion for classifying an instrument in the MFI survey is its characteristics. The purpose of the holding, i.e. whether an instrument is held in the short or long term, is not relevant for reporting purposes. For example, a debt security is not to be classified as loans even if the purpose of the holding is to hold the security to maturity.

FFFS 2008:25 (Annex 1, Sections 4 and 5 and Section 6) states that the primary criterion for distinguishing between interest-bearing securities and lending is whether the claim is marketable and/or transferable. Investments corresponding to current debt instruments are normally reported under bonds and debt securities, while simple debt instruments are normally reported under one of the lending items.

## **5 Counterpart allocation**

### **5.1 Definition of households**

The term Household refers to entrepreneurial households and other households. In Sweden, sole proprietorships and partnerships (where the participants are not legal entities) are considered entrepreneurial

households and are also included in Statistics Sweden's business register. However, partnerships, limited partnerships and limited liability companies are included in the financial or non-financial business sector. Other Swedish households are persons who are not entrepreneurial households and who are registered in Sweden. Their personal identity number is not included in the business register.

### **5.2 Residence of households**

In the case of households (natural persons), anyone who is registered in Sweden is considered to be Swedish. For natural persons not registered in Sweden, the domicile is determined by their foreign address.

### **5.3 Residence of companies**

In the case of companies (legal entities), the main rule is that the residence is determined by where the legal entity has unlimited tax liability. However, branches are always considered to be resident in the host country, i.e. in the country where the branch is established. The domicile is not affected by whether the legal entity is fully or partially exempt from tax liability (e.g. state, municipalities and certain foundations). For mutual funds and alternative investment funds, the country of registration of the fund, not the fund manager, determines its residence.

Foreign branches of Swedish companies are to be classified as foreign counterparties.

For country breakdown of international organisations see section 5.9 "International organisations and authorities abroad".

### **5.4 Sectors in Sweden**

To support the sectoral classification of Swedish counterparties, reporting agents can use Statistics Sweden's Counterparty Classification of Customer Registers free of charge. For access to the service, contact Statistics Sweden's Business Register on telephone number 010-479 65 80 or e-mail [scbforetag@scb.se](mailto:scbforetag@scb.se).

The different sectors are described in Statistics Sweden's Standard for institutional sector classification 2014 (MIS 2014:1). The Riksbank provides a list of monetary financial institutions, which can be found on the Riksbank's website [List of Swedish monetary financial institutions | Sveriges Riksbank](#).

It is noteworthy that the Seventh AP Fund belongs to the Financial Service Companies sector [126100] while the other AP Funds belong to the Social Security Funds sector [131400]. The Swedish Pensions Agency is also included in the Social Security Funds sector.

See Appendix 1 for the sectors included in the SCB Business Register.

The form includes the sector "Other financial corporations, non-MFIs" for the Swedish counterparty, which differs from the sector "Other financial corporations". The differences are specified in a note on the relevant specification.

For the classification of CCPs and financial vehicle corporation (FVCs), see Section 5.6 "Central counterparties " and 5.8 "Financial Vehicle Corporation (FVCs)".

### **5.5 Sectors abroad**

Statistics Sweden's Business Register lacks information on foreign counterparties. In case of doubt, SCB staff should be contacted for corroboration. See contact information on the respondent page [www.scb.se/mfi](http://www.scb.se/mfi).

The ECB publishes a list of MFIs in the EU, a link to which can be found on Statistics Sweden's website for reporting agents, [www.scb.se/mfi](http://www.scb.se/mfi), under "See also" - "List of Swedish and foreign financial institutions".

The term "bank" in the rest of the world refers to those types of institutions that are categorised in the EU as monetary financial institutions. In addition to banks, this includes other financial institutions that have lending to the public and deposits or close substitutes for deposits from the public as a significant part of their business.

For the classification of international organisations and authorities in the EU and the rest of the world see section 5.9 "International organisations and authorities abroad".

### **5.6 Central counterparties**

Central counterparties (CCPs) are institutions that act as intermediaries in financial transactions. In Sweden, Nasdaq Clearing Aktiebolag (org. 556383-9058) is considered a CCP and is included in the sector Other financial intermediaries. For EMU countries, CCPs are included in the sector Other financial corporations, not MFIs. For central

counterparties in Sweden and in EMU countries, repos (loans and deposits) must be reported separately.

An updated list of central counterparties in Europe is published by the European Securities and Markets Authority (ESMA). A link to this can be found on Statistics Sweden's website for data providers, [www.scb.se/mfi](http://www.scb.se/mfi), under "See also" - "List of Swedish and foreign financial institutions".

### **5.7 Investment funds**

The sector 'Investment funds, except money market funds' includes non-monetary investment funds and alternative investment funds (AIF).

The sector includes, for example:

- Equity funds
- Fixed income funds (not classified as money market funds)
- Fund of funds
- Exchange-traded funds (ETF)
- Special funds
- Private equity funds and other alternative investment funds except special funds

Regarding the distinction between private equity funds and shares or units in unlisted companies, private equity funds often have a specified investment period after which the holdings are sold and the assets are distributed to the owners, which distinguishes them from unlisted companies.

### **5.8 Financial Vehicle Corporation (FVCs)**

Financial Vehicle Corporation (FVC) refers to a legally independent institution that participates in securitisation by purchasing assets, credit risks or insurance risks and issuing securities or issuing derivatives. See also section Loans purchased in section 8.

FVCs in Sweden have sector code 125100. For information on which institutions are classified as FVCs, please use Statistics Sweden's Counterparty Classification of Customer Register service or the ECB's list of FVCs in EU countries. The link is available via [www.scb.se/mfi](http://www.scb.se/mfi), under "See also" - "List of Swedish and foreign financial institutions".



The ECB also provides a list of FVCs in EU countries. A link to this can be found under the link described above.

### 5.9 International organisations and authorities abroad

International organisations should be classified as Other abroad and not in the country where the organisation is physically located.

Exceptions are:

- European Stability Mechanism (ESM) (Classified as EMU counterpart)
- European Investment Bank (EIB) (Classified as Other EU countries)
- Single Resolution Board (SRB) (Classified as Other EU countries)

Central banks should be classified according to the country to which the authority belongs, with the exception of the ECB, which should be assigned to Germany, and the BIS, which should be assigned to Switzerland (rest of the world).

Below is a selection of international organisations and monetary authorities and how they should be classified in MFIs. A more comprehensive list can be found in Eurostat's "Balance of payments Vademecum". It should be noted that none of the lists are exhaustive.

#### Selection of international organisations and monetary authorities and their classification in MFIs

Name	Abbreviation	Classification in MFIs
European Central Bank	ECB	MFIs, Germany, EMU countries
Bank for International Settlements	BIS	MFI/Bank, Switzerland, Rest of the world
International Monetary Fund	IMF	MFI/Bank, Rest of the world
Arab Monetary Fund	AMF	MFI/Bank, Rest of the world
National Bank of Denmark		MFIs, Denmark, Other EU countries
European Free Trade Association	EFTA	General government, Rest of the world
African Union	AU	General government, Rest of the world
World Health Organisation	WHO	General government, Rest of the world
World Trade Organisation	WTO	General government, Rest of the world
International Committee of the Red Cross	ICRC	General government, Rest of the world
Organisation of the Petroleum Exporting Countries	OPEC	General government, Rest of the world
European Investment Bank	EIB	MFIs, Other EU countries
Single Resolution Board	SRB	Public sector, Other EU countries

Name	Abbreviation	Classification in MFIs
European Stability Mechanism	ESM	Other counterparties, EMU countries
OPEC Fund for International Development	OFID	Other counterparties, Rest of the world
International Finance Corporation	IFC	Other counterparties, Rest of the world
Nordic Investment Bank	NIB	Other counterparties, Rest of the world
Asian Development Bank	ADB	Other counterparties, Rest of the world
European Bank for Reconstruction and Development	EBRD	Other counterparties, Rest of the world

### 5.10 Counterparties for securities

For securities such as eligible treasury bills, bonds and other debt securities and shares and participations, the counterparty refers to the issuer of the security. It is the residence of the issuer and not where the share or debt security is traded that determines the country allocation.

The counterparty allocation is not affected by the existence of a guarantor behind the issued securities. For the counterparty allocation of derivatives, see "Derivatives" in section Spec\_T7 in Chapter 8.

**Example 1:** The institution buys bonds issued by a Swedish housing credit institution. The bond is denominated in USD. The holding should be reported on tab Spec\_T5 under counterparties in Sweden, monetary financial institutions.

**Example 2:** A Swedish non-financial corporation has shares listed on Nasdaq OMX Stockholm that the institution buys via a bank. The holding should be reported on tab Spec\_T6 under shares listed on a market place, counterparties in Sweden, non-financial corporate sector.

**Example 3:** A Swedish mutual fund corporation has a subsidiary in Luxembourg that manages several Luxembourg-based funds, the institution holds shares in two of these funds (a bond fund and an equity fund). The holding is to be reported on tab Spec\_T6 under Shares in investment funds, counterparties in EMU countries, Non-MMF investment funds.

**Example 4:** The institution purchases shares (Swedish depository receipts, SDB) in a Finnish non-financial corporation listed on Nasdaq OMX Stockholm. The holding is reported on tab Spec\_T6 under shares

listed on a market place, counterparties in EMU countries, non-financial corporate sector.

## **6 Calculation of revaluations**

Volume changes during the current survey period that are not due to transactions, reclassifications or exchange rate changes are reported as 'revaluations'. However, for the item Shares and participations, exchange rate changes should be included in revaluations.

Thus, revaluations are a measure of changes in value, such as the increase or decrease in the value of shares due to price movements, changes in the market value of bonds and write-downs on loans.

### **6.1 Revaluations of loans/actual loan losses**

Depreciations and write-off losses on loans, i.e. actual loan losses, are to be reported as revaluations. Revaluations of loans are reported with negative figures as depreciations and write-off losses reduce the loan stock. A recovered loan loss is to be reported as money coming in. This does not affect lending but only the income statement and shall therefore not be reported as a revaluation.

### **6.2 Revaluations of securities, other than derivatives, measured at market value**

Two methods can be used for the revaluation of bonds and other debt securities and of shares and participations. One method is based on transactions and revaluations are calculated from these. The other method is instead based on acquisition value. It is up to the institution which method is used, but the choice should be consistent over time and for different instruments. It should be noted that even if both methods are used to calculate revaluations, they do not necessarily produce identical results.

#### **6.2.1 Method 1 - Starting from transactions**

With this method, revaluations are calculated as:

Revaluation = Closing balance - Opening balance - Transactions -  
Reclassifications

CB (closing balance) refers to the position value at the end of the period and OB (opening balance) to the position value at the end of the previous period.

Transactions refer to changes in assets and liabilities that are not due to revaluations (changes in value) or reclassifications. Transactions arise when assets or liabilities are created, settled, exchanged or transferred. The transaction value shall not include charges, fees, commissions, brokerage fees and costs for similar services.

When calculating transactions, an increase in asset/liability is a transaction with a positive amount and a decrease in asset/liability is a transaction with a negative amount.

Examples of what constitutes transactions for bonds and other debt securities and for shares and participations:

- Purchase or sale of shares, fund units, certificates and bonds.
- Securities that matured during the quarter.
- Dividends on shares and units. If the distribution is in the form of shares or reinvested fund units, it is a positive transaction in shares and units. In the case of cash dividends, there is no transaction in shares and units.

When securitising loans, revaluations must be adjusted so that the sale of loans is not counted as a revaluation.

For bonds and other debt securities, revaluations shall exclude the effects of exchange rate changes.

For shares and participations, revaluations shall include the effects of exchange rate changes. Transactions in foreign currency are translated into SEK at the closing rate of the business day.

Below are some numerical examples of how revaluations are calculated from transactions. In order to keep the examples transparent, small amounts have been used (however, amounts below SEK 500 are reported in the MFI form as zero).

**Example 1: Revaluation of market valued shares and units in SEK**

Event	Amount
OB	100
Shares are purchased for 300	+300 (Transaction)
Shares are sold for 120	-120 (Transaction)
CB	400

In example 1, the revaluation to be reported is SEK 120.

**Example 2: Revaluation of marked-to-market bonds and other debt securities in USD**

Event	Amount
OB	\$ 100
Securities are purchased for \$30	\$ +30 (Transaction)
CB	\$ 140
Revaluation in USD=CB-OB Transactions	140 - 100 - 30 = 10
Closing rate SEK/USD	7,0
Revaluation in SEK	10 x 7 = 70

Revaluations of marketable securities (other than shares and participations) denominated in foreign currency must be calculated **excluding the** effects of exchange rate changes. The revaluations are therefore first calculated in foreign currency and then translated into SEK at the final exchange rate for the period.

In example 2, the revaluation to be reported is SEK 70.

**Example 3: Revaluation of market valued shares and units in USD**

Event	USD	SEK/USD	SEK
OB	\$ 100	6,0	600
Shares are purchased for \$30	\$ 30	7,0	210
CB	\$ 140	7,5	1 050
Revaluation in SEK = CB - OB - Transactions			=1 050-600-210=240

For shares and participations, revaluations should be inclusive of exchange rate effects, so conversion to SEK is done before the revaluation is calculated.

In example 3, the revaluation to be reported is SEK 240.

**Example 4: Revaluation of a market valued share in SEK that is delisted during the period (reclassification).**

Event	Row 1061 Shares admitted to trading	Line 1062 Shares not admitted to trading
OB	100	0
Shares are purchased for 200	+20 (transaction)	
The share is delisted	-320 (Reclassification)	+320 (Reclassification)
CB	0	+320
Transactions	+200	0
Reclassifications	-320	+320
Revaluation = CB - OB - Transactions - Reclassifications =	0-100-200-(-320)=20	320-0-0-320=0

On shares admitted to trading, the opening value was 100 and during the period shares were purchased for SEK 200, but when the share was delisted and reclassified as shares not admitted to trading, the value was 320. From the beginning of the period to the delisting, there has thus been an increase in value of SEK 20, which is the revaluation of shares admitted to trading.

Since the share was valued at SEK 320 both when it was delisted and at the end of the period, the revaluation of shares not admitted to trading is SEK zero.

### 6.2.2 Method 2 - Starting from acquisition value

Instead of relying on transactions, acquisition value is used here to calculate revaluations.

For a portfolio, revaluations are calculated as the change in 'the difference between market value and acquisition value' between the time of reporting and the previous time of reporting. 'Acquisition value' refers to:

- amortised cost of securities other than shares and participation rights
- original acquisition value of shares and participation rights

The formula for calculating the revaluation for the period can therefore be written as:

$$\text{Revaluation} = (MV_{CB} - AV_{CB}) - (MV_{OB} - AV_{OB})$$

$MV_{CB}$	Market value at end of period
$AV_{CB}$	Acquisition value at end of period
$MV_{OB}$	Market value at end of previous period
$AV_{OB}$	Acquisition value at the end of the previous period

For bonds and other debt securities, revaluations shall exclude the effects of exchange rate changes.

For shares and participation rights, revaluations should include the effects of exchange rate changes.

### Marketable securities (incl. shares and participations) in SEK

#### Example 1: Revaluation of a market valued security in SEK

	OB	CB
Acquisition value	90	90
Market value	85	100
Market value - Acquisition cost	-5	10
Revaluation	10-(-5)=15	

Using the notations in the formula from the previous page,  $MV_{CB} = 100$ ,

$AV_{CB} = 90$ ,  $MV_{OB} = 85$  and  $AV_{OB} = 90$ .

The revaluation is then calculated as

$$(MV_{CB} - AV_{CB}) - (MV_{OB} - AV_{OB}) = (100-90)-(85-90)=10-(-5)=15.$$

In example 1, the revaluation to be reported is SEK 15.

### Marketable securities (excluding shares and participation rights) denominated in foreign currency

Revaluations of marketable securities (excluding shares and participation rights) denominated in foreign currency must be calculated excluding the effects of exchange rate changes. The revaluations are therefore first calculated in foreign currency and then translated into SEK at the final exchange rate for the period.

#### Example 2: Revaluation of a market valued security in Euro

	OB	CB
Acquisition cost, Euro	€ 90	€ 90
Market value, Euro	€ 85	€ 100
Market value - Acquisition cost	€ -5	€ 10
Revaluation in Euro	10-(-5)=15	
Closing rate SEK/EUR	9,0	
Revaluation in SEK	15 x 9 = 135	

Using the symbols in the formula from the previous page,  $MV_{CB} = € 100$ ,

$AV_{CB} = € 90$ ,  $MV_{OB} = € 85$  and  $AV_{OB} = € 90$ .

The revaluation in Euro can then be calculated as

$(MV_{CB} - AV_{CB}) - (MV_{OB} - AV_{OB}) = (100-90)-(85-90)=10-(-5)=€ 15$  which is then converted to SEK at the end of the period, which in the example is 9 SEK/EUR.

In example 2, the revaluation to be reported is SEK 135.

### Market valued shares and participations in foreign currency

For market valued shares and participation rights in foreign currency, revaluations should include all changes in value, including the effects of exchange rate changes.

The adjustments for revaluation of shares and participations in foreign currency are thus calculated using the same method as for shares and participation rights in SEK.

#### Example 3: Revaluation of market valued shares and units in Euro

	OB	CB
Exchange rate SEK/EUR	8,5	9,0
Acquisition cost, Euro	€ 90	€ 90
Acquisition value, SEK	765	810
Market value, Euro	€ 85	€ 100
Market value, SEK	723	900
Market value SEK- Acquisition value SEK	-42	90
Revaluation in SEK	90-(-42)=132	

In example 3, the revaluation to be reported is SEK 132.

### 6.3 Revaluations of securities, other than derivatives, measured according to the lowest value principle (LVP)

According to RBFS 2021:2, transferable securities should as a rule be valued at fair value, so the following only concerns the exceptional cases where securities are valued according to the lowest value principle (LVP).

If revaluations are calculated on a historical cost basis for items where the LVP is applied, the same method is used as for marketable securities, with the difference that the formula for calculating the revaluation for the period is as follows:

$$\text{Revaluation} = (\text{LVP}_{\text{CB}} - \text{AV}_{\text{CB}}) - (\text{LVP}_{\text{OB}} - \text{AV}_{\text{OB}})$$

where

$\text{LVP}_{\text{CB}}$  LVP value at end of period  
 $\text{AV}_{\text{CB}}$  Acquisition value at end of period  
 $\text{LVP}_{\text{OB}}$  LVP value at the end of the previous period  
 $\text{AV}_{\text{OB}}$  Acquisition cost at the end of the previous period  
 'Acquisition value' refers to the original acquisition value of shares and participation rights and the amortised cost of other securities

#### Example 1: Revaluation of an LVP valued security in SEK

	OB	CB
Acquisition value	90	90
Market value	85	100
Value according to LVP	85	90
Value according to LVP - Acquisition value	-5	0
Revaluation	0-(-5)=5	

In example 1, the market value at the beginning of the period of 85 is lower than the acquisition value of 90. The value according to LVP is therefore 85. At the end of the period, the market value is instead 100, so the value according to the LVP is the same as the acquisition value, i.e. 90.

In example 1, the revaluation to be recognised is SEK 5.

If revaluations are calculated on the basis of transactions, the same guidelines apply as for marketable securities, with the difference that both stocks and transactions, where the acquisition cost differs from the market value at the time of the transaction, are valued according to the LVP.

Foreign currency denominated securities are subject to the same guidelines for the management of exchange rate effects as marketable securities.



## **6.4 Securities valued at acquisition value**

Securities valued at acquisition value are normally not revalued except in the case of write-ups and write-downs.

## **6.5 Revaluations of derivatives**

For derivatives, revaluations are calculated as the change in stock less transactions during the period:

$$\text{Revaluation} = \text{CB} - \text{OB} - \text{Transactions}$$

Revaluations are calculated for derivatives recognised under other assets separately and for derivatives recognised under other liabilities separately.

For other assets and liabilities (derivatives), revaluations should include the effects of exchange rate changes.

### **6.5.1 What counts as transactions in derivatives**

Financial derivatives refer to the value of the derivative contract itself and not the value of the underlying asset.

Transactions in derivatives included in the balance sheet on the reporting date should be reported on the asset side if the market value is positive on the reporting date and on the liability side if the market value is negative on the reporting date. A derivative with a zero market value is counted on the asset side.

Transactions in derivatives that are not on the balance sheet on the reporting date should be reported on the side where they were on the last trade date. Transaction date means the date on which the transaction affects the stock recorded on the balance sheet.

In order to correctly calculate revaluations arising from derivative contracts in the balance sheet, the transactions must be entered with the correct signs. Below is a list of what should be counted as transactions and the characterisation of the transactions. Annex 4 contains several examples of revaluations in different types of derivatives and calculation examples.

### **Payments made and received at the end of the contract**

When the contract is terminated or exercised, the payment received or made results in a transaction. A payment received for derivatives with positive market values results in a corresponding negative transaction on the asset side, while a payment made for derivatives with negative market values results in a corresponding negative transaction on the liability side.

The negative nature of the transactions in both cases is due to the categorisation of derivatives as assets or liabilities depending on their positive or negative market value.

#### **Premium and interest payments**

Premium payments are counted as transactions. The payment of an option premium results in a positive transaction on the asset side while the receipt of an option premium results in a positive transaction on the liability side.

For derivatives with a positive market value at the reporting date, a positive net interest income during the period (i.e. interest received exceeds interest paid) is recognised as a negative transaction on the asset side, while a negative net interest income during the period (i.e. interest paid exceeds interest received) is recognised as a positive transaction on the asset side.

For derivatives with a negative market value at the reporting date, a positive net interest income during the period (i.e. received interest exceeds interest paid) is recognised as a positive transaction on the liabilities side, while a negative net interest income during the period (i.e. interest paid exceeds received interest) is recognised as a negative transaction on the liabilities side.

#### **Trading on the secondary market**

In secondary market trading, buying is a positive transaction and selling is a negative transaction for both asset and liability derivatives.

#### **6.5.2 MFIs compared to the Balance of Payments FD31**

The reporting of revaluations of derivatives in the MFI form is very similar to the reporting in the Balance of Payments form FD31, but for derivatives with a negative market value there is an important difference.

In the FD31, transactions and changes in value (revaluations) are measured as changes in the market value of the derivative, while the MFI form breaks down changes in value on the asset and liability side.

The difference is that a value change that increases the liability side (derivatives with a negative market value) in FD31 is indicated with a negative sign because the market value falls, while in the MFI report there is a positive increase in revaluations on the liability side, and possibly a negative revaluation on the asset side in cases where the derivative changes sides. Similarly, a change in value that reduces the liability side in FD31 is a positive change in value (the market value is negative but increases) while in the MFI there is a negative revaluation as the liability decreases.

For asset-side derivatives, a change in value that increases the market value becomes a positive revaluation in both the FD31 and the MFI. Similarly, a decrease in the market value of asset-side derivatives is a negative revaluation in both FD31 and MFIs.

The examples on the revaluation of derivatives in Annex 4 are adapted from the FD31 examples but with a breakdown of transactions and revaluations into assets and liabilities according to the MFI reporting scheme.

### **6.5.3 Exchange rate**

Transactions in foreign currencies are valued at the exchange rate at the time of the transaction. Stocks at the beginning and end of the period are valued at the exchange rate at that time.

### **6.5.4 Counterparty allocation of revaluation of derivatives**

Counterparty means the counterparty of *the derivative contract*, not the trading counterparty (buyer/seller) or the issuer of the underlying instrument.

When buying and selling derivative contracts in the secondary market, the transaction shall be recognised in the revaluation calculation for the counterparty that is the contractual counterparty after the transaction, not the counterparty from which the contract was purchased.

#### **Example:**

If the reporting agent purchases a call option on shares in an industrial company, issued by an investment firm, from a bank, the transaction must be included in the calculation of revaluations of derivatives with investment firm counterparties.

## **7 Reporting of MFI foreign branch operations and balances**

For Swedish MFIs with branches abroad, two MFI reports must be prepared, a parent report and a branch report. Note that in the branch report, the sections on balances are not to be filled in (MH tabs).

The branch report and balances in the parent report enable Statistics Sweden to distinguish in certain statistics between MFI activities in Sweden (head office) and MFI activities abroad.

Head office refers to the Swedish part of the operations of a Swedish legal entity and the operations conducted in Sweden via a branch of a foreign legal entity. MFI branches refer to a Swedish legal entity's branches located abroad.

### **Parent report**

The parent report recognises:

- Receivables and liabilities of the head office
- MFI branches abroad claims and liabilities
- The head office's dealings with MFI branches abroad

Balances between branches are not included.

Head office balances with foreign MFI branches should only be reported on the tabs MH\_Assets, MH\_Liabilities, MH\_Currency, MH\_Country and Revaluations\_MH. Please note that head office balances with branches should not be included in any other items in the report.

### **Branch report**

MFI branches' data should be reported in a separate joint report. Note that transactions with each other or with the head office should not be included in the report. Therefore, nothing should be reported on the MH tabs and they should be left blank in the branch report.

The difference between the assets and liabilities arising for the branches due to dealings with the head office is known in the MFI as the branch difference. It is recognised on a net basis on the specific balance sheet tab, under Assets or Liabilities.

For the handling of long and short positions see section 3.4.1.

### **Example of branch difference in case of balances**

Of the parent company's total assets, the branches account for

- SEK 200 million on the asset side
- 100 million on the debt side.

The head office has balances with the branches of

- 150 million in assets (e.g. loans to branches).
- 50 million in liabilities (e.g. deposits and borrowings from branches).

The branches' branch difference is therefore 100 million on the liabilities side.

See illustration below.

Parent Balance sheet		Parent MH Sheet		Branches Balance Sheet	
A	L	A	L	A	L
					100
200	100	150	50	200	Balancing residual item from branches 100
1000	1000	150	50	200	200

### Issued securities

Line 105042 "Bonds and other debt securities". in the tab MH\_Assets refers to head office holdings of securities issued by branches.

Row 203042 'Securities issued' in the tab MH\_Liabilities refers to the branch's holdings of securities issued by the head office.

## 8 Specifications of the MFI form

This section describes the tabs of the MFI form. Institutions that also report to VINN answer "Yes" to the question "VINN-reporter?" in the *Start* tab and do not need to fill in grey cells in the MFI form.

### Special\_balance sheet

The Special\_balance sheet tab is a summary of the balance sheet and is divided into two tables: Assets and Liabilities. Here, each sub-item is reported separately and totalled to the balance sheet total.

The sub-items in the Special\_balance sheet tab are reported in more detail in separate tabs. The tabs from Spec\_T1 to Spec\_T8 report assets while the tabs from Spec\_S1 to Spec\_S5. In addition, there are separate tabs recognising off-balance sheet items such as loans bought and sold, revaluations and positions.

In the MFI template, all loans are recognised before provisions for expected credit losses and provisions for transfer risks. Operational leasing and interest bearing securities are also recognised before reservations. To harmonise the balance sheet, provisions for lending are reported separately on lines 1041 and 1042. Reservation for operational leasing etc. and interest-bearing securities are reported on

lines 1043 and 1044. Provisions are reported with a positive sign. In the controls of the form, the provisions are subtracted so that total assets are calculated after deduction of provisions.

Only institutions classified as MMFs report data on line 215.

Line 2121, Fair value fund, is defined according to Chapter 14, Section 4 of the Swedish Annual Accounts Act. 4 of the Swedish Annual Accounts Act (1995:1554). Line 2122 Other equity includes equity that does not fit in any other place. For row 214 Accumulated profit/loss, the statistical report includes calculated accrued profit/loss from the beginning of the calendar year.

For branches, there may be a difference between total assets and total liabilities due to dealings with the head office. This difference is referred to in the MFI form as the branch difference and is reported net by the branch in line 1001 or line 2001. For more information on foreign branch operations and balances, see section 7.

### **Spec\_T1**

Tab Spec\_T1 reports cash and balances with central banks broken down by type of asset and counterparty. Cash refers to both physical banknotes and coins and electronic money issued by central banks (so-called central bank digital currencies, CBDC). Note that there is currently no electronic central bank money issued.

### **Spec\_T2**

In tab Spec\_T2, treasury bills etc. eligible for refinancing are reported by counterparty sector and maturity. Institutions that are VINN reporters do not need to report the breakdowns in this tab.

The maturity of treasury bills eligible for refinancing refers to the original maturity of the issuance programme, i.e. the time from when the paper was first issued on the market to maturity. In this context, maturity refers to the time from issue to maturity (i.e. not the interest rate fixation period).

The Riksbank certificates are included in row 1020111.

For central banks etc. in countries other than Sweden (rows 1020211, 1020511, 1020311), securities of other MFIs/banks should be included if eligibility is determined by national legislation.

### **Spec\_T3\_Sector**

The Spec\_T3\_Sector tab reports lending by counterparty sector.

### **Loans to MFIs within the group**

In the table 'Lending to intra-group MFIs', lending to intra-group MFIs should be separately identified. Lending to non-MFI group companies,

such as non-financial corporations or insurance companies, should not be included here.

Please note that balances between the head office and the branch should not be reported here but on the balances tab (parent report) and the branch difference (branch report).

MFIs in the rest of the world refer to banks and other financial institutions that have loans to the public and deposits or close substitutes for deposits from the public as a significant part of their business.

**Example:**

A Swedish MFI lends SEK 100 million through its branch in Finland to a subsidiary in Norway. The branch and the subsidiary are both classified as MFIs. SEK 100 million must be reported to the MFI/bank within the group in the rest of the world. Reporting must be done in both the parent company's and the branch's MFI form. At the same time, the loan is also included in other (relevant) loan specifications.

**Spec\_T3\_Counterparties\_Maturity**

In tab Spec\_T3\_Counterparties\_Maturity, loans are reported by counterparty sector and original interest-rate fixation period. The loan must always be classified according to the current fixed interest period, no consideration is given to any previous fixed interest periods. For more information on interest rate fixation period, see section 3.5 "Maturity breakdown".

**Central counterparties. Repos**

In the table "Central counterparty. Repos", repos where the counterparty sector is considered a central counterparty are to be reported. Central counterparties are defined as institutions that act as intermediaries in financial transactions.

For more information on Central Counterparties see section 5.6 "Central counterparties".

**Spec\_T3\_Maturity specification**

In tab Spec\_T3\_Maturity\_specification, loans are reported by counterparty sector and original and remaining fixed interest period.

The initial period of fixation of interest on a loan remains unchanged until the loan is re-fixed or repaid. The remaining fixed-rate period of a loan decreases gradually until the loan is refinanced or repaid. See example below.

**Example:**

A loan of SEK 1 million to a non-financial corporation has an initial fixed interest period of 2 years. On Spec\_T3\_Counterparties\_Maturity,

the loan will be on Fixed interest period over 1 year up to 5 years. The initial period of fixation is unchanged until the loan is re-fixed or repaid. On the other hand, the remaining fixed interest period decreases gradually until the loan is to be re-bonded or redeemed. In Spec\_T3\_Maturity\_specification, it must be specified that the loan has an original fixed interest period over 1 year and up to 2 years. The first year the loan is reported, the remaining fixed interest period will be over 1 year. When one year has passed and there is less than one year left of the fixed interest period, the remaining fixed interest period should instead be reported as remaining fixed interest period up to 1 year.

### Example of initial and remaining fixed interest period

Interest-rate fixation period, year 1			Interest-rate fixation period, year 2		
	Item	SEK thousand Swedish kronor		Item	SEK thousand Swedish kronor
Counterparties in Sweden			Counterparties in Sweden		
Non-financial corporate sector			Non-financial corporate sector		
Original interest-rate fixation period up to 1 year	1030H	1000	Original interest-rate fixation period up to 1 year	1030H	1000
Original interest-rate fixation period over 1 year and up to 2 years	1030HA	1000	Original interest-rate fixation period over 1 year and up to 2 years	1030HA	
Residual up to 1 year	T		Residual up to 1 year	T	1000
Residual over 1 year	W	1000	Residual over 1 year	W	1000

### Spec\_T3\_Collateral

In tab Spec\_T3\_Collateral, lending is reported by counterparty sector and by the collateral of the loan. The amounts reported relate to the lending, not the value of the collateral.

All Swedish real estate has a type code set by the Swedish Tax Agency, which is referred to in the definitions of real estate collateral. Since condominiums are not real estate, loans with condominiums as collateral should be recognised as condominium collateral and not based on the type of real estate in which the condominium is located.

#### Example:

A household takes out a loan of SEK 3 million to buy a tenant-owned apartment in an apartment block with the apartment as collateral. At the same time, the housing association takes out a loan of SEK 5 million with the apartment building in which the tenant-owned apartments are located as collateral. This is reported as SEK 3 million for households with tenant-owned apartments as collateral and SEK 5 million for non-financial corporations with apartment buildings as collateral.

#### Definition of collateral:

##### Financial instruments

Collateral such as shares, mutual funds, bonds or insurance policies. Can be, for example, when securities deposits are mortgaged.



### **One-to-two family dwellings**

One-to-two family dwellings refer to dwellings inhabited by one or two families. Examples of one-to-two family dwellings are villas, terraced houses and holiday homes. Some multi-family houses located on farms are also counted as small houses. See the Real Estate Tax Assessment Act (1979:1152).

*Tax authority type code: Property type 2 - one-or two-dwelling buildings.*

### **Condominiums**

Condominiums (ägarlägenheter) are a special type of property where the holder owns a single apartment in an apartment building, as opposed to tenant-owned apartments where the holder is a member of an economic association (bostadsrättsförening) which in turn owns the property.

*Tax authority type code: Property type 5 - Owner-occupied units.*

### **Tenant-owner apartments**

Refers to a residential apartment in a property, usually an apartment building or single-family house, owned by an association (tenant-owner association) of which the tenant is a member. See Housing Act (1991:614).

### **Multi-dwelling buildings**

An apartment block is a building with at least three residential apartments.

*Swedish Tax Agency type codes: 320 Apartment buildings, primarily residential apartments and 321 Apartment buildings, residential apartments and business premises.*

### **Agricultural buildings**

The term 'agricultural buildings' refers to the definition of agricultural unit in the Real Estate Tax Assessment Act (1979:1152). Agricultural buildings include buildings for agriculture and forestry, such as animal stalls, barns or machine halls as well as arable land, grazing land, forest and unstocked forest (forest with low timber production). One-to-two family dwellings and empty fields in the agricultural unit are included.

Swedish Tax Agency type code: Property type 1 – Unit for agriculture and forestry.

### **Other properties**

This refers to properties not elsewhere classified, such as office buildings, multi-story car parks and industrial buildings.

Swedish Tax Agency type codes: Apartment buildings 300-313, 322-399, Property type 4 – Industries, Property type 6 – Quarries, Property

type 7 – Electricity production units and Property type 8 – Special units.

#### **Floating charges**

Collateral in the form of a floating charge certificate. The Swedish Companies Registration Office is the Swedish authority that attends to floating charge certificates.

#### **Central government guarantees**

Central government guarantees include guarantees made by the National Board of Housing, Building and Planning, government export guarantee loans issued by the Swedish Export Credit Agency, suretyships made by Country Administrative Boards and guarantees made by the Swedish National Debt Office.

#### **Local government guarantees**

This refers to loans where one or several municipalities have agreed to a suretyship.

#### **Motor vehicle**

The definition of motor vehicle according to the law (2001:559) on road traffic definitions.

A motor vehicle intended to be used principally on the road, whether or not it is complete, and which is installed

1. principally for independent use in the carriage of passengers or goods; or
2. for any purpose other than those referred to in paragraph 1, if the vehicle is not considered to be a tractor or motorised implement.

Motor vehicles are divided into cars, motorcycles and mopeds.

#### **Other guarantees**

Other guarantees refers to credit guarantees agreed with physical persons or legal entities other than the central government and municipalities. Loans guaranteed by family members to the borrower are included here.

#### **Other collateral**

Refers to secured loans that cannot be classified under any other category. According to the definition, agricultural machinery, construction equipment, tractors or off-road motor vehicles are not included in "motor vehicles", but are reported under "other collateral". In previous versions, motor vehicles were included under "other collateral" but are now a separate breakdown.

### **Unsecured credits**

Unsecured credits or unsecured loans are loans granted without security or collateral. This also includes extended credit card credits and convenience credit card credits if there is no specific collateral.

### **Loans with double collateral**

For loans with dual collateral, the entire loan should be recognised under the type of collateral that covers the largest share of the loan. If a loan is double-collateralised and the collateral covers exactly the same proportion of the loan, the entire loan should be allocated to the type of collateral (of those relevant to the loan) listed first in the list below:

1. One-to-two family dwellings
2. Condominiums
3. Multi-dwelling building
4. Agricultural property
5. Other properties
6. Tenant-owner apartments
7. Central government guarantees
8. Local government guarantees
9. Financial instruments
10. Floating charges
11. Motor vehicle
12. Other security
13. Other guarantees
14. Unsecured credits

Example:

A loan of SEK 1 million is covered 50% by collateral in agricultural property and 50% by a municipal guarantee. SEK 1 million is then reported as agricultural property and nothing is reported as local government guarantee.

### **Spec\_T3\_Collateral\_Maturity**

In tab Spec\_T3\_Collateral\_Maturity, loans are reported by counterparty sector, loan collateral and original fixed interest period.

Overnight loans and repurchase agreements are classified as Other collateral, fixed rate period up to 1 year.

Please note that Non-profit organisations of households are not included in Other households. Non-profit organisations of households should not be reported on this tab.

### **Spec\_T3\_Credit card credit**

Tab Spec\_T3\_Card credit reports data on credit and debit card receivables by counterparty sector, as well as the total number of issued debit and/or credit cards in the credit card business.

Counterparties in Sweden and the EMU are reported broken down by the sectors households etc., non-financial corporations and other counterparties. No sector breakdown is reported for Other EU countries and Rest of the world. Other counterparties here include monetary financial institutions, non-monetary financial corporations and general government. Note that the counterparty is the party responsible for payment to the creditor.

#### **Payment card receivables**

Refers to card credit where no interest is charged from the time the card is used until the next invoice is settled.

#### **Credit card credits**

Refers to card credit that is not settled on the next billing date after the card has been used and where interest is usually charged on the credit (taking into account any interest-free period). Usually at least part of the credit debt is paid at each billing date.

Thus, the outstanding debt on a single card can simultaneously consist of both a debit card receivable and a credit card credit.

If the cardholder has the possibility to use the credit granted by means other than cards, the outstanding debt on the credit used by debit and/or credit cards should be reported as debit/ credit card debt. If repayment of card credit for a credit that can be utilised both by card and by other means can be distinguished, e.g. through separate invoices, this should be done. If it is not possible to separate the repayments, the repayments should be allocated according to the size of the outstanding payment card receivable/account card credit in relation to the other credits that cannot be separated from card credits. For more on prepaid cards see section 8, Spec\_S1\_Sector, " Electronic money".

Below are some examples of how to report different types of cards.

#### **Example 1:**

A private individual has a debit and credit card for which she is responsible for payment. The card has up to 55 days of interest-free credit. During January, the card is charged with purchases totalling SEK 5 000.

The January invoice is due at the end of February. The person then chooses to pay the entire outstanding debt of SEK 5,000. For the end of January, SEK 5,000 should be reported as a payment card receivable

with counterparty "Households etc." while the outstanding debt at the end of February is zero.

**Example 2:**

A person in a company has a debit and credit card through her employer, but she herself is responsible for payment. The card has up to 55 days of interest-free credit. During January, the card is charged with purchases totalling SEK 10 000.

The January invoice is due at the end of February. The person then chooses to pay only SEK 6 000 and postpone the remaining payment of SEK 4 000 until later (debit the credit). The person must pay the agreed interest on the remaining SEK 4,000.

For the end of January, SEK 10,000 should be reported as a payment card receivable with counterparty "Households, etc". in the MFI form. At the end of February, the debt is not fully paid and SEK 4,000 plus capitalised interest is reported as credit card debt with counterparty "Households etc." Accrued interest on overdrafts, like other loans, should be reported under Deferred costs and accrued incomes in tab Spec\_T8.

**Example 3:**

A private individual has a debit/bank card (a card where amounts are in principle deducted directly from an account) that is combined with a credit card. The person can decide whether amounts are to be deducted directly from the account in connection with card purchases or whether they want to charge a (granted) credit. The credit has no interest-free period and interest is charged from the first day. The person can choose to pay the entire debt at any time, but must pay a certain part of the debt each period. In this case, the outstanding credit card debt at the time of reporting should be reported as credit card debt.

**Example 4:**

A private individual has a loyalty/petrol card which allows her to purchase certain goods and/or services on credit without interest (tyres, spare parts, car servicing, etc.). However, for it to be interest-free, she undertakes to pay the full amount over a certain number of instalments.

The person purchases goods for SEK 10,000 on the card and agrees to pay the full amount (interest-free) over four instalments (SEK 2,500 per instalment). The entire outstanding card debt (SEK 10,000) should be reported as a payment card receivable until the first instalment is made. For subsequent reports that occur after the first payment date, the outstanding credit card debt should be reported under credit card debt.

**Example 5:**

A private individual has an approved credit of SEK 50,000 with a 30-day interest-free period that can be utilised both through a debit/credit card and through lending in the form of cash. During the month, the person utilises SEK 20,000 of the credit granted through the card and a further SEK 10,000 through a transfer to an account. None of the credit is repaid on the last day of the month.

The lending reported is a total of SEK 30,000, of which SEK 20,000 is to be reported on Spec\_T3\_Credit card credit as payment card receivables. On Spec\_T3\_Type\_of\_credit, the granted credit of 50,000 is reported under granted amount and the lending of SEK 30,000 under disposed/outstanding amount on row other credits. 30,000 is also reported on other lending specifications.

If SEK 12,000 of the card credit is repaid by the next reporting date, SEK 8,000 of lending remains to be reported on Spec\_T3\_Card Credit as a payment card receivable. SEK 18,000 remains on the disposed/outstanding amount on Spec\_T3\_Type\_of\_credit and SEK 50,000 on the granted amount.

If it is not possible to distinguish whether the repayment relates to the card credit or the cash loan, a proportional allocation is made. In this case, the card credit accounts for  $\frac{2}{3}$  of the credits where the repayment cannot be distinguished. SEK 12,000 ( $20,000 - \frac{2}{3} * 12,000$ ) is therefore reported on Spec\_T3\_Card credit as debit card receivable and SEK 18,000 as disposed/outstanding on Spec\_T3\_Type\_of\_credit. As before, the authorised amount is SEK 50,000.

**Credit card movement, number of cards (each)**

The table "Credit card movement, number of cards" shows the total number of debit and/or credit cards issued in the credit card business. Cards that have been issued but not yet used should be reported, but not cards issued to replace expiring cards (i.e. there may be two cards in a short period).

Debit/bank cards (cards where amounts are deducted in principle directly from the deposit account) that do not have credit linked to the card should not be included. On the other hand, cards with an attached credit facility (either granted through an application or automatically when the card is issued) should be included. It is not relevant whether the card credit is utilised by the cardholder or not; it is the function that matters.

Other types of cards such as loyalty cards like retail cards, petrol cards, etc. should also be included if there is a credit attached to the card. It is irrelevant whether the card can be used as a general purpose card (i.e. connected to a global payment system such as MasterCard, VISA, etc.)

or whether the card can only be used at a limited number of points of sale and payment.

### **Spec\_T3\_Type\_of\_credit**

The tab Spec\_T3\_Type\_of\_credit provides information on the type of credit, credit lines and trade financing of off-balance sheet items.

#### **Type of credit**

The table shows the credit type of the loan.

#### **Definition of credit types:**

##### **Factoring credits**

Factoring credit (invoice lending) means that a borrower finances itself by lending its accounts receivable to a finance company where the accounts receivable serve as collateral. Purchased invoice receivables are also recognised here.

The creditor should be reported as the counterparty in cases where the credit risk remains with the creditor. If the credit risk has been taken over by the creditor, the party responsible for payment of the invoice should be reported as the counterparty.

##### **Hire purchase credits**

A hire purchase credit is a type of loan used, for example, for the purchase of machinery and vehicles. The goods are owned by the borrower and serve as collateral for the loan. A hire purchase credit is not to be confused with an instalment credit card or other loans where the object purchased is not the security for the loan. Instalment claims purchased by institutions should be reported as contract credits.

##### **Contractual credit**

Contractual credit (contractual borrowing) refers to lending where the borrower borrows against their hire purchase, consumer credit or rental contracts.

##### **Promissory note**

A promissory note refers to a written promise or commitment by a borrower. A promissory note usually contains information on the terms and conditions of the loan (i.e. loan amount, interest rate, collateral, fixed interest period and interest payment dates).

##### **Other credits**

Credits that do not fit into any of the other types of credit. These include, for example, debit and credit card receivables, overdrafts, building credits and financial leasing.

**Off-balance sheet Stocks/Items****Outstanding, Undrawn credit facilities (credit lines)**

The table shows unutilised credit facilities, known as credit lines, broken down by counterparty sector.

Undrawn credit facilities refer to commitments to extend credit, to purchase securities or to issue guarantees or acceptances in accordance with Directive 2013/36/EU and Council Regulation (EU) No 575/2013 on medium, medium-low and low risk off-balance sheet items.

The statistics on undrawn credit facilities also include loan commitments to households for residential mortgages, regardless of the risk classification for capital adequacy purposes.

**Medium risk**

Undrawn credit facilities (commitments to extend credit, to purchase securities or to issue guarantees or acceptances) with an original maturity of more than one year.

**Medium-low risk**

Undrawn credit facilities, which include commitments to extend credit, to purchase securities or to issue guarantees or acceptances, with an original maturity of up to one year. The commitment cannot be unconditionally withdrawn at any time without prior notice, nor is it subject to effective automatic withdrawal provisions if the borrower's creditworthiness deteriorates.

**Low risk**

Undrawn credit facilities, which include commitments to extend credit, to purchase securities or to issue guarantees or acceptances, which may be withdrawn at any time without prior notice or which are subject to effective automatic withdrawal provisions if the borrower's creditworthiness deteriorates. Retail overdrafts may be considered as unconditionally withdrawable if the contractual conditions allow institutions to withdraw them to the full extent permitted by consumer protection and related legislation.

Undrawn credit facilities for tender and performance guarantees, which can be withdrawn at any time without prior notice or which are subject to effective automatic withdrawal provisions, if the borrower's creditworthiness deteriorates.

**Off-balance sheet Stocks/Items****Outstanding, trade financing of off-balance sheet items**

The table shows the trade financing of off-balance sheet items.

Trade finance of off-balance sheet items refers, inter alia, to letters of credit opened or confirmed in accordance with Directive 2013/36/EU



and Council Regulation (EU) No 575/2013 on medium and low risk off-balance sheet items.

#### **Medium risk**

Trade finance of off-balance sheet items, i.e. letters of credit, opened or confirmed (see also "medium-low risk").

#### **Medium-low risk**

- Trade financing of off-balance sheet items: Letters of credit secured by goods delivered and other self-liquidating transactions.
- Guarantees and commitments (including bid and performance guarantees and associated payment and retention guarantees) and guarantees that are not credit substitutes.
- Irrevocable credit commitments that do not have the character of credit substitutes.

See also Annex 5 for an example of letter of credit.

#### **Spec\_T3\_Syndicated\_loans**

Tab Spec\_T3\_Syndicated\_loans reports data on syndicated loans by counterparty sector.

A syndicated loan means that several institutions participate as creditors to a loan agreement. The borrower must be aware, through the loan agreement, that the loan is provided by several banks for it to be considered a syndicated loan. All institutions participating in the syndicated loan report their share of the loan as an asset on the balance sheet. Only the amount actually lent should be reported as a syndicated loan.

Please note that if an institution subsequently spreads the risk to different institutions, for example through securitisation, this should not be reported as a syndicated loan.

The deposits and borrowings that the institution has in the form of syndicated loans are recognised in tab Spec\_S1\_Sector.

#### **Spec\_T3\_Non-performing\_loans**

Tab Spec\_T3\_Non-performing\_loans reports data on non-performing loans by counterparty sector.

A claim shall be recognised as non-performing when a loan meets at least one of the following criteria:

- All or part of the interest or principal amount has been overdue and unpaid for more than 90 days.
- There is a risk that the loan will not be repaid in full without recourse to collateral.

The definition corresponds to the definition in the FINREP supervisory reporting. Non-performing loans should be reported excluding accrued interest.

### **Spec\_T3\_Leasing\_objects**

For Spec\_T3\_Leasing\_objects refers to leasing for MFIs in the role of lessor. Assets resulting from MFIs being lessees are instead placed under Other tangible assets in tab Spec\_T7.

On tab Spec\_T3\_Leasing\_objects, information on leasing loans is reported by type of leasing object. This is a specification of row 1101 Leasing objects on tab Spec\_T7 and part of row 103 Loans in the tabs Spec\_T3\_Sector and Spec\_T3\_Counterparties\_Maturity. This means that objects from both financial leasing and operational leasing should be recognised. Operating leasing should be reported before reservation. Reservations for operational leasing are reported on line 1043 on the Special\_balance sheet tab.

The table is divided into six columns where the opening book value of the reporting period (column 1) should correspond to the closing book value of the previous reporting period (column 6). Columns 2-4 report the value of acquisitions, disposals and depreciation during the reporting period. Column 5 reports changes in value due to exchange rate changes. The opening value (column 1) and transactions during the reporting period (columns 2 to 5) should add up to the closing value (column 6).

#### **Definition of leasing objects:**

##### **Buildings**

This includes, for example, school buildings, office buildings, residential buildings and industrial buildings.

##### **Private cars**

Includes a car with a maximum of 8 seats in addition to the driver's seat and designed primarily for the transport of passengers. It also includes mobile homes.

See Law (2001:559) on road traffic definitions.

##### **Light lorries**

This refers to a vehicle mainly for the carriage of goods or a vehicle other than a passenger car or bus and where the total weight does not exceed 3.5 tonnes, see Act (2001:559) on road traffic definitions. Trucks with a total weight of more than 3.5 tonnes are considered heavy trucks and should instead be included in the category of other vehicles.

##### **Rail vehicles**

This includes, for example, locomotives, railway wagons, metro cars and tram cars.

**Boats and vessels**

This includes ships and boats for travelling on water. Underwater vehicles are also included.

**Aircraft**

This includes aeroplanes, helicopters, hot air balloons, etc.

**Containers**

Includes different types of containers, such as storage containers, sea containers, platforms, sanitary containers, office and staff containers.

**Other vehicles**

This includes vehicles other than passenger cars and light trucks, such as heavy trucks, buses, caravans and other trailers and semi-trailers. Also included are e.g. snowmobiles and off-road vehicles. Note that excavators, dumpers, forklifts, wheel loaders, etc. are not included here but should instead be reported under construction machinery, construction equipment and agricultural and forestry machinery or under workshop machinery and forklifts.

**Earth-moving and construction machinery**

Includes construction machinery (also known as construction equipment) such as excavators, wheel loaders, asphalt pavers and tracked excavators. It also includes construction machinery such as mixers, cranes and lifts.

**Agricultural and forestry machinery**

This includes agricultural and forestry machinery such as tractors, harvesters, forwarders, harvesters and harvester heads.

**Works machines and trucks**

It includes goods processing machines in the engineering industry such as lathes, saws and milling machines. Forklifts are also included in this category.

**Computers and peripherals**

Examples include printers, copiers, monitors, servers, scanners, video projectors, barcode scanners, payment terminals and software. However, specialised equipment for the graphics industry should be included in the graphics equipment category.

**Communications equipment**

This includes, for example, company switches, telephone and fax equipment, data communication equipment such as bridges, routers and network connections, mobile communication equipment, modems, radio and TV transmitters and TV cameras.

**Decorations for offices, hotels, restaurants or boutiques**

This includes, for example, furniture, fittings and white goods. Note that computers, photocopiers, telephones, etc. should not be included here but reported under the category of computers and peripherals or communication equipment.

**Graphic arts equipment**

Includes equipment used in graphics and printing, such as roller presses, photosetters and binding machines.

**Medical equipment**

It includes equipment for health and dental care, such as X-ray equipment, ECG equipment, dialysis equipment, sterilisation equipment and dental chairs. Veterinary equipment is also included in this category.

**Other leasing objects**

This includes items that cannot be classified under any of the other categories, such as machinery in the pulp and paper industry and energy equipment.

**Advance payments for leasing objects**

Advance payments for leasing objects are recognised here. It refers to advance payments to suppliers for leased assets where the institution's contract with the lessee has not yet started.

**Spec\_T3\_Leasing**

Spec\_T3\_Leasing refers to leasing for MFIs in their role as lessors. Assets resulting from MFIs being lessees are instead allocated to Spec\_T7/Other tangible assets.

On tab Spec\_T3\_Leasing, information on financial and operational leasing is reported by counterpart sector. Leasing is reported excluding VAT.

**Financial leasing and counterparties**

Other financial corporations also include non-monetary investment funds and alternative investment funds as well as non-monetary investment companies and stockbrokers.

**Operational leasing and counterparties**

The table is a specification for row 1101 Leasing objects, on tab Spec\_T7. Operating leases should be recognised before reservations. Reservations for operational leasing are recognised on line 1043 of the Special balance sheet.

Other financial corporations include non-monetary investment funds and alternative investment funds, as well as non-monetary investment companies and stockbrokers.

### **Advance payments for leasing objects**

Advance payments for leasing objects are recognised here. It refers to prepayments to suppliers for leasing objects where the institution's contract with the lessee has not yet started.

### **Spec\_T4**

In tab Spec\_T4, provisions for doubtful loan claims are reported broken down by counterparty sector. The tab is a specification of row 1041 on the tab Special\_balance sheet and provisions are entered with a positive sign.

A doubtful loan claim is a claim where payments are unlikely to be honoured in accordance with the terms of the contract. A loan receivable shall not be considered doubtful if it is secured by collateral that adequately covers both principal and interest, including compensation for any delays.

### **Spec\_T5**

Tab Spec\_T5 reports data on bonds and other debt securities by counterparty sector and maturity. Debt securities should be reported before provisions. Reserve for interest-bearing securities are reported on line 1044 on the Special\_balance\_sheet tab.

The maturity of bonds and other fixed income securities refers to the original maturity of the issuance programme, i.e. the time from when the security was first issued on the market until maturity. In this context, maturity refers to the time from issue to maturity (i.e. not to the fixed interest period).

Other non-MFI financial corporations include financial corporations other than MFIs, non-monetary investment firms and stockbrokers, insurance corporations, pension funds and securitisation institutions (FVCs). Investment fund shares/units should be reported in Spec\_T6.

Institutions that are VINN reporters are not required to report the breakdowns on Spec\_T5.

### **Spec\_T6**

Tab Spec\_T6 reports data on shares and participations admitted to trading on a market/platform, shares not admitted to trading, money market and investment fund shares and other participations broken down by counterparty sector.

Exchange-traded funds (ETFs) should be classified as Investment funds.

Institutions that are VINN reporters are not required to report the breakdowns on Spec\_T6.

### **Shares listed on a market place**

Shares that are traded on a regulated market or multilateral trading platform in accordance with the Securities Market Act (2007:528) or equivalent foreign marketplaces and other shares that are traded on the securities market and for which there is a publicly available quotation are reported here.

For shares on a Swedish marketplace, this means that shares listed on e.g. Nasdaq OMX Stockholm, NGM Equity, NGM Nordic MTF Stockholm, First North and Spotlight Stock Market are considered admitted to trading.

### **Shares not listed on a market place**

Shares without a continuous market quotation are recognised here.

### **Spec\_T7**

Tab Spec\_T7 reports tangible assets and other assets by type of asset, and other assets by type of asset and counterparty sector.

Overdue interest payments on lending may not be reported under other assets but should be included in lending, which is a deviation from FFFS 2008:25.

Spec\_T3\_Leasing refers to leasing for MFIs in their role as lessors. Assets resulting from MFIs being lessees are instead allocated to Spec\_T7/Other tangible assets.

### **Advance payments for leasing objects**

Advance payments for leasing objects are recognised here. It refers to advance payments to suppliers for leasing objects where the institution's contract with the lessee has not yet started. The data corresponds to row 11016 of the Spec\_T3\_Leasing tab.

Other financial corporations, non-MFIs under Investment fund assets include, inter alia, non-monetary investment funds and alternative investment funds, financial service companies, non-monetary investment companies and stockbrokers, insurance corporations and pension funds.

### **Derivative instruments**

Financial instruments whose value depends on certain underlying assets such as shares, currencies, interest rates or commodities are recognised here. Derivative instruments with positive book values are summarised and reported in Spec\_T7 under Other assets, and derivative instruments with negative book values are summarised and reported in tab Spec\_S3.

**Please note that derivatives on the asset and liability side may not be offset even if a legal right to offset exists, see section 3.4.1**

In the MFI survey, derivative instruments should not be reported together with underlying instruments, which is a departure from FFFS 2008:25.

- Repayable cash provided as collateral shall be recognised under loans with an agreed maturity.
- Repayable cash received as collateral under derivative contracts shall be recognised under deposits with agreed maturity.

The counterparty is the provider and receiver of the repayable cash. The sectoral allocation of derivatives stocks should be made according to the contractual counterparty of the derivative, not the issuer of the underlying instrument. For example, for standardised and OTC contracts, it is common for a clearing house to be the counterparty. Nasdaq Clearing AB operates as a clearing house in Sweden and is included in the sector Financial service companies (see also section 5.6 "Central counterparties").

#### **Value adjustments for derivatives (e.g. CVA/DVA)**

In some cases, the market value of derivatives is adjusted for counterparty risk, known as a credit valuation adjustment (CVA) or debit valuation adjustment (DVA). If these or similar valuation adjustments can be allocated according to the currency of the contract, this should be done in MFI reporting. If, on the other hand, valuation adjustments cannot be allocated according to the currency of the contract with reasonable effort, they should be reported under other foreign currency.

In the accounts, these adjustments are often allocated to the accounting currency, usually Swedish kronor for MFIs, but this creates problems in statistical reporting as the purpose of the currency allocation is to see the currency of the derivative contracts. If the accounting currency is used, it can lead to a completely different currency being reported than the currency of the contracts. As the value adjustment reduces the market value, the value adjustment will have a negative amount. However, other market values that are not value adjustments should be broken down by currency as described below.

#### **Currency breakdown of derivatives**

Derivatives shall be allocated according to the currency of the contract. For foreign exchange derivatives, the currency to be reported for the derivative is determined by the market value on the reference date. If a currency derivative is reported as an asset (market value is positive), the currency is the currency received at maturity. If a currency derivative is reported as a liability (market value is negative), the currency is the currency in which the payment is made at maturity.

**Example 1:**

For an OTC option issued by a bank that gives the right to buy shares in an industrial company at a certain price in the future, the counterparty is banks, not non-financial corporations (issuers of the underlying stock).

The currency breakdown of derivative instruments with foreign currency components is based on the part of the contract with the highest gross value.

**Example 2:**

An institution buys a USD 1 million dollar future maturing after the reporting date. The forward rate at which the institution may buy is 10 SEK/USD.

On the reporting date, the spot rate is 9 SEK/USD, which means that the forward has a negative net value. The gross value of the USD 1 million claim is SEK 9 million and the gross value of the liability is SEK 10 million. The net value for the buyer is minus SEK 1 million. The amount to be recognised under Other liabilities is SEK 1 million.

As the part of the contract denominated in SEK has a higher gross value than the dollar part, SEK 1 million should be reported in the column for SEK.

If the spot rate on the reporting date is instead 11 SEK/USD, the forward has a positive net value of SEK 1 million, which should therefore be recognised under Other assets. Since the dollar portion now has the largest gross value (SEK 11 million), SEK 1 million should be recognised in the column for Other foreign currencies.

**Accounting adjustments**

This item includes items that arise because the valuation rules in the MFI form differ from the accounting rules in some cases. For example, the difference that may arise when loans and deposits in MFIs are recognised at nominal value should be reported under accounting adjustments under other assets and other liabilities respectively. The accounting adjustments are reported gross, i.e. separately on the asset side and separately on the liability side.

The accounting item "Change in value of interest rate hedging item in portfolio hedges" should not be reported under "Accounting adjustments" as this item does not arise due to different definitions in the MFI and the accounting system. Instead, the change in value of the interest rate hedged item in portfolio hedges should be reported under "Other assets - other" (row 1139), even if the item is negative.



**Example 1:**

An institution has a portion of its loans measured at fair value. The total book value of the institution's lending for the current period is SEK 1,000 million and the nominal value is SEK 950 million.

The Institute then reports:

Lending: SEK 950 million

Other assets, accounting adjustments: SEK 50 million

**Example 2:**

An institution has a portion of its loans measured at fair value. The total book value of the institution's lending for the current period is SEK 1,200 million and the nominal value is SEK 1,250 million. The institution also has some of its deposits measured at fair value. The total deposits for the period have a book value of SEK 600 million and the nominal value is SEK 580 million.

The Institute then reports:

Lending: SEK 1 250 million

Other assets, accounting adjustments: SEK -50 million

Deposits and borrowings: SEK 580 million

Other liabilities, accounting adjustments: SEK 20 million

**Spec\_T8**

In tab Spec\_T8, deferred costs and accrued incomes are recognised by asset and counterparty.

Institutions that are VINN reporters are not required to report breakdowns for accrued interest on bonds in Spec\_T8.

Accrued interest should not be reported together with the main item, which is a departure from FFFS 2008:25.

**Spec\_S1\_Sector**

The Spec\_S1\_Sector tab reports deposits and borrowings by counterparty sector.

Subordinated debt in the form of loans should be recognised as deposits and borrowing. Marketable/transferable securities issued are not included in borrowing but are reported under the item Debt securities issued (Spec\_S2).

**Deposits and borrowings from securitisation vehicles (FVCs)**

A special type of liability may arise in securitisation if the assets, such as loans, cannot be derecognised on the balance sheet. These assets will then remain on the asset side of the balance sheet. The payment from the securitisation vehicle (FVC) for the assets sold will also be recorded on the asset side and therefore needs to be offset on the liability side.

In MFI reporting, such an offsetting entry should be made on deposits and borrowings from FVCs. Maturity should by convention be reported as over 2 years.

### **Syndicated deposits and borrowings**

In the table "Deposits and borrowing: Syndicated borrowing", the deposits and borrowing that the institution has in the form of syndicated loans, i.e. deposits and borrowing where the institution knew at the time of the loan that several institutions were behind the loan, should be reported.

Please note that if an institution subsequently spreads the risk to different institutions, for example through securitisation, this should not be reported as a syndicated loan.

### **Electronic money**

In the table 'Electronic money', data on electronic money shall be reported separately. Electronic money refers to prepaid amounts for either hardware-based or software-based electronic money solutions.

To be classified as e-money, the cards or software-based solutions must be able to be used as a general means of payment, i.e. not only in a specific shop or chain of shops.

The former Cash Card is an example of an electronic money card in Sweden. Another example is non-reloadable cards where the card is initially loaded with a certain amount and where the card can be used in shops that accept debit/bank cards<sup>5</sup>. Examples of software-based e-money are solutions with software on a personal computer or Internet solutions for payments instead of a physical card.

### **Deposits and borrowings from intra-group MFI**

Deposits and borrowing from non-MFI group members, such as non-financial corporations or insurance corporations, are not included here.

Please note that balances between the head office and the branch should not be reported here but on the balances tab (parent report) and the branch difference (branch report).

MFIs in the rest of the world refer to banks and other financial institutions that have loans to the public and deposits or close substitutes for deposits from the public as a significant part of their business.

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<sup>5</sup> This type of card is often referred to as gift cards. The difference with traditional gift cards is that these cards can be used as general payments in shops that accept bank cards/debit cards.

**Example:**

A Swedish MFI, through its branch in Finland, borrows SEK 100 million from a subsidiary in Norway. The branch and the subsidiary are both classified as MFIs. SEK 100 million must be reported to the MFI/bank within the group in the rest of the world. Reporting must be done in both the parent company's and the branch's MFI form. At the same time, the deposit and borrowing is also included in other (relevant) deposit and borrowing specifications.

**Deposits and borrowings**

Deposits and borrowings broken down by counterparty sector shall be broken down into deposits and borrowings.

For the definition of deposits, Finansinspektionen's regulations and general guidelines on annual accounts in credit institutions and securities companies (FFFS 2008:25), Annex 1, section 16, last paragraph, are applied.

**Deposits**

Refers to savings deposits in banks and customers' funds in accounts held by non-bank institutions.

**Borrowing**

Refers to deposits and borrowings other than those reported under deposits. Securities issued are not included in borrowing but are reported under the item securities issued (Spec S2).

**Spec\_S1\_Account\_Maturity**

The Spec\_S1\_Account\_Maturity tab reports deposits and borrowings by counterparty sector and original maturity.

**Central counterparties. Repos**

In the table 'Central counterparties (CCP): repos', repos where the counterparty sector is considered a central counterparty shall be reported.

For more information on Central counterparties see section 5.6.

**Spec\_S1\_Transferable\_deposits**

In tab Spec\_S1\_Sector\_Transferable\_deposits, transferable deposits and borrowings are reported by counterparty sector.

Transferable deposits means deposits on current accounts that are directly transferable to a party other than the account holder by means of, for example, wire transfer, account transfer (between accounts with different owners), credit or debit card, cheque or similar means of payment. The transfer is made without significant delay, restriction or penalty. Accounts where funds can only be withdrawn in cash or

transferred via another account held by the same owner are not considered transferable deposits.

#### **Number of accounts**

The table "Number of deposit accounts" shows the total number of deposit and borrowing accounts for non-MFIs in Sweden and abroad, broken down into current accounts with transferable deposits and current accounts with transferable deposits that can be linked to Internet banking. Accounts with transferable deposits that can be linked to Internet banking also include other solutions where the account can be accessed via special software or applications on personal computers or mobile phones, but not accounts that can only be accessed via telephone banking.

The data in this table need only be reported for December each year.

#### **Spec\_S2**

In tab Spec\_S2, information on securities issued is reported by type of security. Information on securities swapped from foreign currency to SEK is also reported.

#### **Definition of securities:**

##### **Money market (Certificate)**

Transferable securities with a normal original maturity (not fixed-rate) of up to and including one year are recognised here.

##### **Bonds**

Transferable securities where the original maturity is usually more than one year are recorded here.

##### **Index-linked bonds**

Refers to a financial product based on a bond. The bond is linked to options on one or more underlying assets, such as shares, interest rates, currencies or commodities. The full value of the instrument should be reported here, i.e. no breakdown of the bond component and the underlying asset should be made. The instruments are sometimes referred to as equity index bonds or structured products. The term index bonds is used here because the return need not be linked to the stock market and because the term structured products can also include other types of instruments.

##### **Private bonds**

Refers to bonds issued to private individuals that are not index-linked bonds. Retail bonds are normally admitted to trading on a stock exchange and can be traded in small lots. Covered bonds are also classified as retail bonds.

**Covered bonds**

Refers to bonds in which the investor has a preferential claim on a specific pool of collateral in the event that the borrower goes bankrupt. They can only be issued against collateral in high quality assets and therefore the bond has a high credit rating. The definition follows that of the law (2003:1223) on the issuance of covered bonds.

**Other bonds**

Refers to e.g. mortgage bonds issued and other types of bonds not included in the above categories.

**Postal switches**

This section shows the bills of exchange issued.

**Other securities**

Any other securities that do not fit into the above categories are reported here.

**Subordinated loans**

The table "Subordinated loans" shows subordinated liabilities in the form of interest-bearing securities, subordinated loans, broken down into private bonds and other subordinated loans. Information on securities swapped from foreign currency to SEK is also reported.

Subordinated liabilities that are not in the form of debt securities but instead are in the form of deposits and borrowings should be recognised as other deposits and borrowings in Spec\_S1.

**Spec\_S3**

In tab Spec\_S3, other liabilities are reported by type of liability and counterparty sector.

Other financial corporations, non-MFIs under Investment fund assets include, inter alia, non-monetary investment funds and alternative investment funds, financial service companies, non-monetary investment companies and stockbrokers, insurance corporations and pension funds.

**Derivative instruments**

Financial instruments whose value depends on certain underlying assets, such as shares, currencies, interest rates or commodities, are recognised here. Derivative instruments with positive book values are summarised and reported under Other assets on tab Spec\_T7, and derivative instruments with negative book values are summarised and reported under Other liabilities on tab Spec\_S3. For more on derivative instruments, see "Derivatives" in section 8, Spec\_T7

Please note that derivatives on the asset and liability side may not be offset even if a legal right to offset exists, see section 3.4.1 .

### **Accounting adjustments**

This item includes items that arise because the valuation rules in the MFI form differ from the accounting rules in some cases. For example, the difference that may arise when loans and deposits in MFIs are recognised at nominal value should be reported under accounting adjustments under other assets and other liabilities respectively. The accounting adjustments are reported on a gross basis, i.e. the asset side separately and the liability side separately. For more information on accounting adjustments, see "Accounting adjustments" in section 8, Spec\_T7.

### **Short positions (short selling of securities)**

Short positions are reported here. Taking a short position means that the institution borrows securities and then sells them. In both the MFI survey and the traditional accounts, short positions are recorded as a liability.

Genuine repurchase agreements (repos) where a security is sold to be bought back at a specified price are not reported as short positions. Neither are transfers in connection with securities lending or derivative contracts where it is agreed to sell securities at a specified price at a future date. This follows the definition of short selling in the Short Selling [Regulation](#)<sup>6</sup>.

Short positions cannot be netted against long positions. For more information on gross and net accounting, see Section 3.4.1.

In tab Spec\_S6\_Short\_positions a finer breakdown by security type of the borrowed security is reported.

### **Spec\_S4**

In tab Spec\_S4, accrued interest is reported by debt and counterparty.

Accrued interest should not be reported together with the main item, which is a deviation from FFFS 2008:25.

### **Spec\_S5**

Tab Spec\_S5 reports money market funds (MMF) shares/units issued by counterparty.

These data are reported only by institutions classified as MMFs.

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<sup>6</sup> REGULATION (EU) No 236/2012 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of 14 March 2012 on short selling and certain aspects of credit default swaps

### **Spec\_S6\_Short\_positions**

In Spec\_S6\_Short\_positions is a specification for row 2045 Short positions on tab Spec\_S3 and consists of two tables: 'Debt securities eligible for refinancing, and other' and 'Shares and participations'.

Taking a short position means that the institution borrows securities and then sells them<sup>7</sup>. In both the MFI survey and the traditional accounts, short positions are recorded as a liability.

Genuine repurchase agreements (repos) where a security is sold to be bought back at a specified price are not reported as short positions. Similarly, transfers in connection with securities lending or derivative contracts where there is an agreement to sell securities at a specific price at a future date. This follows the definition of short selling in the Short Selling Regulation<sup>8</sup>.

Institutions that are VINN reporters are not required to report the breakdowns on Spec\_S6\_Short\_positions.

#### **Debt securities eligible for refinancing, and others**

Maturity of bonds and other debt securities refers to the original maturity. In this context, maturity refers to the time from issue to maturity, i.e. not to the fixed interest period.

Other financial corporations, non-MFIs includes financial corporations other than MFIs, non-monetary investment firms and stockbrokers, insurance corporations, pension funds and securitisation institutions (FVCs).

#### **Shares and participations**

Counterparty refers to the issuer of the share or unit. The domicile of the company and not where the share is traded determines the country allocation.

Shares in investment funds should be recorded here.

#### **Shares listed on a market place**

Shares that are traded on a regulated market or multilateral trading platform in accordance with the Securities Market Act (2007:528) or an equivalent foreign marketplace are reported here, as well as other shares that are traded on the securities market and for which there is a publicly available listing.

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<sup>7</sup> The reason for collecting data on short positions is to be able to adjust the statistics for the double counting that occurs. The institution borrowing the security does not recognise it as an asset, but both the lender and the buyer of the security recognise it as an asset.

<sup>8</sup> REGULATION (EU) No 236/2012 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of 14 March 2012 on short selling and certain aspects of credit default swaps

For shares on a Swedish marketplace, this means that shares listed on e.g. Nasdaq OMX Stockholm, NGM Equity, NGM Nordic MTF Stockholm, First North or Spotlight Stock Market are considered admitted to trading.

#### **Shares not listed on a market place**

Shares without a continuous market quotation are recognised here.

#### **Spec\_Currency**

The Spec\_Currency tab shows a finer breakdown of other EU currency and other foreign currency for items from previous tabs in the form.

#### **Spec\_Country**

The Spec\_Country tab provides a finer breakdown of EMU countries and other EU countries for records from previous tabs in the form.

#### **European Stability Mechanism (ESM)**

Not broken down by country but included in EMU countries, sector Other financial corporations, not MFIs.

#### **European Investment Bank (EIB)**

Not broken down by country but included in Other EU countries, monetary financial institutions sector.

#### **Single Resolution Board (SRB)**

Not broken down by country but included in Other EU countries, public sector.

#### **Housing credit institutions**

The tab Housing\_credit\_institutions reports the housing institutions' new loans, excluding overnight loans and repos, to Swedish and foreign non-MFIs during the period. Construction loans should not be reported here.

New lending includes

- increase in the amount of credit
- conversion of a building loan into a final loan within the institution
- taking over loans from another institution

Transfers of loans to new borrowers within the institution are not considered as new lending and should not be reported if the loan amount is not increased at the same time. If the amount is increased, the increase is recognised as new lending. Renegotiation of loan conditions is not new lending. However, if the loan amount is increased, the increase is recognised as new lending.



**Collateral**

The table "Collateral" shows new loans during the period and the position at the end of the period by type of collateral and currency.

**Loan terms**

The table "Loan terms" shows new loans during the period broken down by original interest rate term and counterparty.

These data are reported only by housing institutions.

**Loans purchased and sold**

The tab Loans\_purchased\_and\_sold reports loans that have been acquired or sold, including loans sold in connection with securitisation. Both loans recognised on the balance sheet and loans derecognised from the balance sheet should be reported. Loans are to be recognised by counterparty, collateral and original fixed interest period, as well as by counterparty at the time of acquisition or disposal.

Both acquired and disposed of loans should be reported with a positive sign. Acquired and disposed loans should be reported gross in the tables for purchased or otherwise acquired loans and in the tables for securitised or otherwise sold and disposed loans. If a securitised or otherwise sold loan is impaired upon disposal, the impairment should be reported on the tab Revaluations\_Sold\_loans.

Please note that acquisitions and disposals related to acquisitions, divisions or mergers with other institutions should not be included.

Loans purchased and sold during the period that affect the loan stock are broken down in several tables depending on whether the loans are administered or not:

- Loans purchased or otherwise acquired during the period that are administered and which affect the loan stock (entered on the balance sheet at the time of acquisition).
- During the period securitised or otherwise sold and divested loans administered and affecting the loan stock (derecognised from the balance sheet)
- Loans purchased or otherwise acquired during the period that are not administered and affect the loan stock (entered on the balance sheet at the time of acquisition).
- Loans securitised or otherwise sold and divested during the period that are not administered and that affect the loan stock (derecognised from the balance sheet)

In table 'Loans purchased or otherwise acquired during the period that are administered and that affect the loan stock (entered on the balance sheet at the time of acquisition)', institutions servicing loans for FVCs and other special purpose vehicles must report this information. The

loans should be recognised by counterparty, collateral and original maturity. It should also be reported whether the servicing is done for an FVC or for another specialised entity. If the company is an FVC, the country in which it operates must be stated.

Servicing loans for FVCs or other special purpose vehicles means that the institution manages the day-to-day operations, collects interest and payments from the borrowers of the securitised loans and pays interest to the holders of the companies' issued securities.

### **FVC and securitisation**

Securitisation institution or FVC (Financial Vehicle Corporation) means an institution whose main purpose is to:

- Securitising or intending to participate in one or more securitisation transactions and being legally separate from the institution selling assets or credit risk in the securitisation transaction.
- Issue or intend to issue securities or derivatives and own or intend to own underlying assets.

If loans are administered on behalf of an entity other than an FVC, it should be reported under "Other special purpose entities, non-FVCs".

Although MFIs and investment funds may share some characteristics with FVCs, they are never classified as FVCs. The type of institution referred to as an FVC is sometimes also referred to as SPE (Special Purpose Entities) or SPV (Special Purpose Vehicle), although the definitions may vary.

### **Securitisation**

Securitisation means

- Transactions where assets or credit risk on assets are sold to a stand-alone institution that issues securities or issues derivatives to finance the acquisition.
- Transfer of insurance risks to a stand-alone institution issuing securities issues derivatives to finance the exposure to insurance risks.

More complex structures involving several companies may also occur.

Securitised loans also include loans sold during the securitisation process where companies have not yet issued securities.

### **Transactions during the period affecting the loan stock**

The tables 'Loans purchased or otherwise acquired during the period that are administered and which affect the loan stock (entered on the balance sheet at the time of acquisition)' and 'During the period securitised or otherwise sold and divested loans administered and affecting the loan stock (derecognised from the balance sheet)' record transactions during the period that affect the loan portfolio.

### **Transactions during the period not affecting the loan stock**

The tables 'Loans purchased or otherwise acquired during the period that do not affect the loan stock (already recorded on the balance sheet)' and 'Loans securitised or otherwise sold and divested of during the period not affecting the loan stock (not derecognised from the balance sheet)' record transactions during the period that do not affect the loan stock.

#### **Example 1:**

An institution purchases loans of SEK 400 million with Swedish insurance companies as counterparties from a non-monetary investment firm and sells back SEK 100 million of these loans to the investment firm in the same month. The transactions affect the balance sheet.

As these transactions affect the balance sheet, they should be included in the tables for transactions affecting the loan stock. In the table "Loans purchased or otherwise acquired during the period that affect the loan stock", SEK 400 million should be reported under the column Counterparties in Sweden -Other institutions and the row Counterparties in Sweden -Insurance companies.

Since loans were also sold, SEK 100 million should be included in the table "Loans securitised or otherwise sold and disposed of during the period that affect the loan stock", again under the column Counterparties in Sweden -Other institutions and series of counterparties in Sweden -Insurance companies.

#### **Example 2:**

For the first time, the institution carries out a securitisation of SEK 2,500 million where the entire amount is mortgages to other households in Sweden. The FVC involved in the securitisation is located in Luxembourg. The loans are derecognised from the balance sheet.

As the loans are derecognised, SEK 2,500 million should be reported in the table "Loans securitised or otherwise sold and disposed of during the period that affect the loan stock" under the column Counterparties in EMU countries - FVC and in the row Counterparties in Sweden - Households etc - Small houses, owner-occupied apartments and tenant-owned apartments.

#### **Example 3:**

The institution transfers loans to non-financial corporations of SEK 3 000 million to another Swedish MFI within the group. The loans are derecognised from the balance sheet.

As the institution sells loans and this affects the loan stock, SEK 3,000 million should be reported in the table "During the period securitised or otherwise sold and sold loans affecting the loan stock" under the

column Counterparties in Sweden - MFIs and in the row Counterparties in Sweden - Non-financial corporate sector. The group company receiving the loans includes SEK 3,000 million in the table "Loans purchased or otherwise acquired during the period that affect the loan stock" in the corresponding column and row.

**Example 4:**

For the first time, the institution is securitising SEK 2,500 million, of which SEK 1,500 million are housing loans to other households and the remaining SEK 1,000 million are loans to non-financial companies. All borrowers are located in Sweden. The FVC involved in the securitisation is located in Ireland. The loans cannot be derecognised from the balance sheet.

Since the transactions do not affect the balance sheet, they are included in the table "Loans securitised or otherwise sold and disposed of during the period that do not affect the loan stock" under the column Counterparties in EMU countries - FVCs and in the row Counterparties in Sweden - Households etc. (SEK 1,500 million) and the row Counterparties in Sweden - Non-financial corporations (SEK 1,000 million).

As the loans are not derecognised, the outstanding amounts should also be reported. The institution has no securitised amounts from before, which is why in the table "Outstanding amounts of securitised or otherwise transferred loans that have not affected the loan stock", SEK 1,500 million should be reported under the column Counterparties in EMU countries - FVCs and in the row Counterparties in Sweden - Households etc. and SEK 1,000 million in the row Counterparties in Sweden - Non-financial corporations.

**Purchased\_Sold\_loans\_outstanding**

In the table 'Outstanding amounts of securitised and sold loans that are administrated and which affect the loan stock (derecognised from the balance sheet)', institutions servicing loans for FVCs and other special purpose vehicles must report this information. Loans should be reported by counterparty, collateral and original maturity. It should also be reported whether the servicing is done for an FVC or for another specialised entity. If the company is an FVC, the country in which it operates must be stated.

Servicing loans for FVCs or other special purpose vehicles means that the institution manages the day-to-day operations, collects interest and payments from the borrowers of the securitised loans and pays interest to the holders of the companies' issued securities.

### **FVC and securitisation**

Securitisation institution or FVC (Financial Vehicle Corporation) means an institution whose main purpose is to:

- Securitising or intending to engage in one or more securitisation transactions and being legally separate from the institution selling assets or credit risk in the securitisation transaction.
- Issue or intend to issue securities or derivatives and own or intend to own underlying assets.

If loans are administered on behalf of an entity other than an FVC, it should be reported under "Other special purpose entities, non-FVCs".

Although MFIs and investment funds may share some characteristics with FVCs, they are never classified as FVCs. The type of institution referred to as an FVC is sometimes also referred to as SPE (Special Purpose Entities) or SPV (Special Purpose Vehicle), although the definitions may vary.

### **Securitisation**

Securitisation means

- Transactions where assets or credit risk on assets are sold to a stand-alone institution that issues securities or issues derivatives to finance the acquisition.
- Transfer of insurance risks to a stand-alone institution issuing securities issues derivatives to finance the exposure to insurance risks.

More complex structures involving several companies may also occur.

Securitized loans also include loans sold during the securitisation process where companies have not yet issued securities.

### **Outstanding amounts not affecting the loan stock**

In the table 'Outstanding amounts of securitised and sold loans not affecting the loan stock (not derecognised from the balance sheet)', only securitised and sold loans not derecognised from the balance sheet should be included.

### **Outstanding amounts affecting the loan stock**

In the table 'Outstanding amounts of securitised and sold loans that are administrated and which affect the loan stock (derecognised from the balance sheet)', only securitised and sold loans that have been derecognised from the balance sheet but are still being serviced should be included.

### **MH\_Assets**

The tab MH\_Assets shows the head office's receivables from the parent's foreign branches by counterparty, maturity and type of asset.

Institutions that are VINN reporters are not required to report the breakdowns for bonds and other debt securities.

### **Lending syndicated loans**

The table "Syndicated loans" presents data on syndicated loans to own branches in EMU countries.

These data are reported only by Swedish parent companies with branches abroad.

For more on balances, see section 7.

### **MH\_Liabilities**

The tab MH\_Liabilities reports the head office's liabilities to the parent's foreign branches, broken down by counterparty, maturity and type of liability.

Institutions that are VINN reporters are not required to report the breakdowns for securities issued.

### **Transferable deposits and borrowings**

The table "Transferable deposits and borrowing" shows transferable deposits and borrowing by counterparty country.

These data are reported only by Swedish parent companies with branches abroad.

For more on balances, see section 7.

### **Spec MH\_Currency**

Tab MH\_Currency shows a finer breakdown of other EU currency and other foreign currency for items from tabs MH\_Assets and MH\_Liabilities.

Institutions that are VINN reporters are not required to report the breakdowns for Bonds and other debt securities and Debt securities issued.

### **MH\_Country**

Tab MH\_Country shows a finer breakdown of other EMU countries and other EU countries for items from tabs MH\_Assets and MH\_Liabilities.

Institutions that are VINN reporters do not need to report the breakdowns for securities issued by their own branches.

### **Revaluations\_Spec\_T2**

The tab Revaluations\_Spec\_T2 reports revaluations for eligible treasury bills etc. broken down by counterparty and original maturity.

Institutions that are VINN reporters do not need to report the breakdowns on the Revaluations Spec T2 tab.

Changes in the value of eligible treasury bills etc. due to changes in market value are reported as revaluations to the extent that they are not due to exchange rate changes.

For more on revaluations, see section 6.

### **Revaluations\_Spec\_T3\_Counterparty**

In the tab Revaluations\_Spec\_T3\_Counterparty, credit losses for lending are reported by counterparty sector.

For loans, impairments and write-offs, i.e. realised credit losses, should be recorded as revaluations. Other changes in value are not included. As impairments and write-offs lead to a smaller stock, revaluations for loans should be reported with a negative sign. Recovered credit loss is defined as money coming in. It does not affect lending but only the profit and loss account and should therefore not be reported as a revaluation. Revaluations on loans also include loans administered by MFIs to FVCs and other special purpose vehicles and loans sold or securitised.

For more on revaluations, see section 6.

### **Revaluations\_Spec\_T3\_Collateral**

On the tab Revaluations\_Spec\_T3\_Collateral, credit losses for lending are reported by counterparty sector and collateral.

### **Revaluations\_Spec\_T3\_Syndicated loans**

In the tab Revaluations\_Spec\_T3\_Syndicated loans, credit losses for syndicated loans are reported by counterparty sector.

### **Revaluations\_Spec\_T5**

The tab Revaluations\_Spec\_T5 reports revaluations for bonds and other debt securities broken down by counterparty sector and original maturity.

Institutions that are VINN reporters are not required to report the breakdowns on the Revaluations\_Spec\_T5 tab.

Changes in the value of bonds and other debt securities due to changes in market value are reported as revaluations to the extent that they are not due to exchange rate changes.

For more on revaluations, see section 6.

### **Revaluations\_Spec\_T6**

The tab Revaluations\_Spec\_T6 reports revaluations for shares admitted to trading on a market/platform, shares not admitted to trading, money market and investment fund shares and other shares by counterparty sector.

Institutions that are VINN reporters do not need to report the breakdowns on the Revaluations\_Spec\_T6 tab.

Changes in the value of shares and participations due to changes in market value are reported as revaluations. The revaluations are calculated including exchange rate effects.

For more on revaluations, see section 6.

### **Revaluations\_Spec\_T7\_mm.**

In the tab Revaluations\_Spec\_T7\_mm. revaluations are recognised for intangible assets, tangible assets and other assets by type of asset and counterparty sector.

#### **Intangible fixed assets**

Amortisation and impairment of intangible assets are reported as revaluations.

#### **Tangible assets**

Depreciation, impairment and revaluation of tangible assets are reported as revaluations. Other changes in value are not included.

#### **Other assets**

For derivative instruments that are assets, revaluations are reported according to the guidelines in section 6.5 "Revaluations of derivatives".

In respect of Protection of claims and Other, changes in value that are not due to purchases and sales or exchange rate changes are reported as revaluations.

For more on revaluations, see section 6.

### **Revaluations\_Spec\_S3\_mm.**

In the tab Revaluations\_Spec\_S3\_mm. revaluations are recognised for liabilities and equity and for other liabilities by type of liability and counterparty sector.

#### **Provisions**

Increases in provisions are reported as revaluations. Decreases in provisions are reported as revaluations to the extent that they do not result from an outflow.



### **Revaluations against the revaluation reserve**

Revaluations against the revaluation reserve are considered as revaluations of both the asset and the revaluation reserve.

### **Other liabilities**

For derivative instruments that are liabilities, revaluations are reported according to the guidelines in section 6.5 "Revaluations of derivatives".

For the calculation of revaluations for short positions (securities lending), the revaluation methods set out in Section 6.2 are applied. "Revaluations of securities, other than derivatives, measured at market value". For short positions, an increased liability shall be indicated with a positive sign and a decreased liability with a negative sign. In the tab `Omv_S6_Short_positions` a finer breakdown by type of security on the borrowed security is reported.

For Other, changes in value that are not due to purchases and sales or exchange rate changes are recognised as revaluations.

### **Other liabilities**

For other balance sheet items, no revaluations should be calculated.

### **Revalu\_Spec\_S6\_Short\_positions**

Tab `Revalu_S6_Short_positions` is a specification of row 4045 Short positions on tab `Revaluations_Spec_S3_mm.` and consists of two tables: "Debt securities eligible for refinancing, and other" and "Shares and participations". This table reports revaluations of the borrowed security by type of security, counterparty sector and maturity, as well as by type of security and counterparty sector. Counterparty refers to the issuer of the security and not the lender of the security.

Institutions that are VINN reporters do not need to report the breakdowns on tab `Revalu_Spec_S6_Short_positions`.

For the calculation of revaluations to short positions (securities lending) specification "Revalu\_Spec\_S6\_Short\_positions", the revaluation methods in section 6.2 are applied. "Revaluations of securities, other than derivatives, measured at market value". For short positions, an increased liability shall be indicated with a positive sign and a decreased liability with a negative sign.

### **Example:**

100 000 shares with a price of SEK 90 are borrowed and sold. This gives a liability for short positions of SEK 9 million. The sale is a transaction and involves no revaluation. During the period, the share price falls to SEK 80. This causes the liability to decrease to 8 million, the change is not due to transactions but changes in value so therefore a revaluation of -1 million is reported on short positions (the liability decreases). The price is still SEK 80 when the deal is closed by buying and returning the

shares, the liability is then zero but since it is a transaction no revaluation occurs.

### **About\_sold\_loans**

Tab Revaluations\_Sold\_loans is a separate report for row 303 on tab Revaluation\_Spec\_T3\_Counterparty. Impairments of loans related to sold or securitised loans that affect the balance sheet are reported here. The loans should be recognised by counterparty, collateral and original fixed interest period and by counterparty at the time of acquisition or disposal.

The tab also reports credit losses on loans administered by the institution. Credit losses on loans shall be reported by counterparty, collateral and original fixed interest period. It should also be reported whether the administration is carried out for an FVC or for another specialised company. If the company is an FVC, the country in which it operates should be stated.

### **Example:**

Loans for SEK 10 million are securitised and derecognised from the balance sheet. In connection with the securitisation, the loans are written down to SEK 9 million. The FVC buying the loans will therefore take up SEK 9 million as a loan at face value. To distinguish the transaction between the institution and the FVC from the write-down, the write-down is reported separately. The institution securitising the loans therefore records -1 million on the tab Revaluations\_Spec\_T3\_Counterparty, as for other observed credit losses, but also separately reports the impairment of -1 million on the tab Revaluations\_Sold\_Loans.

### **Revaluations\_MH**

The Revaluations\_MH tab reports the head office's confirmed credit losses for loans and changes in the value of financial instruments for balances with the parent's foreign branches, broken down by counterparty, maturity and type of asset or liability.

These data are reported only by Swedish parent companies with branches abroad.

## **Annex 1:**

### **Swedish MFI**

The Riksbank [121000]  
Banks [122100] Bank  
branches of banks abroad [122200]  
Housing institutions [122300]  
Other monetary credit market companies [122400]  
Money market funds [123000]  
Monetary investment firms and stockbrokers [122500]  
Other monetary financial institutions [122900]

### **Swedish non-MFI**

#### Public sector

National Debt Office [131120].  
Municipalities and regions  
    Municipalities [131311, 131312, 131313].  
    Regions [131321, 131322, 131323]  
Social security funds [131400].  
General government except RGK [131110, 131130, 131200].

#### Other counterparties

Investment funds, except money market funds [124000].  
Non-monetary investment firms and stockbrokers [125200].  
Insurance companies [128100, 128200, 128300].  
Pension funds [129100, 129200, 129300, 129400].  
Financial vehicle corporations (FVCs) [125100].

#### Other financial corporations, non-MFIs

Financial services companies [126100]  
Non-profit organisations of financial companies [126200].  
Investment companies [125400]  
Financial corporations engaged in lending activities [125300].  
Intra-group financial institutions and lending companies [127000].  
Other financial intermediaries [125900]  
Non-financial corporate sector [111000, 112000, 113000, 114000].  
Municipal [Sector 111000 and 114000 with ownership category 20 and 30].  
Housing associations [Sector 114000<sup>4</sup> and legal form 53]

#### Other non-financial corporations, Households etc.

Self-employed households [141000, 142000].  
Other households Non-profit organisations of households [151000, 152100, 152200].

In the few cases where a housing cooperative (legal form 53) has ownership category 20 (municipality) or 30 (region), the counterparty should be classified as a housing cooperative.

## Annex 2:

### Country groups

Sweden

EMU countries (Euro area)

Other EU countries (non-euro area EU countries)

Other foreign countries

### Currency groups

Swedish kronor

Euro

Other EU currencies

Other foreign currencies

### Individual countries and currencies in the country groups

The composition of the EU countries' country and currency groups on 31 January 2023 is as follows:

#### The country group "EMU countries" and the currency group "Euro".

Country	Country code	Currency code
Belgium	BE	EUR
Cyprus	CY	EUR
Estonia	EE	EUR
Finland	FI	EUR
France	FR	EUR
Greece	GR	EUR
Croatia	HR	EUR
Ireland	IE	EUR
Italy	IT	EUR
Latvia	LV	EUR
Lithuania	LT	EUR
Luxembourg	LU	EUR
Malta	MT	EUR
The Netherlands	EN	EUR
Portugal	PT	EUR
Slovakia	SK	EUR
Slovenia	SI	EUR
Spain	ES	EUR
Germany	DE	EUR
Austria	AT	EUR

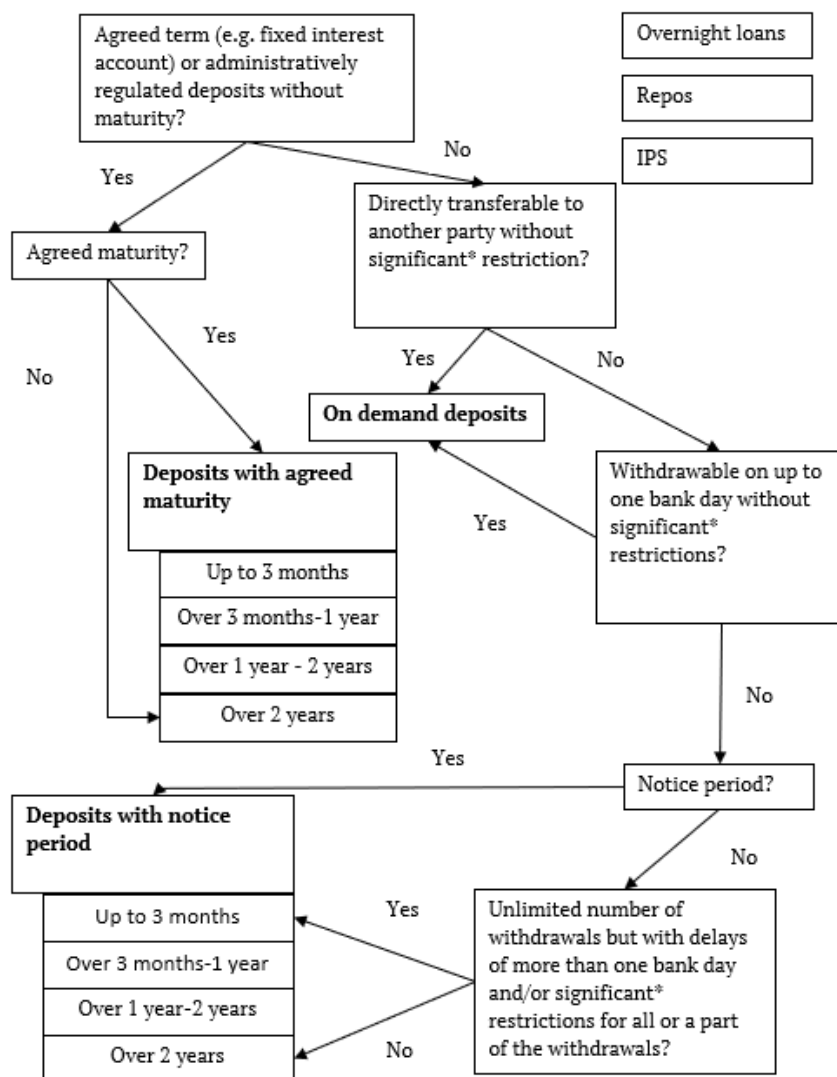
**Country group 'Other EU countries' and currency group 'Other EU currencies'**

<b>Country</b>	<b>Country code</b>	<b>Currency code</b>
Bulgaria	BG	BGN
Denmark	DK	DKK
Poland	PL	PLN
Romania	RO	RON
Czech Republic	CZ	CZK
Hungary	HU	HUF

**The country group 'Rest of the world' and the currency group 'Other foreign currencies' include other countries and currencies, such as**

<b>Country</b>	<b>Country code</b>	<b>Currency code</b>
USA	US	USD
Japan	JP	JPY
Switzerland	CH	CHF
United Kingdom	GB	GBP
Norway	NO	NOK
With several...	..	..

## B Annex 3: Decision tree for the classification of deposits and borrowings



\* Significant restriction refers to a fee/combination that corresponds to more than 0.5 percent of the withdrawal amount if the fee is expressed as a percentage of the withdrawal amount. If the withdrawal fee is expressed as a predetermined amount, significant means a withdrawal fee of more than SEK 15 per withdrawal. As significant restriction also counts if an account has a limited number of free withdrawals per year

## Annex 4: Examples of revaluations in different types of derivatives

In order to report revaluations in derivatives, transactions with the correct sign must first be calculated. The revaluation to be reported is then calculated as:

$$\text{Revaluation} = \text{UB} - \text{IB} - \text{Transactions}$$

In general, for derivative transactions, for derivatives on the asset side (positive market value), a positive cash flow (payment received) gives rise to a corresponding negative transaction on the asset side, while a negative cash flow (payment made) gives rise to a corresponding positive transaction on the asset side.<sup>9</sup>

For derivatives on the liability side (negative market value), a negative cash flow (payment made) results in a corresponding negative transaction on the liability side. A possible positive cash flow (payment received) for derivatives on the liability side results in a positive transaction on the liability side.

**Table: Summary of positive and negative cash flows in derivatives**

	Positive cash flow (payment received)	Negative cash flow (payment made)
Asset side (positive market value)	Negative transaction	Positive transaction
Debt side (negative market value*)	Positive transaction	Negative transaction

\* Position data should be reported with a positive sign, e.g. a derivative contract with a market value of -100 is reported as 100 on the liability side.

In secondary market trading, buying is a positive transaction and selling is a negative transaction for both asset and liability derivatives.

For MFI reporting, revaluations of derivatives should be split between the asset and liability sides. This makes a difference in sign between the MFI and the BOP form FD31 for revaluations (changes in value) of derivatives on the liability side or derivatives that switch sides. To facilitate reconciliation with the FD31, the change in market value item is included in the examples below; in the MFI report, changes in market value, excluding transactions, are broken down into revaluations for assets and liabilities. The MFI does not specify payments made or received but these constitute transactions which in turn are used to

<sup>9</sup> For derivatives where the market value is zero when the contract is entered into, which is common for e.g. futures and swaps, the payment received is equal to the capital gain for the instrument and the payment made is equal to the capital loss. However, for options and secondary market trading, the opening market value is different from zero.

calculate revaluations. However, this should not be reported in the MFI. In the MFI, payments made or received are also not specified, but these constitute transactions that are in turn used to calculate revaluations.

## 1 option contract

### 1a The reporter buys a call option

The option is subscribed in period 1 and the reporter pays an option premium. At the end of the period, the value of the underlying stock has increased and the option contract also increases in value.

#### Period 1

Option	IB	Payment made	Payment received	transaction	Revaluation	UB
Market value	-	50	0	50	100	150
<b>Assets</b>	-	50	0	50	<b>100</b>	<b>150</b>
<b>Shoulder</b>	-	0	0	0	<b>0</b>	<b>0</b>

*The payment made is a positive transaction. UB-IB Transaction gives a revaluation on the asset side of  $150-0-50=100$ .*

In period 2, the value of the stock falls below the strike price and the market value of the option becomes zero.

#### Period 2

Option	IB	Payment made	Payment received	transaction	Revaluation	UB
Market value	150	0	0	0	-150	0
<b>Assets</b>	150	0	0	0	<b>-150</b>	<b>0</b>
<b>Shoulder</b>	0	0	0	0	<b>0</b>	<b>0</b>

*No payments are made so the entire difference between UB and IB is a revaluation. UB-IB transaction gives a revaluation on the asset side of  $-01500=150-$ .*

Period 3, the value of the share increases, causing the option to increase in value. Cash settlement, the reporter receives the difference between the share value and the exercise value.

#### Period 3

Option	IB	Payment made	Payment received	transaction	Revaluation	UB
Market value	0	0	60	-60	60	-
<b>Assets</b>	0	0	60	-60	<b>60</b>	-
<b>Shoulder</b>	0	0	0	0	<b>0</b>	-

*The payment received becomes a negative transaction on the asset side. UB-IB Transaction gives a revaluation on the asset side of  $0-0-(-60)=60$ .*



### 1b The reporter issues a call option

The example can also be seen as the reporting of the counterparty in example 1a. In the first period, the reporter receives an option premium. The shares increase in value during the period, which increases the liability.

#### Period 1

Option	IB	Payment made	Payment received	Transaction	Revaluation	UB
Market value	-	0	50	-50	-100	-150
<b>Assets</b>	-	0	0	0	0	0
<b>Shoulder</b>	-	0	50	50	100	150

*The payment received becomes a positive transaction on the liabilities side (the liability increases)-, resulting in a revaluation on the liabilities side of  $UB-IB-Transactions = -150-50=100$ .*

In period 2, the value of the stock falls below the strike price so the market value of the option is zero.

#### Period 2

Option	IB	Payment made	Payment received	transaction	Revaluation	UB
Market value	- 150	0	0	0	150	0
<b>Assets</b>	0	0	0	0	0	0
<b>Shoulder</b>	150	0	0	0	-150	0

*Since no payments were made in period 2, the entire change is a revaluation. The revaluation on the liability side is  $UB-IB-Transaction = -0-150=150$ .*

Period 3, the value of the stock increases causing the option to increase in value and the liability to increase. Cash settlement, the reporter pays the difference between the stock value and the exercise value.

#### Period 3

Option	IB	Payment made	Payment received	transaction	Revaluation	UB
Market value	0	60	0	60	-60	0
<b>Assets</b>	0	0	0	0	0	0
<b>Shoulder</b>	0	60	0	-60	60	0

*The payment made becomes a negative transaction on the liability side. The revaluation on the liability side is  $UB-IB-Transaction=0-0-(-60)=60$ .*

## 2 Forward contract

### 2a The reporter enters into an agreement to purchase shares at a predetermined price on a specific date.

No premium is paid for forwards. During the first period, the value of the underlying shares increases, which increases the value of the forwards.

#### Period 1

Forward	IB	Payment made	Payment received	transaction	Revaluation	UB
Market value	-	0	0	0	100	100
<b>Assets</b>	-	0	0	0	<b>100</b>	<b>100</b>
<b>Shoulder</b>	-	0	0	0	<b>0</b>	<b>0</b>

*No payments have been made, the revaluation on the asset side is  $UB-IB-Transactions=100-0-0=100$ .*

In period 2, the value of the shares falls below the strike price, so the value of the forwarder falls and the derivative becomes a liability.

#### Period 2

Forward	IB	Payment made	Payment received	Transaction	Revaluation	UB
Market value	100	0	0	0	-200	-
<b>Assets</b>	100	0	0	0	<b>-100</b>	<b>0</b>
<b>Shoulder</b>	0	0	0	0	<b>100</b>	<b>100</b>

*As the derivative switches sides from asset to liability, there are revaluations on both the asset and liability sides. The revaluation on the asset side is  $UB-IB-Transaction=0-100-0=-100$  (assets decrease) and the revaluation on the liability side is  $UB-IB-Transaction=100-0-0=100$  (liabilities increase).*

In period 3, the forwarder expires. Before that, the stock increases and the forwarder is now on the asset side again. Cash settlement.

#### Period 3

Forward	IB	Payment made	Payment received	transaction	Revaluation	UB
Market value	- 100	0	100	0	200	-
<b>Assets</b>	0	0	100	-100	<b>100</b>	-
<b>Shoulder</b>	100	0	0	0	<b>-100</b>	-

*Since the derivative is on the asset side when the payment is received, it becomes a negative transaction. The revaluation on the asset side is  $UB-IB-Transaction = -00-(-100)=100$ . The change in value increases the asset side until the forwarder matures and the assets decrease. Since the derivative changed sides from the previous period, there is also a revaluation on the liability side of  $UB-IB-Transaction = 0- 100-0=-100$ .*

### 3 Futures contract

Derivatives that are on the balance sheet on the reporting date but have a zero market value should be reported on the asset side. For over-the-counter futures, daily settlement takes place. The example therefore assumes that the market value of the contract is zero, although there are exceptions.

#### Period 1

Future	IB	Payment made	Payment received	transaction	Revaluation	UB
Market value	-	0	0	50	100	150
<b>Assets</b>	-	0	200	-200	<b>200</b>	<b>0</b>
<b>Shoulder</b>	-	0	0	0	<b>0</b>	<b>0</b>

*Transactions in derivatives with a market value of zero are assigned to the asset side (derivatives that no longer remain on the balance sheet are assigned to the side on which they were located on the last transaction date). The margin payment received becomes a negative transaction on the asset side, resulting in a revaluation on the asset side of  $UB-IB-Transaction = 0-0-(-200)=200$ .*

In period 2, the reporter pays 100 in ongoing settlement and is paid 300 by the exchange. This gives a net profit of 200

#### Period 2

Future	IB	Payment made	Payment received	transaction	Revaluation	UB
Market value	0	100	300	-200	200	0
<b>Assets</b>	0	100	300	-200	<b>200</b>	<b>0</b>
<b>Shoulder</b>	0	0	0	0	<b>0</b>	<b>0</b>

*As the derivative is assigned to the asset side, the margin payments made result in a positive transaction, while the payments received result in a negative transaction. The total transaction for the period is therefore  $100-300=-200$ , resulting in a revaluation on the asset side of  $UB-IB-Transaction=0-0-(-200)=200$ .*

In period 3, a margin payment of 50 is received from the exchange before the contract expires.

#### Period 3

Future	IB	Payment made	Payment received	Transaction	Revaluation	UB
Market value	0	0	50	-50	50	-
<b>Assets</b>	0	0	50	-50	<b>50</b>	-
<b>Shoulder</b>	0	0	0	0	<b>0</b>	-

*The margin payment received becomes a negative transaction on the asset side. The revaluation on the asset side is therefore  $UB-IB-Transaction = -00-(-50)=50$ .*

## 4 Swap contracts

The reporter enters into a swap agreement to exchange fixed for floating interest on a bond loan. On the redemption date, when the bond also matures, SEK is paid and EUR is received. The swap thus has two currency legs and two interest rate legs.

In period 1, the contract is concluded. No premium or similar is paid. During the period, both the krona and the floating rate fall in value. The fall in the krona increases the value of the swap, while the fall in interest rates reduces the value. The fall in the krona increases the value of the swap by 1,000 while the fall in interest rates reduces the value by 300. The total change in value is thus an increase of 700.

### Period 1

Swap	IB	Payment made	Payment received	Transaction	Revaluation	UB
Market value	-	0	0	0	700	700
<b>Assets</b>	-	0	0	0	<b>700</b>	<b>700</b>
<b>Shoulder</b>	-	0	0	0	<b>0</b>	<b>0</b>

The revaluation on the asset side is  $UB-IB-Transaction = 700-0-0=700$ .

In period 2, the krona exchange rate is unchanged while the floating rate falls. The value of the swap decreases but remains positive.

### Period 2

Swap	IB	Payment made	Payment received	transaction	Revaluation	UB
Market value	700	0	0	0	-500	200
<b>Assets</b>	700	0	0	0	<b>-500</b>	<b>200</b>
<b>Shoulder</b>	0	0	0	0	<b>0</b>	<b>0</b>

The revaluation on the asset side is  $UB-IB-Transaction=200-700-0=-500$ .

During the period, the krona exchange rate develops favourably for the reporter. The swap increases in value. In period 3, the reporter pays a coupon on the bonds. As the floating rate is lower than the fixed rate, a payment is also made to the contractual counterparty of the derivative.

### Period 3

Swap	IB	Payment made	Payment received	transaction	Revaluation	UB
Market value	200	500	0	500	3 800	4 500
<b>Assets</b>	200	500	0	500	<b>3 800</b>	<b>4 500</b>
<b>Shoulder</b>	0	0	0	0	<b>0</b>	<b>0</b>

As the swap is on the asset side, the payment made is a positive transaction. The asset side revaluation is  $-UBIBTransaction=4-500-200-500=3-800$ .

In period 4, the krona increases in value at the same time as the floating rate falls. The swap therefore has a negative market value.

**Period 4**

Swap	IB	Payment made	Payment received	Transaction	Revaluation	UB
Market value	4 500	0	0	0	-8 500	-4 000
<b>Assets</b>	4 500	0	0	0	<b>-4 500</b>	<b>0</b>
<b>Shoulder</b>	0	0	0	0	<b>4 000</b>	<b>4 000</b>

*During the period, the swap changes sides and revaluations occur on both the asset and liability sides. On the asset side the revaluation is  $UB-IB-Transaction = 0-4\,500-0=-4\,500$  and on the liability side the revaluation is  $4-0-0=4\,000$ .*

In period 5, the swap expires. By then the market value has decreased further. The reporter pays the debt of 6,000 to the counterparty.

**Period 5**

Swap	IB	Payment made	Payment received	transaction	Revaluation	UB
Market value	-4 000	6 000	0	6 000	-2 000	-
<b>Assets</b>	0	0	0	0	<b>0</b>	<b>-</b>
<b>Shoulder</b>	4 000	6 000	0	-6 000	<b>2 000</b>	<b>-</b>

*As the swap is on the liability side when it matures, the payment made is a negative transaction on the liability side. The revaluation on the liability side is  $UB-IB-Transaction=0-4,000-(-6,000)=2,000$ .*

### Annex 5: Example letter of credit

A Swedish company that imports goods opens a letter of credit with the reporter that constitutes a payment guarantee of SEK 20 million for that exporter in the EMU. A Swedish export company turns to the reporter to have a letter of credit confirmed so that the company can be sure of being paid even if political unrest prevents the bank opening the letter of credit in the rest of the world from fulfilling its commitment. This is reported as SEK 20 million with an EMU counterpart (opened the letter of credit) and SEK 10 million with a counterpart in Sweden (confirmed the letter of credit).

