



# **External position report of banks (MFIs) Guidelines**

With effect from December 2014

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## General guidelines

### I Sectors of the economy<sup>1</sup>

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#### Banks (MFIs)

Enterprises and households

    Insurance corporations (including pension funds)

        Insurance companies

        Pension funds

    Other financial intermediaries

        Investment funds (excluding money market funds)

        Remaining financial intermediaries

    Non-financial corporations

    Households

    Non-profit institutions

General government

    Central government

    Other general government

} **Non-banks  
(non-MFIs)**

#### Abroad

Non-residents are natural persons or corporations whose normal abode, head office or registered office is located abroad.

#### 1 Foreign banks

Foreign banks are institutions whose registered office or seat of management is located abroad, and which are regarded as banks in the country concerned. These also include domestic banks' branches abroad (including those of the reporting institution), but not the domestic branches and representative offices of foreign banks. Foreign monetary authorities/central banks, including the central banks of the euro-area member states and the ECB (see list on page ...), as well as

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<sup>1</sup> For detailed explanatory notes, see Deutsche Bundesbank, Banking statistics customer classification (available in German only), Special Statistical Publication 2, January 2018.

supranational banks such as the Bank for International Settlements (BIS), are also deemed to be foreign banks. Within the context of the European Union, only MFIs are to be recorded as banks.

For more information on supranational banks, see the list of international organisations on page ....

## **2 Foreign enterprises and households** (including non-profit institutions)

Foreign enterprises also include international development banks (with the exception of the European Investment Bank<sup>1</sup>) and the European Financial Stability Facility (EFSF), as well as the foreign affiliates of domestic enterprises. Foreign households also include members of foreign armed forces stationed in Germany (including civilian support personnel) and their families. By contrast, foreign workers living in Germany are, as a rule, to be regarded as residents.

For more information on international development banks, see the list of international organisations on page ....

## **3 Foreign general government**

Foreign central governments, including their diplomatic and consular missions in Germany and the agencies of foreign armed forces, as well as foreign state and local government and foreign social security funds. In addition, this category also includes international organisations (see list on page ...), excluding supranational banks and international development banks.

European Central Bank (ECB) see paragraph 1.

## **II Countries**

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Classification by country is also to include the euro-area member states. International organisations are to be treated as if they were a country. Items vis-à-vis the European Financial Stability Facility (EFSF) are to be specified in a separate designated country column (pseudo ISO code 7Y, country code 925). Items vis-à-vis the central banks of euro-area member states are to be shown in the country

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<sup>1</sup> See note entitled Classification of supranational banks and international development banks in the banking statistics, Deutsche Bundesbank, Banking statistics customer classification (available in German only), Special Statistical Publication 2, January 2018, p 29.

column of their respective country of domicile or seat; items vis-à-vis the ECB are to be recorded in a separate country column headed “ECB” (pseudo ISO code 4F, country code 918).

### **III Currencies**

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The domestic currency is the euro. All other currencies are deemed to be foreign currency.

### **IV Contents and presentation of the reports**

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#### **1 External position report**

The monthly external position report is to show all assets and liabilities vis-à-vis foreign banks, enterprises, households and general government. Moreover, positions vis-à-vis residents, in other words Germany, are to be specified as a memo item.

In principle, the assets to be shown here are to be taken from the reporting institution's books in the same way as in the report for the monthly balance sheet statistics. In defining the individual items, the maturity classification and all general reporting issues, the guidelines on monetary financial institutions' reports for the monthly balance sheet statistics are to be applied as appropriate.

In principle, classification of the assets and liabilities vis-à-vis individual countries and sectors reported in the external position report is determined by the country of domicile and economic sector of the immediate counterparty. Immediate counterparties comprise local affiliates for which separate books are kept; their country of domicile and the economic sector within which they fall do not necessarily have to be identical with the legal domicile and economic sector of the respective head office of the enterprise. Contrary to the general principle of classification according to the immediate counterparty, the forms relating to "Ultimate risk position", and these forms only, ask the reporting party to specify the ultimate bearer of liability in order to better identify country risk.

The total amounts to be recorded under external assets and external liabilities (forms “External assets”, column 1 and “External liabilities”, column 1), are to be taken from the reporting institution’s euro accounts, and on the reporting date foreign currencies must be converted into euro at the reference rate, in accordance with the provisions governing the monthly balance sheet statistics. The assets and liabilities vis-à-vis individual countries or individual international organisations are to be shown in separate columns – specifically, in 1,000 units of the currency in which they are denominated; assets and liabilities in precious metal accounts are to be recorded in units of weight (kilograms). On request, the reporting institution may be permitted to show all amounts of foreign currency or holdings in precious metal accounts in euro if it explicitly undertakes in writing to convert these currencies at the ESCB's reference rate on the reporting date. Moreover, for each amount denominated in a particular currency, the converted equivalent is to be reported in a separate country/currency column and the original currency of denomination to be entered at the top of the column.

The reporting institution is free to choose the order in which the country/currency combinations are recorded (for example, a country or international organisation and all related currencies, or a currency and all related countries or international organisations). Care must be taken to ensure, first, that each country/currency combination is recorded only once, and, second, that all individual amounts included in the sum column are recorded in one of the country/currency combinations.

The numerical codes and ISO codes for countries, international organisations and currencies that are needed for the electronic transfer of reports are stated in the lists on page ....

The memo item columns detailing “Assets vis-à-vis Germany” and “Liabilities vis-à-vis Germany” should be used to specify the external asset and liability positions of the relevant items vis-à-vis **domestic** (ie domiciled in Germany) banks, enterprises and households, as well as general government (for example, short-term loan claims on domestic non-financial corporations are to be entered on the form “External assets” in line R11 109 of the “Assets vis-à-vis Germany” column). A currency breakdown is not required. The respective assets and liabilities vis-à-vis Germany are not to be included in the total amount of external assets, nor that of external liabilities (form column 1).

Institutions subject to reporting requirements are to submit one report each for the domestic part of the institution, covering the overall external business of the institution transacted in Germany (see page 9). In addition, reports for the branches abroad encompassing their external business are to be returned with the data for the branches located in the same country of domicile consolidated in a single report (see page 24). Furthermore, reports on the external position of the foreign subsidiaries are to be returned, with a separate report being submitted for each subsidiary (including its branches) (see page 29).

In the case of banks which are required not only to submit reports for the domestic part of their institution but also for their branches abroad and/or foreign subsidiaries, the Bundesbank calculates a “consolidated” external position. As part of this consolidation, related positions contained in the domestic, branch and subsidiary reports are aggregated and any positions relating to group-affiliated institutions that are presented separately in these reports are offset against one another. The consolidated group upon which this “consolidated” external position is based therefore consists solely of bank-like institutions, in other words the reporting domestic institution and its foreign branches and/or foreign subsidiaries which are also included in the external position report.

## **2 Ultimate risk position of domestic institutions, foreign branches and foreign subsidiaries**

In the context of collecting these data, domestic banks whose external assets exceed €500 million, as well as all banks with their own foreign branches and/or foreign subsidiaries, are obliged to classify aggregated asset items according to the **country of domicile** and **economic sector** in the location which is ultimately responsible for servicing the debt (ie classification by **ultimate risk**). The aim is to generate a realistic picture of **country risk** with respect to the exposures. A currency breakdown is not required.

The ultimate risk position report should be used to record claims on branches or subsidiaries for which a parent company is liable vis-à-vis the country where the liable parent company is domiciled. Exposures secured by a protection instrument as defined in the prudential German Solvency Regulation (*Solvabilitätsverordnung*) should be classified according to the domicile and sector of the protection provider or the location of the protection instrument (in the case of financial collateral: the domicile of the issuer; in the case of real estate collateral: the location of the real estate property). With the exception of credit derivatives used to cover the

counterparty risk of financial instruments, derivative financial instruments in the trading portfolio are not to be recorded under the ultimate risk position.

When classifying according to ultimate risk, it is also necessary to take account of risk transfers to and from Germany. Loans to non-residents which are guaranteed by a domestic entity should be recorded under “Assets vis-à-vis Germany”; they include, for instance, export credits backed by the export credit guarantee scheme of the German government. Loans to domestic borrowers which are guaranteed by a foreign entity should correspondingly be assigned to the country of domicile of the foreign protection provider.

The table below contains examples of classifications according to ultimate risk:

<b>Asset holding</b>	<b>Assignment to ultimate risk position</b>
Loan to the London branch of a French bank.	Loans to and securities of banks domiciled in France.
Debt security of the German subsidiary of a US bank holding company. The bank holding company has issued a binding letter of comfort for its subsidiary.	Loans to and securities of enterprises domiciled in the United States.
Loan to the Turkish subsidiary of a German enterprise. The German parent company has not issued a letter of comfort for its subsidiary.	Loans to and securities of enterprises domiciled in Turkey.
Loan to a Japanese enterprise collateralised using Japanese government bonds.	Loans to and securities of general government in Japan.
Brazilian government bond collateralised by the credit derivative of a UK bank.	Loans to and securities of banks domiciled in the United Kingdom.
Export loan to the house bank of an Indian importer backed by the German government credit insurance agency.	Loans to and securities of general government in Germany.
Loan to a French enterprise, secured with real estate in the Netherlands.	Assets collateralised by real estate in the Netherlands.

In each case, separate ultimate risk positions are to be submitted for the domestic part of the reporting institution, for its foreign branches (aggregated according to host countries) and for its foreign subsidiaries.

Branches of foreign banks, as well as banks under majority foreign ownership and their foreign branches and subsidiaries, are exempted from the requirement to report their ultimate risk positions.

### **3 Foreign currency position (supplementary form FW)**

When collecting these data, items denominated in foreign currency which pertain to residents are to be broken down by type, maturity and sector. In addition, any debt securities issued, whether negotiable or non-negotiable, that are denominated in a foreign currency are to be reported under this position and broken down according to maturity. Items denominated in US dollars, Japanese yen, Swiss francs, pounds sterling, Swedish krona and Danish krone are to be recorded separately.

Institutions with foreign branches are required to submit supplementary form FW for the domestic part of their institution only.

## **Guidelines on the external position report of domestic banks (MFIs)**

### **I Form “External assets” (R11/R12)**

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In addition to external assets, the memo item reporting column should also list assets vis-à-vis Germany (for example, short-term loan claims vis-à-vis domestic non-financial corporations are to be entered in line R11 109 of the “Assets vis-à-vis Germany” column).

#### **Item 010 Banknotes and coins denominated in foreign currency**

Only legal tender of non-euro-area member states is to be recorded here. However, gold coins, even if they are officially legal tender, are to be excluded. A breakdown by currency denomination is not required.

#### **Item 123 Loans and advances to non-residents**

All loans and advances to non-residents (excluding trustee claims) not evidenced by negotiable securities are to be recorded here, in accordance with the classification by economic sector and by maturity provided for on the report form. Loans and advances to legally dependent affiliates of German enterprises and banks abroad are also to be included under this item; they are to be assigned to the country in which the affiliate is domiciled.

Domestic branches of foreign banks are also to list here any loans and advances they have made to their head office and to foreign affiliates. Institutions with branches abroad are also to record here, in the report for the domestic part of the institution, any loans and advances they have made to these branches abroad (other than working capital supplied; see item 142).

For the report on foreign branches, see page 24.

For “Foreign bills”, see item 206.

#### **Item 124 Foreign Treasury bills and Treasury discount paper**

Treasury bills, Treasury discount paper and similar debt instruments issued by foreign public bodies and which have been discounted and are eligible for refinancing with the central banks of the countries in which the reporting bank is established are to be shown under this item. The paper is to be shown under the

currency in which it is denominated and under the country in which the issuer is domiciled.

“Countries in which the reporting bank is established” are deemed to be all countries – including the main country of domicile – in which the reporting institution conducts banking business, offers services or is represented for other reasons, irrespective of the form (office, branch, representative office) in which it operates in the country concerned.

### **Items 125, 126 and 127                      Money market paper**

Negotiable Treasury bills, Treasury notes and other money market paper (commercial paper, euro notes, certificates of deposit, “bons de caisse” and similar rights evidenced by certificates with an original maturity of up to and including one year) issued by foreign borrowers, other than those to be included in item 124 “Foreign Treasury bills and Treasury discount paper”, are to be shown in these items. Debt securities issued by the ESCB are also to be recorded here using the ECB country code (pseudo-ISO code 4F, country code 918).

Repurchased subordinated and non-subordinated negotiable money market paper issued by the reporting institution itself is to be recorded in the column “Assets vis-à-vis Germany” under the corresponding asset item 125 in line with the balance sheet statistics.

### **Items 129 to 140                      Other foreign securities (with items 151, 152, 190 and 193)**

Own holdings of securities issued by foreign borrowers are to be shown under these items – specifically, negotiable bonds and debt securities, and shares and other variable-yield securities (including shares in foreign money market funds, for example), other than those to be included in item 141 “Participating interests and shares in affiliated enterprises abroad”.

The paper is to be shown under the currency in which it is denominated and under the country in which the issuer is domiciled.

Repurchased subordinated and non-subordinated negotiable debt securities issued by the reporting institution itself are to be recorded in the column “Assets vis-à-vis Germany” under the corresponding asset items 129 or 130 in line with the balance sheet statistics.

Holdings of non-negotiable debt securities are not to be shown here but in items 101 to 120 “Loans and advances ...”.

**Item 141            Participating interests and shares in affiliated enterprises  
abroad (with items 153 and 154)**

All participating interests and shares in affiliated enterprises abroad (including in banks and in other financial intermediaries) are to be listed under this item, irrespective of whether they are securitised or not.

**Item 142            Working capital supplied to foreign branches**

The working capital supplied to foreign branches which is included in item 176 “Other assets” of the monthly balance sheet statistics is to be shown separately under this item.

**Item 143            Other external assets**

All on-balance-sheet external financial assets which cannot be included in items 010 to 142 (eg derivative financial instruments in the trading portfolio that have a positive value on the reporting date, delivery rights arising from precious metal accounts, holdings of foreign bills) are to be shown under this item.

**Items 144 to 146            Reverse repos with banks**

Loans and advances arising from reverse repo transactions (the granting of loans in return for securities as collateral) that are included under items 101 to 104 “Loans and advances ... to foreign banks” are to be recorded separately here.

**Items 148 and 149    Reverse repos with other financial intermediaries**

Loans and advances arising from reverse repo transactions (the granting of loans in return for securities as collateral) that are included under items 107 and 108 “Loans and advances ... to other financial intermediaries abroad” are to be recorded separately here.

**Items 161 to 164      Loans and advances to central banks/ monetary authorities**

The claims on foreign banks/monetary authorities included under items 101 to 104 "Loans and advances to foreign banks ..." are to be recorded separately here. Loans and advances to central banks of the euro-area member states and to the ECB as well as, for example, to the BIS, the International Monetary Fund and the Arab Monetary Fund are also to be shown here (for the list with the corresponding country codes, see page ...).

**Items 171 to 174      Loans and advances to group-affiliated banks**

Loans and advances to own foreign branches and to own foreign subsidiaries deemed to be banks in their country of domicile that are included under items 101 to 104 "Loans and advances ... to foreign banks" are to be recorded separately here. Branches of foreign banks and banks either directly or indirectly majority-owned by non-residents must also include their loans and advances to foreign head offices or parent companies and to foreign affiliates.

From December 2014, the definition of "group-affiliated banks" will be expanded to include domestic bank subsidiaries and their foreign branches and foreign subsidiaries.

**Items 185 and 186      Loans and advances to foreign insurance corporations**

Loans and advances to insurance corporations (excluding pension funds) that are included under items 105 and 106 "Loans and advances ... to foreign insurance corporations" are to be recorded separately here.

**Items 190 to 198      Loans and advances from investment funds  
(excluding money market funds)**

Loans and advances from investment funds (excluding money market funds) that are included under items 107, 108, 133 and 139 are to be recorded separately here.

## **Supplementary data on external assets**

### **Item 202      Loans and advances with a residual maturity of up to one year**

All loans and advances with a residual maturity of up to one year included under item 123 “Loans and advances to non-residents” are to be shown here. They include not only loans and advances which were originally long-term and whose residual maturity has now declined to one year or less but also loans and advances which were originally short-term and whose original maturity was one year or less. Current account credit is also included here: in the case of loans and advances with repayments in regular instalments, the instalments due within the next twelve months are to be given.

### **Item 203      Irrevocable credit commitments**

Irrevocable credit commitments vis-à-vis non-residents which are recorded in item 390 of the monthly balance sheet statistics are to be shown separately under this item. A breakdown by individual currency is not required; the amounts may be entered in euro.

### **Item 206      Foreign bills**

Bills which have been drawn on (in the case of promissory notes, issued by) non-residents and which are shown in item 143 “Other external assets” and held in the reporting institution’s portfolio are to be shown separately here. Whether the bills have been submitted by residents or by non-residents or where they are payable is irrelevant in this context.

### **Item 209      Syndicated loans**

The syndicated loan components included under items 101 to 104 “Loans and advances ... to foreign banks” are to be recorded separately here.

### **Item 211      Reverse repos**

Loans and advances arising from reverse repo transactions (the granting of loans in return for securities as collateral) that are included under item 123 “Loans and advances to non-residents” are to be recorded separately here.

**Item 213          Syndicated loans**

Syndicated loan components that are included under item 123 “Loans and advances to non-residents” – including the amounts already shown under item 209 – are to be recorded separately here.

**Item 214          Debt securities in the trading portfolio**

Debt securities acquired for trading purposes that are included under items 129 to 137 “Debt securities...” are to be recorded separately here.

**Item 215          Gross holdings of debt securities**

The holdings of bonds and debt securities before deducting short sales are to be given here.

**Item 216          Gross holdings of shares and other securities**

The holdings of shares and other securities before deducting short sales are to be given here.

**Items 217 to 220          Derivative financial instruments**

Derivative financial instruments in the trading portfolio that have a positive value within the meaning of section 340e (3) of the Commercial Code (*Handelsgesetzbuch*) and section 35 (1) number 1a of the Accounting Regulation for Credit Institutions (*Verordnung über die Rechnungslegung der Kreditinstitute*) are to be reported here. The items are to be shown gross, ie without taking bilateral netting agreements into account. Items relating to group-affiliated banks are to be recorded separately (from December 2014, the definition of “group-affiliated banks” will be expanded; see information in items 171 to 174). Moreover, items relating to enterprises should also cover business relationships with households.

A breakdown by individual currency is not required; the amounts may be entered in euro.

**Item 221          Delivery rights arising from precious metal accounts**

These include, for example, receivables in gold accounts which confer a claim to unallocated gold.

#### **Item 224 Trade credits**

Claims vis-à-vis foreign banks and foreign enterprises in connection with the financing of trade receivables in external transactions, as listed under items 123 and 206, are to be shown separately here. These include

- Foreign bills purchased in connection with export finance.
- Claims on foreign issuing banks in connection with documentary foreign trade financing.
- Forfeited export claims (including quasi-forfaiting, ie sales of receivables, backed by the export credit guarantee scheme of the German government).
- Buyer credits (tied loans) granted to foreign importers or their house bank, even where the loan funds have been paid out to the domestic importer directly. In the case of syndicated buyer credits, only the part pertaining to the reporting institution is to be recorded.

Loans granted to **domestic** banks or enterprises are **not** to be listed under trade credits, even if they are related to the financing of foreign trade.

#### **Item 225 Debt securities with a residual maturity of up to one year**

All debt securities included in items 129 to 137 “Debt securities...” whose residual maturity has now declined to one year or less are to be shown here.

#### **Item 226 Debt securities and money market paper of group-affiliated banks**

Debt securities and money market paper pertaining to group-affiliated banks that are included under items 125, 129 and 130 are to be recorded separately here (from December 2014, the definition of “group-affiliated banks” will be expanded; see information in items 171 to 174). Branches of foreign banks and banks either directly or indirectly majority-owned by non-residents must record any of their portfolio holdings which were issued by foreign head offices or parent companies and by foreign affiliates here.

**Item 228          Reverse repos with central counterparties  
(which are regarded as banks)**

Reverse repos with central counterparties (central counterparties within the meaning of section 1 (31) of the German Banking Act (*Kreditwesengesetz*)) that are included under items 144 to 146 “Reverse repos ... with banks” are to be recorded separately here.

**Item 229          Reverse repos with central counterparties  
(which are regarded as other financial intermediaries)**

Reverse repos with central counterparties (central counterparties within the meaning of section 1 (31) of the German Banking Act) that are included under items 148 and 149 “Reverse repos ... with other financial intermediaries” are to be recorded separately here.

**Item 230          Gross holdings of money market paper**

The holdings of money market paper of foreign banks before deducting short sales are to be given here.

**II Supplement to the form “External assets” (R11B/R12B): changes in assets  
resulting from valuation adjustments in the reporting month**

All additions and deductions to/from loan and securities portfolios arising from valuation adjustments in the reporting month are to be shown here; reductions should be identified by a minus sign.

The following are to be treated as valuation adjustments:

- Changes in the individual value adjustments and write-downs and/or write-ups on bad loans carried out in the reporting month.
- Revaluations of securities as a result of changes in the market value.

Value changes arising from exchange rate fluctuations are not to be included.

Valuation adjustments are to be shown only in the month or months in which such changes to the reported stock figures were actually made. If no changes in the

individual valuation adjustments occurred in the reporting period or no write-downs and/or write-ups on bad loans were carried out, the form “Changes in assets resulting from valuation adjustments in the reporting month” need not be completed. “Nil reports” are not required.

Note: The introduction of forms for reporting valuation adjustments does not mean that, contrary to the reporting institutions' normal valuation practice, stocks are to be revalued on a regular basis in future.

### **III Form “Ultimate risk position” (UR)**

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Banks reporting their ultimate risk position are to list all loans, securities and other assets specified in the external position of the domestic institution (form R11/R12) under this item. Contrary to the otherwise standard external position practice of classification by direct debtor, the data should be broken down by sector and country according to the liable party's domicile (guidelines are provided on page 6). The total amount of external assets on the form “Ultimate risk position” (item 800, vis-à-vis non-residents and vis-à-vis Germany) should correspond to the total amount of external assets on form R11/R12 (item 100, vis-à-vis non-residents and vis-à-vis Germany, excluding derivative financial instruments and excluding banknotes and coins).

#### **Item 802      Loans to and securities of group-affiliated banks**

Loans and advances to own foreign branches and to own foreign subsidiaries deemed to be banks in their country of domicile that are included under item 801 “Loans to and securities of foreign banks” are to be recorded separately here.

From December 2014, the definition of “group-affiliated banks” will be expanded to include domestic bank subsidiaries and their foreign branches and foreign subsidiaries.

#### **Item 806      Other asset items excluding derivative financial instruments in the trading portfolio**

All asset items not separately listed on the form “Ultimate risk position” (compared to form R11/R12) are to be recorded here. In addition to remaining other assets (item R12.143 excluding derivative financial instruments in the trading portfolio),

participating interests (item R12.141) and working capital (item R12.142) are also to be recorded under item 806. Banknotes and coins from item R11.010 do not need to be recorded here; likewise, other assets (item R12.143) vis-à-vis Germany should not be reported (this item is inaccessible on form R12).

#### **Item 808      Assets collateralised by real estate**

Assets which are collateralised by real estate or a different lien are only to be recorded here and not under items 801 to 805.

### **IV Form “External liabilities” (R21/R22)**

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In addition to liabilities vis-à-vis other countries, the memo item reporting column should also list liabilities vis-à-vis Germany (for example, sight deposits of domestic non-financial corporations are to be reported in line R21 319 of the “Liabilities vis-à-vis Germany” column).

#### **Item 353      Liabilities to non-residents (excluding savings deposits)**

All unsecuritised liabilities to non-residents (other than savings deposits and trustee liabilities, but including subordinated liabilities) are to be shown under this item in accordance with the classification by sector of the economy and maturity provided for on the reporting form. Liabilities to legally dependent branches of German enterprises and banks abroad are also to be included under this item; they are to be assigned to the country in which the branch is domiciled. Liabilities arising from genuine sale and repurchase transactions (repos) and from securities and precious metal lending transactions against monetary collateral that are included in liabilities are to be shown here separately in the amounts received for the transfers. Building and loan associations are to show deposits under savings contracts placed by non-residents as deposits with an agreed maturity of over two years, depending on the creditor, on line 305 or lines 312, 318, 324, 330, 336, 344 or 350.

Domestic branches of foreign banks are also to show their liabilities to their head office and their foreign affiliates (with the exception of the working capital received; see item 357) under this item. Banks with branches abroad are also to show here, in the report for the domestic part of the institution, their liabilities to branches abroad.

For the report on foreign branches, see page 24.

**Item 356          Non-residents' savings deposits**

Only funds satisfying the requirements of section 21 (4) of the Accounting Regulation for Credit Institutions are to be shown in this item as non-residents' savings deposits.

**Item 357          Working capital supplied to domestic branches of foreign banks**

The working capital (including reserves) supplied to domestic branches of foreign banks as shown in item HV21/310 "Capital" of the monthly balance sheet statistics is to be recorded here.

**Item 358          Other external liabilities**

All on-balance-sheet external liabilities which cannot be included under items 301 to 357 (eg derivative financial instruments in the trading portfolio that have a negative value on the reporting date) are to be shown under this item.

Securitised liabilities are not to be recorded under "Other external liabilities".

**Items 361 to 365          Liabilities to foreign central banks/monetary authorities**

Liabilities to foreign central banks/monetary authorities included under items 301 to 305 "Liabilities ... to foreign banks" are to be shown separately here. Liabilities to central banks of the euro-area member states and to the ECB as well as, for example, to the BIS, the International Monetary Fund and the Arab Monetary Fund are also to be shown here (for the list with the corresponding country codes, see page ...).

**Items 371 to 375          Liabilities to group-affiliated banks**

Liabilities to own foreign branches and to own foreign subsidiaries deemed to be banks in their country of domicile that are included under items 301 to 305 "Liabilities ... to foreign banks" are to be recorded separately here. Branches of foreign banks and banks either directly or indirectly majority-owned by non-residents must also include their liabilities to foreign head offices (with the exception of working capital; see item 357) or parent companies and to foreign affiliates.

From December 2014, the definition of “group-affiliated banks” will be expanded to include domestic bank subsidiaries and their foreign branches and foreign subsidiaries.

**Items 381 to 389      Liabilities to foreign insurance corporations**

Liabilities to foreign insurance corporations (excluding pension funds) included under items 307, 309, 311 and 312 “Liabilities ... to foreign insurance corporations” are to be shown separately here.

**Items 393 to 398      Investment funds (excluding money market funds)**

Liabilities to investment funds (excluding money market funds) that are included under items 313, 315, 317 and 318 “Liabilities ... to other financial intermediaries abroad” are to be recorded separately here.

**Items 406, 407, 409, 411                  Repo liabilities to central counterparties  
(regarded as other financial intermediaries)**

Repo liabilities to central counterparties (central counterparties within the meaning of section 1 (31) of the German Banking Act) that are included under items 314, 316, 408 and 410 “Repo liabilities ... to other financial intermediaries abroad” are to be recorded separately here.

**Supplementary data on external liabilities**

**Items 412 to 415      Derivative financial instruments**

Derivative financial instruments in the trading portfolio that have a negative value within the meaning of section 340e (3) of the Commercial Code and section 35 (1) number 1a of the Accounting Regulation for Credit Institutions are to be reported here. The items are to be shown gross, ie without taking bilateral netting agreements into account. Items relating to group-affiliated banks are to be recorded separately (from December 2014, the definition of “group-affiliated banks” will be expanded; see information in items 371 to 375). Moreover, items relating to enterprises should also cover business relationships with households.

A breakdown by individual currency is not required; the amounts may be entered in euro.

**Item 416      Delivery liabilities arising from precious metal accounts**

These include, for example, liabilities in gold accounts which give the creditor a claim to unallocated gold.

**Item 417      Debt securities and money market paper issued**

All debt securities and money market paper issued by the reporting institution are to be recorded under this item, specifying the amounts reported in items HV21 231, HV21 232, HV22 281 and HV 22 282 in the monthly balance sheet statistics. They are to be classified according to the currency in which they were issued. No classification according to the country is required, nor is it necessary to specify the memo item information “vis-à-vis Germany”. Instead, the relevant amounts should be reported under the country code 858 for “countries not specified”; form column 1 should be used as the sum column.

**Item 418      Issued debt securities and money market paper with a residual maturity of up to and including one year**

All paper with a residual maturity of up to one year included under item 417 “Debt securities and money market paper issued” is to be shown separately here. It includes not only debt securities issued which were originally long-term and whose residual maturity has now declined to one year or less but also money market paper whose original maturity was one year or less. All such paper is to be classified according to the currency in which it was issued. No classification according to the country is required, nor is it necessary to specify the memo item information “vis-à-vis Germany”. Instead, the relevant amounts should be reported under the country code 858 for “countries not specified”; form column 1 should be used as the sum column.

**Item 421      Repo liabilities to central counterparties  
(which are regarded as banks)**

Repo liabilities to central counterparties (central counterparties within the meaning of section 1 (31) of the German Banking Act) that are included under items 359, 360, 404 and 405 “Repo liabilities ... to foreign banks” are to be recorded separately here.

**Item 422      Repo liabilities to insurance corporations**

Liabilities arising from genuine sale and repurchase transactions (repos) and from securities and precious metal lending transactions against monetary collateral that are included under items 381, 382, 387 and 389 “Liabilities ... to foreign insurance corporations” (excluding pension funds) are to be shown here separately in the amounts received for the transfers.

**Item 423      Liabilities to financial vehicle corporations**

Liabilities to financial vehicle corporations that are included under items 313, 315, 317 and 318 “Liabilities ... to other financial intermediaries abroad” are to be recorded separately here.

**Item 424      Repo liabilities to investment funds**

Liabilities arising from genuine sale and repurchase transactions (repos) and from securities and precious metal lending transactions against monetary collateral that are included under items 393, 395, 397 and 398 “Liabilities ... to investment funds (excluding money market funds)” are to be shown here separately in the amounts received for the transfers.

**V Form “Foreign currency position” (supplementary form FW)**

Data on the foreign currency assets and liabilities vis-à-vis residents and foreign-currency-denominated debt securities are to be shown under items 501 to 705. Items denominated in US dollars, Japanese yen, Swiss francs, pounds sterling, Swedish krona and Danish krone are to be recorded separately.

All currency amounts are to be shown converted into euro.

Repurchased subordinated and non-subordinated negotiable debt securities (including bearer money market paper) issued by the reporting institution itself are to be recorded under the corresponding asset items 509 to 511 in line with the balance sheet statistics; by contrast, holdings of non-negotiable debt securities issued by the reporting institution itself are to be deducted from liability items 701 to 705 at the value at which they are carried on the liability side.

From December 2014, the main items on supplementary form FW must be broken down into further detail (as in the external position report). The definition of “group-affiliated banks” corresponds to the expanded definition required to report on the external position of domestic banks; see information in items 171 to 174.

Furthermore, in preparing the reports, the Guidelines on the external position report of domestic banks are to be applied.

## **Guidelines on the external position report of foreign branches**

Like the domestic banks' external position report, the report provides a breakdown of the external assets and liabilities by sector and maturity as well as by country and currency. The **same definition of “foreign/abroad”** is to be used as in the **report for domestic MFIs**; hence the branch's country of domicile is also deemed to be “foreign/abroad”. Alongside assets and liabilities vis-à-vis non-residents, assets and liabilities vis-à-vis Germany are likewise to be reported in two memo item columns.

A separate report is to be prepared for each individual country of domicile of a foreign branch (also applicable to euro-area member states). However, an aggregate report is to be returned for branches in the same country of domicile. The reciprocal assets and liabilities of foreign branches domiciled in different countries are not to be netted but instead shown gross.

The memo item columns detailing “Assets vis-à-vis Germany” and “Liabilities vis-à-vis Germany” should be used to specify the external asset and liability positions of the relevant items vis-à-vis **domestic** (ie domiciled in Germany) banks, enterprises and households, as well as general government. The respective assets and liabilities vis-à-vis Germany are not to be included in the total amount of external assets, nor that of external liabilities (form column 1).

Furthermore, in preparing the reports, the Guidelines on the external position report of domestic banks are to be applied accordingly.

### **I Form “External assets of foreign branches” (R11)**

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#### **Item 207      Loans and advances to group-affiliated banks (with items 231 and 232)**

The loans and advances to group-affiliated banks listed under items 103 and 104 “Loans and advances ... to foreign banks” are to be shown separately here. The “Assets vis-à-vis Germany” column should show all loans and advances to the German head office while the other columns should be used to list all loans and advances to other foreign branches affiliated to the German head office and to its foreign banking subsidiaries, in each case broken down by country and currency.

The definition of “group-affiliated banks” will remain unchanged from December 2014 onwards.

**Item 222           Loans and advances to foreign insurance corporations and other financial intermediaries abroad**

Loans and advances to foreign financial enterprises not deemed to be banks in their country of domicile that are included under items 115 and 116 “Loans and advances to foreign enterprises and households” are to be recorded separately here.

**Item 223           Debt securities of foreign insurance corporations and other financial intermediaries abroad**

Debt securities issued by foreign financial enterprises not deemed to be banks in their country of domicile that are included under item 135 “Debt securities of foreign enterprises” are to be recorded separately here.

**Item 226           Debt securities and money market paper of group-affiliated banks**

The debt securities and money market paper of group-affiliated banks listed under items 125 and 131 are to be shown separately here. The “Assets vis-à-vis Germany” column should show all paper issued by the German head office which is held by the branch while the other columns should be used to list all paper issued by other foreign branches of the German head office and foreign banking subsidiaries of the German head office, in each case broken down by country and currency.

**Items 227 and 218           Derivative financial instruments in the trading portfolio**

Derivative financial instruments in the trading portfolio that have a positive value are to be reported here. The items are to be shown gross, ie without taking bilateral netting agreements into account. Items relating to group-affiliated institutions (German head office together with its other foreign branches and foreign subsidiaries) are to be recorded separately.

## **II Form “Ultimate risk position of foreign branches” (UR)**

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All loans, securities and other assets specified on form R11 “External position of the foreign branches” are to be listed under this item. Contrary to the otherwise standard external position practice of classification by direct debtor, the data should be broken down by sector and country according to the liable party’s country of domicile (see guidelines on page 6). The total amount of external assets on the form “Ultimate risk position” (item 800, vis-à-vis non-residents and vis-à-vis Germany) should correspond to the total amount of external assets on form R11 (item 100, vis-à-vis non-residents and vis-à-vis Germany, excluding derivative financial instruments).

### **Item 802 Loans to and securities of group-affiliated banks**

Loans and advances to the German head office, other foreign branches of the German head office and foreign subsidiaries of the German head office that are included under item 801 “Loans to and securities of foreign banks” are to be recorded separately here.

The definition of “group-affiliated banks” will remain unchanged from December 2014 onwards.

### **Item 806 Other asset items excluding derivative financial instruments in the trading portfolio**

All asset items not separately listed on the form “Ultimate risk position” (compared to form R11) are to be recorded here. In addition to remaining other assets (item R11.143 excluding derivative financial instruments in the trading portfolio), participating interests (item R11.141) are also to be recorded under item 806. Other assets (item R11.143) vis-à-vis Germany should not be reported (this item is inaccessible on form R11).

### **Item 808 Assets collateralised by real estate**

Assets which are collateralised by real estate or a different lien are only to be recorded here and not under items 801 to 805.

### **III Form “External liabilities of foreign branches“ (R21)**

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#### **Item 353 Liabilities to non-residents**

Saving deposits of non-residents are to be shown by creditor in line 337 or 351 as overnight liabilities and liabilities of up to and including one year.

#### **Item 400 Liabilities to group-affiliated banks**

The liabilities to group-affiliated banks listed under items 303, 306 and 357 are to be shown separately here. The “Liabilities vis-à-vis Germany” column should show all liabilities to the German head office (including the working capital received) while the other columns should be used to list all liabilities to other foreign branches of the German head office and foreign banking subsidiaries of the German head office, in each case broken down by country and currency.

The definition of “group-affiliated banks” will remain unchanged from December 2014 onwards.

#### **Item 403 Liabilities with a maturity of more than one year to group-affiliated institutions**

The working capital supplied by the German head office to its foreign branches, as shown under item 357, is also to be included here.

#### **Items 419 and 413 Derivative financial instruments in the trading portfolio**

Derivative financial instruments in the trading portfolio that have a negative value are to be reported here. The items are to be shown gross, ie without taking bilateral netting agreements into account. Items relating to group-affiliated banks (German head office, other foreign branches of the German head office and foreign banking subsidiaries of the German head office) are to be recorded separately.

#### **Item 417 Debt securities and money market paper issued**

All debt securities and money market paper issued by the reporting branch are to be recorded under this item, specifying the amounts reported in items HV21 231, HV21 232, HV 22 281 and HV22 282 in the monthly balance sheet statistics of the

foreign branches. All such paper is to be classified according to the currency in which it was issued. No classification according to the country is required, nor is it necessary to specify the memo item information “vis-à-vis Germany”. Instead, the relevant amounts should be reported under the country code 858 for “countries not specified”; form column 1 should be used as the sum column.

**Item 418            Issued debt securities and money market paper with a residual maturity of up to and including one year**

All paper with a residual maturity of up to one year included under item 417 “Debt securities and money market paper issued” is to be shown separately here. It includes not only debt securities issued which were originally long-term and whose residual maturity has now declined to one year or less but also money market paper whose original maturity was one year or less. All such paper is to be classified according to the currency in which it was issued. No classification according to the country is required, nor is it necessary to specify the memo item information “vis-à-vis Germany”. Instead, the relevant amounts should be reported under the country code 858 for “countries not specified”, form column 1 should be used as the sum column.

## **Guidelines on the external position report of foreign subsidiaries**

Like the domestic banks' external position report, this report provides a breakdown of the external assets and liabilities by sector and maturity as well as by country and currency. The **same definition of "foreign/abroad"** is to be used **as in the report for domestic MFIs**; hence the subsidiary's country of domicile is also deemed to be "foreign/abroad". Alongside assets and liabilities vis-à-vis non-residents, assets and liabilities vis-à-vis Germany are likewise to be reported in two memo item columns.

A separate report is to be prepared for each individual subsidiary (including its sub-branches). The sum total of the external assets and liabilities (forms headed "External assets of foreign subsidiaries" and "External liabilities of foreign subsidiaries", column 1) is to be shown in the same currency as used for the monthly balance sheet statistics on the foreign subsidiaries (ie in the currency in which the foreign subsidiary's accounts are kept or, on request, converted into euro). The assets and liabilities shown in the individual country/currency columns (column 2 ff) are to be shown in 1,000 units of the currency in which they are denominated. Assets and liabilities in precious metal accounts are to be recorded in units of weight (kilograms). On request, the reporting institution may also convert the currency amounts or holdings in precious metal accounts into euro, although the original currency must still be indicated to make it clear from which currency the amounts have been converted.

The memo item columns detailing "Assets vis-à-vis Germany" and "Liabilities vis-à-vis Germany" should be used to specify the external asset and liability positions of the relevant items vis-à-vis domestic (ie domiciled in Germany) banks, enterprises and households, as well as general government. These positions are to be shown in the same currency as used for the monthly balance sheet statistics on the foreign subsidiaries (ie in the currency in which the foreign subsidiary's accounts are kept or, on request, converted into euro). The respective assets and liabilities vis-à-vis Germany are not to be included in the total amount of external assets, nor that of external liabilities (form column 1).

Furthermore, in preparing the reports, the Guidelines on the external position report of domestic banks are to be applied accordingly.

## **I Form “External assets of foreign subsidiaries” (R11)**

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### **Item 207           Loans and advances to group-affiliated banks (with items 231 and 232)**

The loans and advances to group-affiliated banks listed under items 103 and 104 are to be shown separately here. The “Assets vis-à-vis Germany” column should show all loans and advances to the German parent company while the other columns should be used to list all loans and advances to foreign branches of the German parent company and other foreign banking subsidiaries of the German parent company, in each case broken down by country and currency.

The definition of “group-affiliated banks” will remain unchanged from December 2014 onwards.

### **Item 222           Loans and advances to foreign insurance corporations and other financial intermediaries abroad**

Loans and advances to foreign financial enterprises not deemed to be banks in their country of domicile that are included under items 115 and 116 “Loans and advances to foreign enterprises and households” are to be recorded separately here.

### **Item 223           Debt securities of foreign insurance corporations and other financial intermediaries abroad**

Debt securities issued by foreign financial enterprises not deemed to be banks in their country of domicile that are included under item 135 “Debt securities of foreign enterprises” are to be recorded separately here.

### **Item 226           Debt securities and money market paper of group-affiliated banks**

The debt securities and money market paper of group-affiliated banks listed under items 125 and 131 are to be shown separately here. The “Assets vis-à-vis Germany” column should show all paper issued by the German head office which is held by the subsidiary while the other columns should be used to list all paper issued by foreign branches of the German head office and other foreign banking

subsidiaries of the German head office, in each case broken down by country and currency.

### **Items 227 and 218                      Derivative financial instruments in the trading portfolio**

Derivative financial instruments in the trading portfolio that have a positive value are to be reported here. The items are to be shown gross, ie without taking bilateral netting agreements into account. Items relating to group-affiliated banks (German head office, foreign branches of the German head office and other foreign banking subsidiaries of the German head office) are to be recorded separately.

## **II Form “Ultimate risk position of foreign branches” (UR)**

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All loans, securities and other assets specified on form R11 “External position report of foreign subsidiaries” are to be listed under this item. Contrary to the otherwise standard external position classification by direct debtor, the data should be broken down by sector and country according to the liable party’s country of domicile (for guidelines see page 6). The total amount of external assets on the form “Ultimate risk position” (item 800, vis-à-vis non-residents and vis-à-vis Germany) should correspond to the total amount of external assets on form R11 (item 100, vis-à-vis non-residents and vis-à-vis Germany, excluding derivative financial instruments).

### **Item 802                      Loans to and securities of group-affiliated banks**

Loans and advances to the German head office, foreign branches of the German head office and other foreign subsidiaries of the German head office that are included under item 801 “Loans to and securities of foreign banks” are to be recorded separately here.

The definition of “group-affiliated banks” will remain unchanged from December 2014 onwards.

**Item 806 Other asset items excluding derivative financial instruments in the trading portfolio**

All asset items not separately listed on the form “Ultimate risk position” (compared to form R11) are to be recorded here. In addition to remaining other assets (item R11.143 excluding derivative financial instruments in the trading portfolio), participating interests (item R11.141) are also to be recorded under item 806. Other assets (item R11.143) vis-à-vis Germany should not be reported (this item is inaccessible on form R11).

**Item 808 Assets collateralised by real estate**

Assets which are collateralised by real estate or a different lien are only to be recorded here and not under items 801 to 805.

**III Form “External liabilities of foreign branches“ (R21)**

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**Item 353 Liabilities to non-residents**

Saving deposits of non-residents are to be shown by creditor in line 337 or 351 as overnight liabilities and liabilities of up to and including one year.

**Item 400 Liabilities to group-affiliated banks**

The liabilities to group-affiliated banks listed under items 303 and 306 are to be shown separately here. The “Liabilities vis-à-vis Germany” column should show all liabilities to the German parent company while the other columns should be used to list all liabilities to foreign branches of the German parent company and other foreign banking subsidiaries of the German parent company, in each case broken down by country and currency. The equity capital held by the German parent company in the foreign subsidiary is not to be included.

The definition of “group-affiliated banks” will remain unchanged from December 2014 onwards.

**Items 419 and 413                      Derivative financial instruments in the trading portfolio**

Derivative financial instruments in the trading portfolio that have a negative value are to be reported here. The items are to be shown gross, ie without taking bilateral netting agreements into account. Items relating to group-affiliated banks (German head office, foreign branches of the German head office and other foreign banking subsidiaries of the German head office) are to be recorded separately.

**Item 417                      Debt securities and money market paper issued**

All debt securities and money market paper issued by the reporting subsidiary are to be recorded under this item, specifying the amounts reported in items THV2 220, THV2 230 and THV2 280 in the monthly balance sheet statistics of the foreign subsidiaries. All such paper is to be classified according to the currency in which it was issued. No classification according to the country is required, nor is it necessary to specify the memo item information “vis-à-vis Germany”. Instead, the relevant amounts should be reported under the country code 858 for “countries not specified”; form column 1 should be used as the sum column.

**Item 418                      Issued debt securities and money market paper with a residual maturity of up to and including one year**

All paper with a residual maturity of up to one year included under item 417 “Debt securities and money market paper issued” is to be shown separately here. It includes not only debt securities issued which were originally long-term and whose residual maturity has now declined to one year or less but also money market paper whose original maturity was one year or less. All such paper is to be classified according to the currency in which it was issued. No classification according to the country is required, nor is it necessary to specify the memo item information “vis-à-vis Germany”. Instead, the relevant amounts should be reported under the country code 858 for “countries not specified”; form column 1 should be used as the sum column.

## List of reports from banks (MFIs) concerning their external position

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<b>I Monthly external position report of domestic banks (MFIs)</b>		
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<b>II Monthly external position report of foreign branches and subsidiaries abroad</b>		
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External liabilities of foreign subsidiaries	R21	
Ultimate risk position of foreign subsidiaries	UR	