

Completion Instructions

Return of International Banking Statistics **Form MA(BS)21**

Introduction

1. This return consists of two parts: Part I Locational Banking Statistics (LBS) and Part II Consolidated Banking Statistics (CBS). Authorized institutions (AIs) are required to report both Part I and Part II according to the completion instructions below. The completion instructions were prepared based on the Bank for International Settlements' (BIS) Guidelines for reporting the BIS international banking statistics issued in ~~March 2013~~July 2019 (the BIS Guidelines) available on the BIS website (www.bis.org).
2. Part I LBS collects information on AIs' liabilities and claims according to the residence of counterparty. Data in aggregate form will be reported to the BIS as part of an international cooperative effort to compile and publish worldwide data on jurisdiction exposures for the purpose of monitoring cross-border capital flows. The aggregate data are also used for compiling and evaluating the coverage of the balance of payments and external debt statistics.
3. Part II CBS collects information on AIs' exposures and liabilities to both local and foreign counterparties which also take into account where the ultimate risk lies for assessing credit risk exposures by jurisdiction. Data in aggregate form will be reported to the BIS for compiling and publishing worldwide data. Part II CBS is subdivided into two subsets: Parts IIA and IIB.
 - Part IIA on immediate ~~Risk~~counterparty basis is to be reported by all AIs.
 - Part IIA on ~~Supplementary data on~~ funding sources and Part IIB on ~~Ultimate Risk~~guarantor basis are to be ~~completed~~reported by all licensed banks incorporated in Hong Kong.

Section A: General Instructions

4. All AIs are required to complete Part I of this return showing the liability and asset positions of their Hong Kong offices as at the last calendar day of each quarter. The return should be submitted not later than one month after the end of each reporting quarter.
5. All AIs are required to report Part II of this return based on the position as at the last calendar day of each quarter. The detailed reporting requirements of Part II are as follows:

Part IIA Data on an immediate ~~risk~~counterparty basis and risk transfers

	<u>Coverage</u>	<u>Reporting frequency and submission deadline</u>
All AIs	Position of the Hong Kong offices	Quarterly; not later than <u>one month</u> after the end of each reporting quarter
Licensed banks incorporated in Hong Kong	Consolidated position <u>in addition to Hong Kong office position</u> above. Consolidated position should include all branches and subsidiaries worldwide as set out in <u>section 4 of the Banking (Capital) Rules (BCR)</u> .	Quarterly; not later than <u>6 weeks</u> after the end of each reporting quarter

Part IIA Supplementary data on funding sources

	<u>Coverage</u>	<u>Reporting frequency and submission deadline</u>
Licensed banks incorporated in Hong Kong	Consolidated position only and it should include all branches and subsidiaries worldwide Consolidated position as set out in <u>section 4 of the BCR</u> .	Quarterly; not later than <u>6 weeks</u> after the end of each reporting quarter

Part IIB Data on ~~an ultimate risk~~a guarantor basis

	<u>Coverage</u>	<u>Reporting frequency and submission deadline</u>
Licensed banks incorporated in Hong Kong	Consolidated position only and it should include all branches and subsidiaries worldwide Consolidated position as set out in <u>section 4 of the BCR</u> .	Quarterly; not later than <u>6 weeks</u> after the end of each reporting quarter

6. If the submission deadline falls on a public holiday, it will be deferred to the next working day.
7. Amounts should be shown to the nearest million, in HK\$ or HK\$ equivalents in the case of foreign currency items. The closing middle market T/T rates prevailing at the reporting date should be used for conversion purpose. Where claims are acquired at less than their nominal value, the discounted value should be shown.
8. Part I LBS and Part II CBS should be reported according to the status of the counterparty and his address. This means, in the case of a company with branches, the business address of the office with which the reporting AI has claims on/liabilities to, and in the case of an individual, his home address. Temporary or correspondence addresses should be disregarded. In the LBS, positions that cannot be allocated to specific jurisdictions may be reported as either “unallocated location” [5M] if the residence of the counterparty

is unknown, or “unallocated non-residents” [5Y] if the residence of the counterparty is known to be outside the reporting jurisdiction. In the CBS, all claims/liabilities which cannot be classified into a particular jurisdiction should be reported in aggregate under the “Unallocated (5M)” category.

9. Treatments of arrears, provisions and write-offs:

- Arrears of interest and principal: Until they are written off, arrears should be included in the claims and liabilities under the respective instruments, whenever it is possible.
- Provisions: Financial claims against which provisions have been made are normally reported as claims at their gross value. That is, provisions should not be netted from the claim positions.
- Write-offs of claims and debt forgiveness: Although an asset which has been written off may still be a legally enforceable claim, the items which have been written off should be excluded from the reported data. This is because the writing-off process can be seen as reflecting the judgement that the current or prospective value of the claim is zero.

10. Valuation principles

In general, claims should be valued at market prices. The exception to this is the case of loans, which should be valued in accordance with the reporting jurisdiction’s accounting standards and in principle at nominal (or contractual) values. For liabilities, in general, nominal (or contractual) values rather than market values should be reported.

The currency of denomination is the currency specified in the contract that determines the value of flows and positions. The currency of denomination may be different from the currency of settlement. Cash flows are determined using the currency of denomination and, if necessary, converted into another currency for the purpose of settlement. For example, if a currency-linked bond is issued and payable in Brazilian reais (BRL) but coupon and principal payments are calculated with reference to the USDBRL exchange rate, then the denomination is USD even though the payments are settled in BRL.

Position should in principle be reported on a gross basis, and not net of liabilities. In other words, claims and liabilities vis-à-vis the same counterparty should be reported separately and not netted against each other. An exception is made for some types of derivatives instruments. ~~Reporting of financial claims and liabilities resulting from derivative instruments should in principle be consistent with the “replacement value”, when compliant with accounting standards used to produce the balance sheet. In the LBS, derivatives should be reported on a gross basis, before taking into account any netting agreements.~~ All derivatives instruments with a positive market value should be treated as claims and those with a negative market value as liabilities. ~~The currency denomination should be the currency in which the derivatives are to be redeemed or settled. Reporting of “net positions” is allowed only if the national accounting practice allows netting of multiple matching swaps (by currency and maturity) with the same counterparty that are covered under a legally enforceable netting agreement. Derivatives should be reported on a contractual, post-novation basis.~~

~~For swaps, the net market/fair value of each contract, where the “net” refers to the net present value of the “two legs” of a swap, should be reported. Financial derivatives other than swaps should be reported at gross market value.~~

For derivatives contracts that involve multiple or two-way payments, such as swaps and forwards, the market value is the net present value of the payments to be exchanged by counterparties between the reference date and the contract’s maturity. In other words, forwards and swaps should be recorded as if they were one transaction and not two separate legs. For foreign exchange (FX) derivatives, the currency of denomination depends on the market value of the contract on the reference date. If an FX derivative is reported as an asset (i.e. the market value of the contract is positive), then the currency of denomination is the currency of the long leg: the currency received at maturity. If an FX derivative is recorded as a liability (i.e. the market value of the contract is negative), then the currency of denomination is the currency of the short leg: the currency paid at maturity. The switching between short and long positions reflects the bank’s net exposure to movements in the exchange rate.

Section B: Specific Instructions for Part I: Locational Banking Statistics (LBS)

11. Part I LBS collects the liability and claim positions broken down by instrument, counterparty jurisdiction, counterparty sector and currency. AIs should report the positions of “total liabilities and claims”, “loans and deposits”, “debt securities” and “derivatives” in separate tables, all with a crossing of the counterparty jurisdiction and counterparty sector. AIs should also provide a currency breakdown of each of these positions in Hong Kong dollar, US dollar, Euro, Japanese yen, Pound sterling, Swiss franc, Renminbi, plus a residual category.

There are 2432 tables in total and the detailed structure of these tables is as follows:

Table Structure: Part I of MA(BS)21

Currencies	Instrument types			
	Total liabilities and claims	Of which:		
		Loans and deposits	Debt securities	<u>Derivatives</u>
Hong Kong Dollar (HKD)	Table A1	Table B1	Table C1	<u>Table D1</u>
US Dollar (USD)	Table A2	Table B2	Table C2	<u>Table D2</u>
Euro (EUR)	Table A3	Table B3	Table C3	<u>Table D3</u>
Japanese Yen (JPY)	Table A4	Table B4	Table C4	<u>Table D4</u>
Pound Sterling (GBP)	Table A5	Table B5	Table C5	<u>Table D5</u>
Swiss Franc (CHF)	Table A6	Table B6	Table C6	<u>Table D6</u>
Renminbi (CNY)	Table A7	Table B7	Table C7	<u>Table D7</u>
Other currencies	Table A8	Table B8	Table C8	<u>Table D8</u>

12. AIs should provide a counterparty-jurisdiction breakdown of their liability and claim positions according to the location of counterparty (i.e. residency of counterparty), and not according to the jurisdiction of incorporation. For example, a claim on the London branch of a United States bank should be reported as a claim on the United Kingdom, and not on the United States.

In the return form, no entry is required for cells and columns highlighted in grey colour.

The amounts reported for All jurisdictions (5J), Total external positions (i.e. Total of section 1 and 2) (5Z), Developed economies (5R), Offshore centres (1N), Developing Europe (3C), Developing Latin America and Caribbean (4U), Developing Africa and Middle East (4W) and Developing Asia and Pacific (4Y) should be calculated from amounts reported for jurisdictions shown in [Annex 4](#).

13. For the purposes of Part I LBS:

- (i) “Liabilities” refer to all domestic and external liabilities of the reporting AI. These may include, for example:

- equities, securities and capital instruments (e.g. perpetual and subordinated debts) issued by the institution and they should be allocated by jurisdiction, as far as feasible, on the basis of the residence of current holder. ~~If it is difficult to determine the residence of current holder, the place of issue can be used as a proxy;~~
- all accrued interest payable on the domestic and external liabilities.

For note-issuing banks, banknotes issued by themselves, which are equivalent to item 4 in MA(BS)1, should not be included.

- (ii) “Claims” refer to all domestic and external assets of the reporting AI. These may include, for example:

- domestic and foreign currency banknotes which should be reported as claims on the issuer, usually the central bank of the jurisdiction of issue;
- equities, debt securities, and capital instruments (e.g. perpetual and subordinated debts);
- accrued interest and overdue interest on a domestic or external claim except those credited to interest in suspense account;
- items in the course of collection which represent a claim on an obligor.

Holdings of fixed assets and gold should not be included. For note-issuing banks, holdings of Certificates of Indebtedness as cover for their issued banknotes, which are equivalent to item 13 in MA(BS)1, should not be

included.

- (iii) “Loans” should comprise those financial assets which are created through the lending of funds by a creditor (lender) to a debtor (borrower) and which are not represented by negotiable securities. “Deposits” should comprise all claims reflecting evidence of deposit (including non-negotiable certificates of deposit) which are not represented by negotiable securities. “Loans and deposits” should include interbank borrowings and loans, inter-office balances, foreign trade-related credits, sale and repurchase transactions (repos), and borrowing and lending of securities and gold with cash collateral. The cash collateral should be regarded as a collateralised deposit/loan and reported under the loans and deposits according to the location of the counterparty to the transaction. Transactions without cash collateral should not be reported. Securities which have been lent should remain as the reporting AI’s assets while securities which have been borrowed should not be reported as the reporting AI’s assets. The reporting AI’s holdings of notes and coins in domestic and foreign currencies, which belong to the asset side, should be recorded as claims on central banks under loans and deposits. Funds received by the reporting AI from residents or non-residents on a trust basis represent liabilities under loans and deposits. Funds deposited with residents or non-residents on a trust basis in the reporting AI’s own name but on behalf of third parties represent claims under the loans and deposits. Working capital supplied by head offices to their branches abroad should also be recorded as claims under loans and deposits, and not under other assets and liabilities. Working capital received by local branches from their head offices abroad should be recorded as liabilities under loans and deposits, and not under other assets and liabilities. Loans which have become negotiable *de facto* should be classified under debt securities.

For trade-related credits granted directly by a reporting AI to a domestic exporter, these credits may be extended on the basis of a trade bill which is drawn by the exporter on the importer and subsequently acquired by the reporting AI. These credits may therefore be treated as external or domestic assets depending on whether the residence of the drawee (who is the final debtor) or of the presenter of the bill (who has guaranteed payment by endorsing the bill) is used as the criterion for geographical allocation. For the purpose of this return, these credits should be allocated according to the residence of the drawee, but not the presenter of the bill.

- (iv) “Debt securities” comprise all negotiable short- and long-term debt instruments, including negotiable certificates of deposit, but excluding equity shares, investment fund units and warrants.

- The claim side of debt securities (i.e. holdings of debt securities) should include those held in the reporting AI’s own names and those held on behalf of third parties as part of trustee business. They should not include debt securities held on a purely custodial basis for customers (i.e. positions not in the reporting AI’s own name) and debt securities acquired in the context of securities lending transactions without cash collateral.

- The liability side of debt securities (i.e. own issues of debt securities) should comprise liabilities in all negotiable short- and long-term debt securities, including negotiable certificates of deposit, subordinated issues and issues in the reporting AI's own name but on behalf of third parties. AIs should report their liability positions of debt securities vis-à-vis banks and non-bank customers (i.e. columns (1) and (4)). A breakdown into related offices, official monetary authorities, non-bank financial institutions and other non-bank customers (i.e. columns (2), (3), (5) and (6)) is not required.
- The liability side of debt securities should be allocated by jurisdiction, as far as feasible, on the basis of the residence of current holder. ~~If it is difficult to determine the residence of current holder, the place of issue can be used as a proxy.~~

(v) ~~“Derivatives” comprise financial instruments that are linked to another financial instrument, indicator or commodity and through which financial risks (e.g. interest rate, foreign exchange, equity, commodity price, or credit risk) can be traded in their own right in financial markets.~~

~~(v)~~(vi) “Liabilities of which maturity \leq 12 months” refer to the reporting AI's own issues of debt securities (including negotiable certificates of deposit, and subordinated issues and issues in its own name but on behalf of third parties) with a remaining maturity of up to and including 12 months. This column only applies to the liability side of debt securities.

~~(vi)~~(vii) “Other claims and liabilities” are those residual claims and liabilities that are not included in loans and deposits, ~~and~~ debt securities and derivatives. Reporting AIs that find it administratively easier to do so may derive the jurisdiction breakdown of loans and deposits by obtaining a jurisdiction breakdown of other claims and liabilities and deducting them together with the jurisdiction breakdown of debt securities and derivatives from total claims and liabilities of each jurisdiction. “Other claims” mainly comprise equity securities (including mutual and investment fund units and holdings of shares in the reporting AI's own name but on behalf of third parties), participations, ~~derivatives recorded on the balance sheet with positive market value~~, and any other residual on-balance sheet financial claims. “Other liabilities” comprise mainly equity issuance, ~~derivatives recorded on the balance sheet with negative market value~~, and any other residual on-balance sheet liabilities. Retained earnings (positive amount) should be regarded as other liabilities and should be allocated to the jurisdiction where the controlling parent institution is located. Negative retained earnings should be treated as claims vis-à-vis the controlling parent institution. The other liabilities should be allocated by jurisdiction, as far as feasible, on the basis of the residence of the holder. ~~If it is difficult to determine the residence of current holder, the place of issue can be used as a proxy.~~

~~(vii)~~(viii) Arrears and accrued interest as well as principal in arrears should be included in the claims and liabilities under the respective instruments, whenever possible. Financial claims against which provisions have been made are normally reported as claims at their gross value. In other words, provisions should not be netted from the claim positions. Items which have been written off should be excluded from the reported data.

~~(viii)~~(ix) “Banks” refer to institutions which are regarded as such by the appropriate supervisory authorities in their place of business (including AIs in Hong Kong). Money market funds, investment funds and pension funds are excluded. In addition, related offices and official monetary authorities, which include central banks, should be reported as “of-which” items under banks:

- “Related offices” refer to entities that are part of the same banking group (i.e. have the same controlling parent entity). These include, for example, the controlling parent institution, the head office of the reporting AI, and branches or subsidiaries that are part of the consolidated reporting entity. As for reporting AI’s related offices located in Hong Kong, reporting AI should only report positions vis-à-vis those subsidiaries or controlling parent institutions which are authorised as different AIs.
- “Official monetary authorities” refer to central banks ([Annex 1](#)) or similar national and international bodies, such as BIS and European Central Bank (ECB). Banks’ holding of notes and coins should be recorded as claims on official monetary authorities. (This is in contrast to Part II CBS of this return, where central banks and other official monetary authorities are reported as “Official sector”.)

~~(ix)~~(x) “Non-bank customers” are the sum of non-bank financial institutions and other non-bank customers:

- “Non-bank financial institutions” refer to private or public financial institutions, other than banks, engaged primarily in the provision of financial services and activities auxiliary to financial intermediation such as fund management. These include special purpose vehicles, hedge funds, securities brokers, money market funds, pension funds, insurance companies, financial leasing corporations, central clearing counterparties, unit trusts, other financial auxiliaries and other captive financial institutions. These also include any public financial institutions such as development banks and export credit agencies. For example, the Hong Kong Mortgage Corporation Limited is classified as a non-bank financial institution.
- “Other non-bank customers” refer to entities other than banks and non-bank financial institutions. These include, but not limited to, the general government sector, non-financial corporations, and households including non-profit institutions serving households (NPISHs). Any positions for which the sector of the counterparty is unknown should be classified as other non-bank customers.

- “General government” includes the central government, state government, local government and social security funds. In addition, it includes non-profit institutions engaged in non-market production that are controlled and mainly financed by government units and social security funds. For the purposes of Part I LBS, central banks, other official monetary authorities and public corporations are not part of the general government sector.
- “Non-financial corporations” refer to privately and publicly owned corporations as well as unincorporated enterprises that function as if they were corporations, such as partnerships and the branches of foreign corporations.
- “Households including non-profit institutions serving households (NPISHs)” refer to individuals, families, unincorporated enterprises owned by households, and non-profit institutions serving households such as charities, religious institutions, trade unions and consumer associations.

(xi) “International organisations (IC)” are considered to be resident in an economic territory of their own, and not of the economy in which they are physically located.

- In the counterparty jurisdiction dimension, AIs’ positions on international organisations should not be assigned to the jurisdiction where the organisation is located but rather should be reported as a distinct entry: “international organisations”. There are exceptions to the treatment of international organisations: the BIS and central banks of currency unions. International organisations that undertake activities similar to those of central banks should be reported as residents of the jurisdiction where they are located. In particular, the BIS should be reported as a resident of Switzerland; the Bank of Central African States (BEAC) as a resident of Cameroon; the Central Bank of West African States (BCEAO) as a resident of Senegal; the Eastern Caribbean Central Bank (ECCB) as a resident of St Kitts and Nevis; and the European Central Bank (ECB) as a resident of Germany.
- ~~They refer to those International organisations listed in Annex 2 and should be classified as non-bank financial institutions and other non-bank customers according to those considered as central banks do not need to be allocated by sector (refer to Annex 2 for the list of international organisations).~~ They may include organisations not listed in Annex 2 but are regarded as such by the Hong Kong Monetary Authority. ~~However, the BIS and ECB should not be included in “International organisations”, but classified as official monetary authorities located in Switzerland and Germany respectively.~~

14. Liabilities and claims to be reported in the Part I LBS should be cross referenced to the relevant items in the Return of Assets and Liabilities for Hong Kong Offices (Form MA(BS)1). Details are given in Annex 3.

Section C: Specific Instructions for Part II: Consolidated Banking Statistics (CBS)

15. The CBS captures the Hong Kong office position as well as consolidated position of the reporting AI's worldwide offices (including the positions of the reporting AI's foreign subsidiaries and branches). In this section, head office, subsidiaries and branches of the reporting AI are collectively referred to as either "the reporting AI" or "the reporting AI offices".
16. The statistics comprise two subsets, compiled on different bases:

Part IIA CBS immediate riskcounterparty basis (CBS/IRCBSI): Claims are allocated to the jurisdiction of residence of the immediate counterparty. The data cover on-balance sheet financial claims, risk transfers and certain liabilities of the reporting AI.

Part IIB CBS Ultimate-riskguarantor basis (CBS/URCBSG): Claims are allocated to the jurisdiction where the final risk lies. The data cover on-balance sheet financial claims as well as some off-balance sheet exposures of the reporting AI.

17. Composition of claims in the CBS

In general, claims should comprise all items that represent an on-balance sheet financial asset. Claims should include the following financial assets: deposits and balances placed with banks; loans and advances; trade-related credits; holdings of securities, including certificates of deposit, promissory notes, collateralised debt obligations and asset-backed securities; holdings of notes and coins; loans or other claim positions funded with claims under sale and repurchase agreements; and participations, including equity holdings in non-bank subsidiaries. Lending of securities, gold and other precious metals without cash collateral should not be reported as claims. Derivatives contracts should be excluded from claims in the IRCBSI, being consistent with that in the URCBSG, ~~where derivatives contracts with a positive market value, i.e. "derivatives claims" are reported separately.~~

18. Definitions on "Total claims"

Total claims comprise (i) *international claims* in all currencies and (ii) *local claims in local currency*, where international claims are the sum of *cross-border claims* in all currencies and *local claims in foreign currencies*. Cross-border claims refer to positions where the jurisdiction in which the counterparty is located, being different from that where the reporting AI office that grants or extends the claim is located. Local claims refer to positions vis-à-vis residents of the jurisdiction where the reporting AI office that books the claim is located.

19. Reporting basis and coverage of AIs

- All AIs are required to report the CBS/IRCBSI on their Hong Kong office position

With reference to paragraph 18, they should report international claims booked by their office in Hong Kong comprising:

- i) all cross-border claims, and
- ii) all local claims (on Hong Kong residents) in foreign currencies.

- Locally incorporated licensed banks are required to report in the CBS/IRCBSI their consolidated position, in addition to their Hong Kong office position stated above.

With reference to paragraph 18, they should report international claims and local claims booked by their worldwide offices on a consolidated basis comprising:

- i) all cross-border claims, and
- ii) all local claims (i.e. including local claims booked by their worldwide offices and local claims booked by their Hong Kong offices).

(See paragraphs 28 – 36 below for reporting on consolidated basis)

- Perimeter of consolidation: Locally incorporated licensed banks should report on the basis of prudential perimeter of consolidation instead of accounting perimeter of consolidation. The prudential perimeter captures the risk of the whole banking group. All entities conducting banking, securities and other similar activities that are ancillary to the business of banking, and that are majority-owned or otherwise controlled by the group – irrespective of whether the entities are regulated – should be within the consolidation perimeter. Insurance entities as well as non-financial commercial entities are explicitly excluded from the prudential perimeter. For the avoidance of doubt, a reporting AI should follow section 4 of the BCR in reporting the consolidated position.

20. International organisations in Annex 2 should be reported in “International organisations (1C)” and should not be allocated to any specific counterparty jurisdiction. Please refer to Annex 2 for details.

The amounts reported for All jurisdictions (5J), Developed economies (5R), Offshore centres (1N), Developing Europe (3C), Developing Latin America and Caribbean (4U), Developing Africa and Middle East (4W) and Developing Asia and Pacific (4Y) should be calculated from amounts reported for jurisdictions shown in Annex 4.

21. Some examples on the reporting of specific transactions under the CBS/IRCBSI and the CBS/URCBSG bases are included in Annex 5.

Part IIA : Consolidated Banking Statistics - immediate riskcounterparty basis (CBS/IRCBSI)

Hong Kong office position (for reporting by all AIs)

22. Column (1) Total claims

Total claims in column (1) with counterparty jurisdiction breakdown should be equal to the amount reported for international claims in column (2).

23. Column (2) International claims

With reference to paragraphs 18 and 19, this column should include cross-border claims in all currencies and local claims (on Hong Kong residents) in foreign currencies with counterparty jurisdiction breakdown.

24. Columns (3) to (6) International claims by remaining maturity

Columns (3) to (6) should be reported on the basis of remaining maturities of the international claims, i.e. the time remaining to final payment of the relevant claim. Claims with scheduled payments such as loans should be reported according to the time remaining to final payment, i.e. the residual maturity of the final payment or instalment.

Claims that cannot be classified by maturity such as equity should be assigned to the category of “unallocated”. For the purposes of this section, overdue claims and claims that are repayable on demand should be allocated to the “up to and including one year” maturity bracket.

Please refer to Annex 6 ~~of the completion instructions~~ for the details of maturity breakdown below.

column (3) = remaining maturity up to and including 1 year

column (4) = remaining maturity over 1 year and up to and including 2 years

column (5) = remaining maturity over 2 years

column (6) = remaining maturity unallocated by maturity

Sum of columns (3) to (6) should be equal to the column (2) International claims.

25. Columns (7) to (12) International claims by sector

The reporting AI should report the international claims by sector breakdown and report in the appropriate columns (7) to (12) accordingly. Please refer to Annex 6 ~~of the completion instructions~~ for the definitions of each sector below.

column (7) = international claims on banks

column (8) = international claims on official sector

column (9) = international claims on non-bank private sector, which is equal to the sum of amounts reported in column (10) non-bank financial institutions and column (11) non-financial private sector

column (12) = international claims on unallocated by sector

Sum of columns (7), (8), (9) and (12) international claims by sector should be equal to the column (2) International claims.

26. Columns (15) to (17) Risk transfers

The reporting AI can offset its total exposure to a particular jurisdiction using a variety of credit risk mitigants (CRMs), which include guarantees, collateral and credit derivatives. If the use of these CRMs reduces the reporting AI’s exposure to a particular jurisdiction by effectively transferring the risk to a different jurisdiction, these should be reported as risk transfers. If the residence of the immediate counterparty is different

~~from the residence of the ultimate obligor, the reporting AI should provide information about risk transfers associated with their claims in the IRCBSI. That is, the AI should report the amount of claims for which the residence of the IR is different from the residence of the ultimate obligor.~~

The jurisdiction where the ultimate risk lies is defined as the jurisdiction of residence of the ultimate obligor. Specifically, it is the jurisdiction where the guarantor of a financial claim resides or the parent of a legally dependent branch or affiliate is located.

~~Criteria for recognising risk transfers: For the CBS, the criteria for recognising risk transfers follow those set out in BCR for recognising credit risk mitigants. Risk transfers include parent guarantees to branches, explicit guarantees by parents and third parties, collateral and credit derivatives.~~

- ~~• Parent guarantees to branches: Branches are always considered as being guaranteed by their immediate parent if it has provided, even in the absence of an explicit guarantee. In contrast, claims on branches should, for the purposes of~~
- ~~• Explicit guarantees from parents to subsidiaries or from third parties: Guarantees must be explicit, direct, irrevocable (i.e. they must not be unconditionally cancellable by the CBS, always be guarantor), and legally enforceable in all relevant jurisdictions. Exposures to subsidiaries are not considered as being guaranteed by the respective parent, even if unless there is no legal explicit guarantee.~~

~~Claims guaranteed by parties in different jurisdictions should be transferred to the jurisdiction of each guarantor according to the amounts being guaranteed. In case where the guarantors' liabilities are joint and several, the transfer of risk to the jurisdiction of the guarantors should be reported at the reporting AI's best estimation.~~

~~Collateral of a claim may be considered as an indicator of where the final risk of the claim lies to the extent that it is recognised as a CRM according to the Banking (Capital) Rules of Hong Kong or a recognised collateral under various approaches of credit risk mitigation in the Basel Capital Accord document.~~

- ~~• Collateral are assets pledged to hedge in whole or in part credit risk exposures in AIs' balance sheets. For collateral to provide credit protection, the AI must have the right to liquidate or take legal possession of it in a timely manner in the event of default, and the credit quality of the immediate counterparty and the value of the collateral must not have a material positive correlation. Securities bought under reverse repurchase agreements are considered as having the same characteristics as collateral and should therefore be treated as collateral.~~
- ~~• Credit derivatives are credit protection bought to hedge credit risk exposures in AIs' banking book. Credit default swaps, total return swaps and other credit derivatives can be recognised as risk transfers only if they provide credit protection similar to explicit guarantees. Credit derivatives held in AIs' trading book are not recognised as risk transfers.~~

~~In the CBS, derivatives should be reported on a net basis whereby derivative assets and liabilities are offset if they meet the condition for netting, i.e. a legally enforceable~~

master netting agreement with the same counterparty. However, if credit derivatives are used to mitigate the counterparty risk associated with claims in the banking book, the jurisdiction of ultimate risk of these positions is defined as the jurisdiction in which the counterparty of the credit derivatives contract resides. In this scenario, the gross notional value, without netting, of these positions should be reported.

Similarly, in the case of holdings of credit-linked notes, other collateralised debt obligations and asset-backed securities, a “look-through” approach should be adopted and the jurisdiction of ultimate risk is defined as the jurisdiction where the debtor of the underlying credit, security or derivatives contract resides. For cases where the use of look-through approach are not possible in practice, the reporting AI may provide estimates for the allocation of claims to the jurisdiction where the underlying debtor resides or to allocate the claims to the jurisdiction of the immediate risk (which is the jurisdiction where the issuer of the securities resides).

Information on the reallocation of claims should be reported separately for outward and inward risk transfers. In other words, outward reallocations that reduce exposure to a given counterparty jurisdiction should be reported in column (17) Outward risk transfer, separately from inward reallocations that increase exposure in column (16) Inward risk transfer. Outward and inward risk transfers should in principle add up to the same total. If risk remains in the jurisdiction ~~of the IR~~, for example when risk is reallocated between different sectors but not outside the jurisdiction, then a risk transfer should not be reported.

Please note that the amount of outward risk transfer of a claim should be smaller than or equal to the amount of the claim. As such, in general, the amount of outward risk transfer reported in column (17) from a counterparty jurisdiction should be smaller than or equal to the amount of total claims reported in column (1) on that counterparty jurisdiction.

Column (15) Net risk transfers are calculated as the column (16) Inward risk transfer less column (17) Outward risk transfers.

Illustrations

A claim on the U.S. branch of a Hong Kong incorporated AI should be included under “United States” in column (7) Banks. In respect of risk transfers, the claims should be reported against “United States” in column (17) Outward risk transfer, and “Hong Kong, China” in column (16) Inward risk transfer.

On the other hand, a claim on a manufacturing company in Hong Kong which is guaranteed by a Japanese bank should be included under “Hong Kong, China” in column (9) Non-bank private sector and column (11) Non-financial private sector. In respect of risk transfers, the claims should be included under “Hong Kong, China” in column (17) Outward risk transfer, and “Japan” in column (16) Inward risk transfer.

27. All AIs are not required to report columns (13), (14) and (18) for the Hong Kong office position.

Consolidated position (for reporting by all locally incorporated licensed banks)

28. All locally incorporated licensed banks reporting on a consolidated basis should report all the columns (i.e. columns (1) to (1820)) of Part IIA of this return.

29. Column (1) Total claims

With reference to paragraphs 18 and 19, Total claims (with counterparty jurisdiction breakdown) should be the sum of column (2) International claims and column (14) Local claims in local currency.

30. Column (2) International claims

With reference to paragraph 18, include in this column cross-border claims in all currencies and local claims in foreign currencies with counterparty jurisdiction breakdown.

31. Columns (3) to (6) International claims by maturity

Sum of columns (3) to (6) should be equal to the column (2) International claims. Please refer to paragraph 24 for the reporting instructions.

32. Columns (7) to (12) International claims by sector

Sum of columns (7), (8), (9) and (12) should be equal to the column (2) International claims. Please refer to paragraph 25 for the reporting instructions.

33. Column (13) Local claims in foreign currencies

Report in this column the reporting AI's local claims on its local residents in foreign currencies with counterparty jurisdiction breakdown, which are part of the international claims reported in column (2). Specifically, it includes claims booked by the reporting AI's:

- i) worldwide offices on their local residents in currencies other than their local currencies, and
- ii) offices in Hong Kong on Hong Kong residents in currencies other than Hong Kong dollars.

34. Column (14) Local claims in local currency

Report in this column the reporting AI's local claims on local residents in local currency with counterparty jurisdiction breakdown. Specifically, it includes claims booked by the reporting AI's:

- i) worldwide offices on their local residents in their local currencies, and
- ii) offices in Hong Kong on Hong Kong residents in Hong Kong dollars.

A partial breakdown of local claims by instrument, which identifies loans separately, should be reported in column (15).

35. Columns ~~(4516)~~ to ~~(4718)~~ Risk transfer

Column ~~(4516)~~ Net risk transfers are calculated as column ~~(4617)~~ Inward risk transfer less column ~~(4718)~~ Outward risk transfers. Please refer to paragraph 26 for the reporting instructions.

36. Column ~~(4819)~~ Local liabilities in local currency

Report in this column the reporting AI's local liabilities to local residents in local currency with counterparty jurisdiction breakdown. Specifically, it includes liabilities of the reporting AI's:

- i) worldwide offices to their local residents in their local currencies, and
- ii) offices in Hong Kong to Hong Kong residents in Hong Kong dollars.

A partial breakdown of local liabilities by instrument, which identifies deposits separately, should be reported in column (20).

Part IIA: Consolidated Banking Statistics - Supplementary data on funding sources

37. For this part, all locally incorporated licensed banks are required to report the supplementary data on funding sources (without any counterparty jurisdiction breakdown) on a consolidated position. Non-locally incorporated licensed banks are not required to complete this part.

38. Columns (1) to ~~(67)~~ Total liabilities and breakdown

Include in column (1) the total liabilities of the reporting AI based on the consolidation perimeter used by the AI, which should be equal to the sum of columns ~~(2)~~, ~~(4)~~ to ~~(67)~~ reported amounts,

where

column (2) = loans and deposits

~~column (3) = debt securities liabilities by remaining maturity up to and including 12 months~~

column (4) = debt securities liabilities by remaining maturity up to and including 12 months

column (5) = debt securities liabilities by remaining maturity greater than 12 months

column ~~(56)~~ = derivatives liabilities (derivatives contracts with negative fair values)

column ~~(67)~~ = other and unallocated liabilities

Please refer to Annex 6 for the definitions of each component of total liabilities.

39. Column ~~(78)~~ Total equity

Include in this column the total equity of the reporting AI, which is the residual claims on the reporting AI after subtraction of its total liabilities (column (1)) from its total assets (column ~~(910)~~) based on the consolidation perimeter used by the AI. Please refer to Annex 6 for details of the definition of total equity.

40. Columns ~~(9)~~10 to 17 Total assets and breakdown

Report in column (10) the total banking assets of the reporting AI based on the consolidation perimeter used by the reporting AI, which should be equal to the sum of columns (11), (13) to (17) reported amounts,

where

column (11) = loans and deposits

column (13) = debt securities holdings

column (14) = equity investments

column (15) = derivatives assets with positive fair values

column (16) = allowances for credit losses

column (17) = other assets

Total assets comprise non-financial assets and financial assets. Please refer to Annex 6 for details.

41. Column ~~(8)~~9 Risk weighted assets, column ~~(10)~~18 Tier 1 capital, and column ~~(11)~~19 Tier 2 capital

The amounts reported in these columns should be the same as the corresponding amounts reported in the relevant items of Part I Division A of the Return on Capital Adequacy Ratios, MA(BS)3 (consolidated positions). Please refer to Annex 6 for details.

Part IIB: Consolidated Banking Statistics - Ultimate risk guarantor basis (CBS/URCBSG)

42. All locally incorporated licensed banks are required to report this part on a consolidated basis while non-locally incorporated licensed banks are not required to complete this part. The reporting AI should report the claims with counterparty jurisdiction breakdown based on where the URultimate risk lies. In other words, inter-office activity should be excluded and positions should be allocated to the jurisdiction where the final ultimate risk lies. The jurisdiction where the final-ultimate risk lies is defined as the jurisdiction of residence of the ultimate obligor (after taking into account risk transfers mentioned in paragraph 26).

43. Columns (1) to (9) Total claims and breakdown

Include in column (1) the reporting AI's total claims with counterparty jurisdiction breakdown in the URCBSG. The reported amount of total claims on each counterparty jurisdiction should be equal to the sum of column (1) Total claims (in Part IIA) and column ~~(4)~~16 Net risk transfers (in Part IIA) for the consolidated position of the reporting AI of the same counterparty jurisdiction.

In addition, Column (1) should be equal to the sum of the amounts reported in columns (2), (3), (4) and (7). It should also be equal to the sum of the amounts reported in columns of (8) and (9),

where

column (2) = financial claims on banks

column (3) = financial claims on official sector

column (4) = financial claims on non-bank private sector, which is equal to the sum of amounts reported in column (5) non-bank financial institutions and column (6) non-financial private sector

column (7) = financial claims on unallocated (sector)

column (8) = cross border claims. A cross-border claim is a claim on the jurisdiction in which the counterparty is located which is different from where the reporting AI office that grants or extends the claim is located.

column (9) = local claims (in all currencies), where a local claim is a claim vis-à-vis residents of the jurisdiction where the reporting AI office that books the claim is located.

Please refer to Annex 6 for the definitions of columns (2) to (7).

44. Column (10) Derivatives contracts

All derivatives instruments with a positive market value should be reported separately as “derivatives claims” in this column with counterparty jurisdiction breakdown. Data to be reported should in principle cover all derivatives instruments including forwards, swaps and options relating to foreign exchange, and interest rate, equity, commodity and credit derivatives instruments.

For credit derivatives, such as credit default swaps (CDS) and total return swaps:

- If the reporting AI is a protection-buyer:

- such credit derivatives should only be reported in column (10) “Derivatives contracts” (and at market value) if they are held for trading;
- for credit derivatives that are not held for trading, e.g. ~~those held~~ credit derivatives bought to hedge credit exposures in the banking book, they should be excluded from column (10) and regarded as “risk transfers” (and ~~at~~ reported in notional value without netting in the CBSI). For details regarding risk transfers, please refer to paragraph 26.

— If the reporting AI is a protection-seller, all credit derivatives (i.e. CDS sold) should be reported as “Guarantees extended” in column (11). CDS sold should be reported ~~as~~ grossin notional value on a net basis (~~but net of cash collateral~~) and vis-à-vis the jurisdiction of the underlying reference entity where the ultimate (~~final~~) risk lies.

45. Column (11) Guarantees extended and column (12) Credit commitments

Report in column (11) guarantees extended by the reporting AI (with counterparty jurisdiction breakdown), which are defined as contingent liabilities arising from an irrevocable obligation to pay a third-party beneficiary when a client fails to perform certain contractual obligations.

Report in column (12) credit commitments of the reporting AI (with counterparty jurisdiction breakdown), which are defined as arrangements that irrevocably obligate the AI to extend credit at a customer's request.

Guarantees and credit commitments should be reported to the extent that they represent the unutilised portions of binding contractual obligations and any other irrevocable commitments of the reporting AI. The AI should only report in these columns those obligations and commitments which, if utilised, would be reported in total cross-border claims and local claims in any currency. Both items in columns (11) and (12) should be reported in notional value.

Please refer to [Annex 6](#) for the detailed definitions of guarantees extended and credit commitments.

Hong Kong Monetary Authority
~~March 2022~~[December 2024](#)

List of Central Banks and Other Monetary Authorities

Annex 1

For Part I LBS, central banks should be reported in the sector of “Official monetary authorities” as an “of-which” item under the sector of “Banks”. For Part II CBS, they should be included in the sector “Official sector”. As the following list of central banks and other monetary authorities may be subject to changes from time to time, the list is for reference only. Please refer to the latest list on the BIS website (www.bis.org).

Jurisdiction	ISO	Name of central bank
Afghanistan	AF	Bank of Afghanistan
Albania	AL	Bank of Albania
Algeria	DZ	Bank of Algeria
Angola	AO	National Bank of Angola
Argentina	AR	Central Bank of Argentina
Armenia	AM	Central Bank of Armenia
Aruba	AW	Central Bank of Aruba
Australia	AU	Reserve Bank of Australia
Austria	AT	National Bank of the Republic of Austria
Azerbaijan	AZ	The Central Bank of the Republic of Azerbaijan
Bahamas	BS	Central Bank of The Bahamas
Bahrain	BH	Central Bank of Bahrain
Bangladesh	BD	Bangladesh Bank
Barbados	BB	Central Bank of Barbados
Belarus	BY	National Bank of the Republic of Belarus
Belgium	BE	National Bank of Belgium
Belize	BZ	Central Bank of Belize
Benin	BJ	Central Bank of West African States (BCEAO)
Bermuda	BM	Bermuda Monetary Authority
Bhutan	BT	Royal Monetary Authority of Bhutan
Bolivia	BO	Central Bank of Bolivia
Bosnia and Herzegovina	BA	Central Bank of Bosnia and Herzegovina
Botswana	BW	Bank of Botswana
Brazil	BR	Central Bank of Brazil
Brunei Darussalam	BN	Monetary Authority of Brunei Darussalam
Bulgaria	BG	Bulgarian National Bank
Burkina Faso	BF	Central Bank of West African States (BCEAO)
Burundi	BI	Bank of the Republic of Burundi
Cambodia	KH	National Bank of Cambodia
Cameroon	CM	Bank of Central African States
Canada	CA	Bank of Canada
Cape Verde	CV	Bank of Cape Verde
Cayman Islands	KY	Cayman Islands Monetary Authority
Central African Republic	CF	Bank of Central African States
Chad	TD	Bank of Central African States
Chile	CL	Central Bank of Chile
Colombia	CO	Central Bank of Colombia
Congo	CG	Bank of Central African States
Congo, the Democratic Republic of the	CD	Central Bank of Congo
Costa Rica	CR	Central Bank of Costa Rica

(Con't overleaf)

Jurisdiction	ISO	Name of central bank
Croatia	HR	Croatian National Bank
Cuba	CU	Central Bank of Cuba
Curaçao	CW	Central Bank of Curaçao and Sint Maarten
Cyprus	CY	Central Bank of Cyprus
Czech Republic	CZ	Czech National Bank
Denmark	DK	Danmarks Nationalbank
Dominican Republic	DO	Central Bank of the Dominican Republic
Ecuador	EC	Central Bank of Ecuador
Egypt	EG	Central Bank of Egypt
El Salvador	SV	Central Reserve Bank of El Salvador
Equatorial Guinea	GQ	Bank of Central African States
Estonia	EE	Bank of Estonia
Eswatini	SZ	The Central Bank of Eswatini
Ethiopia	ET	National Bank of Ethiopia
Euro area	EU	European Central Bank
Fiji	FJ	Reserve Bank of Fiji
Finland	FI	Bank of Finland
France	FR	Bank of France
Gabon	GA	Bank of Central African States
Gambia, The	GM	Central Bank of The Gambia
Georgia	GE	National Bank of Georgia
Germany	DE	Deutsche Bundesbank
Ghana	GH	Bank of Ghana
Greece	GR	Bank of Greece
Guatemala	GT	Bank of Guatemala
Guinea	GN	Central Bank of the Republic of Guinea
Guinea-Bissau	GW	Central Bank of West African States (BCEAO)
Guyana	GY	Bank of Guyana
Haiti	HT	Bank of the Republic of Haiti
Honduras	HN	Central Bank of Honduras
Hong Kong, China	HK	Hong Kong Monetary Authority
Hungary	HU	Magyar Nemzeti Bank
Iceland	IS	Central Bank of Iceland
India	IN	Reserve Bank of India
Indonesia	ID	Bank Indonesia
Iran, Islamic Republic of	IR	The Central Bank of the Islamic Republic of Iran
Iraq	IQ	Central Bank of Iraq
Ireland	IE	Central Bank of Ireland
Israel	IL	Bank of Israel
Italy	IT	Bank of Italy
Ivory Coast	CI	Central Bank of West African States (BCEAO)
Jamaica	JM	Bank of Jamaica
Japan	JP	Bank of Japan
Jordan	JO	Central Bank of Jordan
Kazakhstan	KZ	National Bank of Kazakhstan
Kenya	KE	Central Bank of Kenya
Korea, Republic of	KR	Bank of Korea
Kosovo	XK	Central Bank of the Republic of Kosovo
Kuwait	KW	Central Bank of Kuwait
Kyrgyzstan	KG	National Bank of the Kyrgyz Republic

(Cont't overleaf)

Jurisdiction	ISO	Name of central bank
Lao People's Democratic Republic	LA	Bank of the Lao People's Democratic Republic
Latvia	LV	Bank of Latvia
Lebanon	LB	Central Bank of Lebanon
Lesotho	LS	Central Bank of Lesotho
Liberia	LR	Central Bank of Liberia
Libya, State of	LY	Central Bank of Libya
Lithuania	LT	Bank of Lithuania
Luxembourg	LU	Central Bank of Luxembourg
Macao, China	MO	Monetary Authority of Macao
Madagascar	MG	Banky Foiben'i Madagasikara
Mainland China	CN	The People's Bank of China
Malawi	MW	Reserve Bank of Malawi
Malaysia	MY	Central Bank of Malaysia
Maldives	MV	Maldives Monetary Authority
Mali	ML	Central Bank of West African States (BCEAO)
Malta	MT	Central Bank of Malta
Mauritius	MU	Bank of Mauritius
Mexico	MX	Bank of Mexico
Moldova, Republic of	MD	National Bank of Moldova
Mongolia	MN	Bank of Mongolia
Montenegro	ME	Central Bank of Montenegro
Morocco	MA	Bank Al-Maghrib (Central Bank of Morocco)
Mozambique	MZ	Bank of Mozambique
Myanmar	MM	Central Bank of Myanmar
Namibia	NA	Bank of Namibia
Nepal	NP	Central Bank of Nepal (Nepal Rastra Bank)
Netherlands	NL	Netherlands Bank
New Zealand	NZ	Reserve Bank of New Zealand
Nicaragua	NI	Central Bank of Nicaragua
Niger	NE	Central Bank of West African States (BCEAO)
Nigeria	NG	Central Bank of Nigeria
North Macedonia, Republic of	MK	National Bank of the Republic of North Macedonia
Norway	NO	Central Bank of Norway
Oman	OM	Central Bank of Oman
Pakistan	PK	State Bank of Pakistan
Palestine	PS	Palestine Monetary Authority
Panama	PA	National Bank of Panama (Banco Nacional de Panamá)
Papua New Guinea	PG	Bank of Papua New Guinea
Paraguay	PY	Central Bank of Paraguay
Peru	PE	Central Reserve Bank of Peru
Philippines	PH	Central Bank of the Philippines (Bangko Sentral ng Pilipinas)
Poland	PL	Narodowy Bank Polski
Portugal	PT	Banco de Portugal
Qatar	QA	Qatar Central Bank
Romania	RO	National Bank of Romania
Russia Federation	RU	Central Bank of the Russian Federation
Rwanda	RW	National Bank of Rwanda
Samoa	WS	Central Bank of Samoa
San Marino	SM	Central Bank of the Republic of San Marino

(Con't overleaf)

Jurisdiction	ISO	Name of central bank
Saudi Arabia	SA	Saudi Central Bank
Senegal	SN	Central Bank of West African States (BCEAO)
Serbia	RS	National Bank of Serbia
Seychelles	SC	Central Bank of Seychelles
Sierra Leone	SL	Bank of Sierra Leone
Singapore	SG	Monetary Authority of Singapore
Slovakia	SK	National Bank of Slovakia
Slovenia	SI	Bank of Slovenia
Solomon Islands	SB	Central Bank of Solomon Islands
South Africa	ZA	South African Reserve Bank
Spain	ES	Bank of Spain
Sri Lanka	LK	Central Bank of Sri Lanka
Sudan	SD	Bank of Sudan
Suriname	SR	Central Bank of Suriname
Sweden	SE	Sveriges Riksbank
Switzerland	CH	Swiss National Bank
Syrian Arab Republic	SY	Central Bank of Syria
Taiwan, China	TW	Central Bank of Taiwan, China
Tajikistan	TJ	National Bank of the Republic of Tajikistan
Tanzania, United Republic of	TZ	Bank of Tanzania
Thailand	TH	Bank of Thailand
Togo	TG	Central Bank of West African States (BCEAO)
Tonga	TO	National Reserve Bank of Tonga
Trinidad and Tobago	TT	Central Bank of Trinidad and Tobago
Tunisia	TN	Central Bank of Tunisia
Turkey	TR	Central Bank of the Republic of Türkiye
Turkmenistan	TM	Central Bank of Turkmenistan
Uganda	UG	Bank of Uganda
Ukraine	UA	National Bank of Ukraine
United Arab Emirates	AE	Central Bank of the United Arab Emirates
United Kingdom	GB	Bank of England
United States	US	Federal Reserve Bank of Atlanta
United States	US	Federal Reserve Bank of Boston
United States	US	Federal Reserve Bank of Chicago
United States	US	Federal Reserve Bank of Cleveland
United States	US	Federal Reserve Bank of Dallas
United States	US	Federal Reserve Bank of Kansas City
United States	US	Federal Reserve Bank of Minneapolis
United States	US	Federal Reserve Bank of New York
United States	US	Federal Reserve Bank of Philadelphia
United States	US	Federal Reserve Bank of Richmond
United States	US	Federal Reserve Bank of San Francisco
United States	US	Federal Reserve Bank of St Louis
United States	US	Board of Governors of the Federal Reserve System
Uruguay	UY	Central Bank of Uruguay
Uzbekistan	UZ	Central Bank of the Republic of Uzbekistan
Vanuatu	VU	Reserve Bank of Vanuatu
Venezuela	VE	Central Bank of Venezuela
Vietnam	VN	State Bank of Vietnam
Yemen	YE	Central Bank of Yemen
Zambia	ZM	Bank of Zambia
Zimbabwe	ZW	Reserve Bank of Zimbabwe

List of International Organisations

In both the Part I LBS and Part II CBS, positions vis-à-vis international organisations should be reported in the category “International organisations (1C)” under the counterparty-jurisdiction dimension and should not be allocated to any specific counterparty jurisdiction.¹

~~For Part I LBS, some international organisations (multilateral development banks) previously classified as "Banks" are now classified as "Non-bank financial institutions". The rest should be classified as "Other non-bank customers". For Part II CBS, all International organisations should be classified as "Official sector".~~ other than those considered as central banks do not need to be allocated by sector and may be reported as unallocated by sector. For example, the BIS, BEAC, BCEAO, ECCB and ECB should be classified as central banks.

For Part II CBS, international organisations that undertake activities similar to those of central banks should be reported under official sector.

As the following list of international organisations may be subject to changes from time to time, the list is for reference only. Please see refer to the latest list on the BISEurostat website (www.bis.org)-<https://ec.europa.eu/eurostat/>) related to BOP Vademecum.

International organisations	Acronym
<u>UN organisations</u>	
International Monetary Fund	IMF
World Trade Organisation	WTO
International Bank for Reconstruction and Development	IBRD
International Development Association	IDA
International Centre for Settlement of Investment Disputes	ICSID
United Nations Educational, Scientific and Cultural Organisation	UNESCO
Food and Agriculture Organisation	FAO
World Health Organisation	WHO
International Fund for Agricultural Development	IFAD
International Finance Corporation	IFC
Multilateral Investment Guarantee Agency	MIGA
United Nations Children’s Fund	UNICEF
United Nations High Commissioner for Refugees	UNHCR
United Nations Relief and Works Agency for Palestine	UNRWA
International Atomic Energy Agency	IAEA
International Labour Organisation	ILO
International Telecommunication Union	ITU
United Nations Economic Commission for Europe	UNECE
United Nations Framework Convention for Climate Change	UNFCCC
Universal Postal Union	UPU
World Bank Group	-

(Con’t overleaf)

¹ The BIS and central banks of currency unions that undertake activities similar to those of central banks should be reported as residents of the jurisdiction where they are located. In particular, the BIS should be reported as a resident of Switzerland; the Bank of Central African States (BEAC) as a resident of Cameroon; the Central Bank of West African States (BCEAO) as a resident of Senegal; the Eastern Caribbean Central Bank (ECCB) as a resident of St Kitts and Nevis; and the European Central Bank (ECB) as a resident of Germany.

International organisations	Acronym
European Union (EU) institutions (excluding European Central Bank)	
European Monetary System	EMS
European Investment Bank	EIB
European Commission	-
All the European Union Institutions financed via the EU Budget	-
European Development Fund	EDF
European Investment Fund	EIF
European Coal and Steel Community	-
Neighbourhood Investment Facility	-
Other European Union Institutions, Organs and Organisms covered by General budget	-
European Parliament	-
Council of the European Union	-
Court of Justice	-
Court of Auditors	-
European Council	-
Economic and Social Committee	-
Committee of Regions	-
Other small European Union Institutions	-
Agency for the Cooperation of Energy Regulators	-
European Centre for Disease Prevention and Control	-
European Centre for the Development of Vocational Training	-
European Chemicals Agency	-
European Data Protection Supervisor	-
European Defence Agency	-
European Environment Agency	-
European External Action Service	-
European Fisheries Control Agency	-
European Food Safety Authority	-
European Foundation for the Improvement of Living and Working Conditions	-
Body of European Regulators for Electronic Communications	-
European GNSS Agency	-
European Institute for Gender Equality	-
European Institute of Innovation and Technology	-
European Maritime Safety Agency	-
European Medicines Agency	-
European Monitoring Centre for Drugs and Drug Addiction	-
European Network and Information Security Agency	-
European Ombudsman	-
European Personnel Selection Office	-
European Police College	-
Community Plant Variety Office	-
European Police Office	-
European Public Prosecutor's Office	-
European Railway Agency	-
European School of Administration	-
European Training Foundation	-
European Union Agency for Fundamental Rights	-
European Union Institute for Security Studies	-
European Union Intellectual Property Office	-
European Union Satellite Centre	-

(Con't overleaf)

International organisations	Acronym
European Union (EU) institutions (excluding European Central Bank)	
Publications Office of the European Union	-
Computer Emergency Response Team	-
The European Union's Judicial Cooperation Unit	-
Translation Centre for the Bodies of the European Union	-
ATHENA Mechanism	-
European Agency for Safety and Health at Work	-
European Agency for the Management of Operational Cooperation at the External	-
European Agency for the operational management of large-scale IT systems in the area of freedom, security and justice	-
European Asylum Support Office	-
European Aviation Safety Agency	-
European High Performance Computing Joint Undertaking	-
Single Resolution Board	SRB
EU-Africa Infrastructure Trust Fund	-
European Stability Mechanism	ESM
Joint Committee of the European Supervisory Authorities	ESAs
European Banking Authority	EBA
European Securities and Markets Authority	ESMA
European Insurance and Occupational Pensions Authority	EIOPA
European Atomic Energy Community	Euratom
Facility for Euro-Mediterranean Investment and Partnership	FEMIP
European Financial Stability Facility	EFSF
Other International Organisations (financial institutions)	
Multilateral Lending Agencies	-
Inter-American Development Bank	IADB
African Development Bank	AfDB
Asian Development Bank	AsDB
European Bank for Reconstruction and Development	EBRD
Inter-American Investment Corporation	IIC
Nordic Investment Bank	NIB
Eastern Caribbean Central Bank	ECCB
International Bank for Economic Co-operation	IBEC
International Investment Bank	IIB
Caribbean Development Bank	CDB
Arab Monetary Fund	AMF
Arab Bank for Economic Development in Africa	BADEA
Central Bank of West African States	BCEAO
Central African States Development Bank	CASDB
African Development Fund	-
Asian Development Fund	-
Fonds spécial unifié de développement	-
Central American Bank for Economic Integration	CABEI
Andean Development Corporation - Development Bank of Latin America	ADC
Bank of Central African States	BEAC
Asian Infrastructure Investment Bank	-
Other International Financial Organisations	-
Africa Finance Corporation	-
International Civil Aviation Organization	ICAO

(Con't overleaf)

International organisations	Acronym
Other International Organisations (financial institutions)	
International Cocoa Organization	ICCO
International Coffee Organization	ICO
International Copper Study Group	-
International Cotton Advisory Committee	ICAC
International Grains Council	IGC
International Jute Study Group	IJSG
International Lead and Zinc Study Group	ILZGS
International Maritime Organization	IMO
International Maritime Satellite Organization	INMARSAT
African Development Bank Group	ADB
International Olive Oil Council	IOOC
International Rubber Study Group	IRSG
International Sugar Organization	ISO
Latin American and the Caribbean Economic System	SELA
Latin American Energy Organization	OLADE
Latin American Integration Association	LAIA
League of Arab States	LAS
Organisation of Eastern Caribbean States	OECS
Organization of American States	OAS
Organization of Arab Petroleum Exporting Countries	OAPEC
Arab Fund for Economic and Social Development	AFESD
Organization of Central American States	OCAS
Organization of the Petroleum Exporting Countries	OPEC
South Asian Association for Regional Cooperation	SAARC
United Nations Conference on Trade and Development	UNCTAD
West African Economic Community	WAEC
West African Health Organisation	-
West African Monetary Agency	WAMA
West African Monetary Institute	-
World Council of Churches	WCC
Asian Clearing Union	ACU
World Intellectual Property Organization	WIPO
World Meteorological Organization	WMO
World Tourism Organization	UNWTO
Nordic Development Fund	-
North American Development Bank	-
International Council for the Exploration of the Sea (ICES)	-
Regional Environmental Center for Central and Eastern Europe	-
Colombo Plan	-
Economic Community of West African States	ECOWAS
European Free Trade Association	EFTA
Fusion for Energy	-
Intergovernmental Council of Copper Exporting Countries	CIPEC
West African Economic and Monetary Union	WAEMU
Islamic Development Bank	IDB
Eurasian Development Bank	EDB
Paris Club Creditor Institutions	-
Council of Europe Development Bank	CEB

(Con't overleaf)

International organisations	Acronym
Other International Organisations (financial institutions)	
International Union of Credit and Investment Insurers	-
Black Sea Trade and Development Banks	-
African Export-Import Bank	AFREXIMBANK
Foreign Trade Bank of Latin America	BLADDEX
Latin American Reserve Fund	FLAR
Fonds Belgo-Congolais d'Amortissement et de Gestion	-
International finance Facility for Immunisation	IFFIm
European Company for the Financing of Railroad Rolling Stock	EUROFIMA
The Eastern and Southern African Trade and Development Bank	-
Other International Organisations (non-financial institutions)	
African Union	AU
International Energy Agency	IEA
Eurasian Economic Commission	-
Association of Southeast Asian Nations	ASEAN
Caribbean Community and Common Market	CARICOM
Central American Common Market	CACM
East African Development Bank	EADB-
ECOWAS Bank for Investment and Development	-
Latin American Association of Development Financing Institutions	ALIDE
OPEC Fund for International Development	OFID
Permanent Court of Arbitration	-
North Atlantic Treaty Organisation	NATO
Council of Europe	CE
International Committee of the Red Cross	ICRC
European Space Agency	ESA
European Patent Office	EPO
European Organisation for the Safety of Air Navigation	EUROCONTROL
European Telecommunications Satellite Organisation	EUTELSAT
European Molecular Biology Laboratory	EMBL
International Telecommunications Satellite Organisation	ITSO
European Broadcasting Union/Union européenne de radio-télévision	EBU/UER
European Organisation for the Exploitation of Meteorological Satellites	EUMETSAT
European Southern Observatory	ESO
European Centre for Medium-Range Weather Forecasts	ECMWF
Organisation for Economic Co-operation and Development	OECD
European Organisation for Nuclear Research	CERN
International Organisation for Migration	IOM
The Global Fund to Fight AIDS, Tuberculosis and Malaria	-

* The list is based on BOP Vademecum 2020 published by Eurostat and is not an exhaustive list of international organisation. Note that Bank for International Settlements (BIS) and European Central Bank (ECB) do not belong to "International organisations", but in "Official monetary authorities" located in Switzerland and Germany respectively.

Cross Reference of Part I LBS with Return of Assets and Liabilities – MA(BS)1

<u>Item in Return of Assets and Liabilities (MA(BS)1)</u>	Part I Locational Banking Statistics (MA(BS)21A)		
	<u>to be included under</u>		<u>to be excluded</u>
Part I Liabilities	1. International organisations 2. Analysis by jurisdiction 3. Unallocated	4. Hong Kong	
1. Capital and reserves	held by non-residents* (include in other liabilities)	held by residents* (include in other liabilities)	-
2. Qualifying capital instruments	held by non-residents* (include in other liabilities)	held by residents* (include in other liabilities)	-
3. Other capital-type instruments	held by non-residents* (include in other liabilities)	held by residents* (include in other liabilities)	-
4. Notes in circulation	-	-	all balance
5. Due to Exchange Fund	-	held by residents* (include in loans and deposits; vis-à-vis banks – of which: official monetary authorities)	-
6. Deposits from customers	deposits by non-residents* Part X items 6.1(ii), 6.2(ii) & 6.3 (ii) (include in loans and deposits; vis-à-vis non-bank customers)	deposits by residents* Part X items 6.1(i), 6.2(i) & 6.3 (i) (include in loans and deposits; vis-à-vis non-bank customers)	-
7. Amount payable under repos	due to non-residents* (include in loans and deposits)	due to residents* (include in loans and deposits)	-
8. Due to banks	due to non-residents* Part I item 8.3 (include in loans and deposits; vis-à-vis banks – of which: related offices) Part I item 8.4 (include in loans and deposits; vis-à-vis banks)	due to residents* Part I item 8.1 (include in loans and deposits; vis-à-vis banks – of which: related offices) Part I item 8.2 (include in loans and deposits; vis-à-vis banks)	-
9.1 Negotiable certificate of deposits (NCDs)	held by non-residents* Part X item 9.1(ii) (include in debt securities @)	held by residents* Part X item 9.1(i) (include in debt securities @)	-
9.2 Other negotiable debt instruments	held by non-residents* (include in debt securities @)	held by residents* (include in debt securities @)	-
10. Other liabilities	due to non-residents* (include in <u>derivatives /</u> other liabilities#)	due to residents* (include in <u>derivatives /</u> other liabilities#)	-

(Con't overleaf)

Item in Return of Assets and Liabilities (MA(BS)1)	Part I Locational Banking Statistics (MA(BS)21A)		
	to be included under		to be excluded
Part II Assets	1. International organisations 2. Analysis by jurisdiction 3. Unallocated	4. Hong Kong	
12. Cash	foreign currency notes (include in loans and deposits; vis-à-vis banks – of which: official monetary authorities)	notes and coins of Hong Kong (include in loans and deposits; vis-à-vis banks – of which: official monetary authorities)	-
13. Government certificate of indebtedness for notes issued	-	-	all balance
14. Due from Exchange Fund	-	due from residents* (include in loans and deposits; vis-à-vis banks – of which: official monetary authorities)	-
15. Loans and advances to customers	due from non-residents* Part X item 15.7 (ii) (include in loans and deposits; vis-à-vis non-bank customers)	due from residents* Part X item 15.7 (i) (include in loans and deposits; vis-à-vis non-bank customers)	-
16. Amount receivables under reverse repos	due from non-residents* (include in loans and deposits)	due from residents* (include in loans and deposits)	-
17. Due from banks	due from non-residents* Part I item 17.3 (include in loans and deposits; vis-à-vis banks – of which: related offices) Part I item 17.4 (include in loans and deposits; vis-à-vis banks)	due from residents* Part I item 17.1 (include in loans and deposits; vis-à-vis banks – of which: related offices) Part I item 17.2 (include in loans and deposits; vis-à-vis banks)	-
18. Negotiable certificate of deposits held	claims on non-residents* (include in debt securities; vis-à-vis banks)	claims on residents* (include in debt securities; vis-à-vis banks)	-
19. All negotiable debt instruments held	claims on non-residents* (include in debt securities)	claims on residents* (include in debt securities)	-
20. Total investments	Part X item 20.3(ii) (include in <u>derivatives</u> / other assets)	Part X item 20.3(i) (include in <u>derivatives</u> / other assets)	-
21. Interests in land and buildings	-	-	all balance
22.2 Fixed assets	-	-	all balance
22.1, 22.3, 22.4 Other assets excluding fixed assets	claims on non-residents* (include in <u>derivatives</u> / other assets#)	claims on residents* (include in <u>derivatives</u> / other assets#)	-

* Residents/non-residents of Hong Kong

@ Reporting of remaining maturity ≤ 12 months is required

Arrears and accrued interest as well as principal in arrears should be included in the claims and liabilities under the respective instruments, whenever possible.

Jurisdiction Breakdown for Part I LBS and Part II CBS²

Developed economies (5R)

include the following jurisdictions

Developed economies	5R
Jurisdiction	ISO
Andorra	AD
Australia (includes Christmas Islands, Cocos Islands, Norfolk Islands, Heard and McDonald Islands, Territory of Ashmore and Cartier Islands and Territory of Coral Sea Islands)	AU
Austria	AT
Belgium	BE
Canada	CA
Cyprus	CY
Denmark (excludes Faeroe Islands and Greenland)	DK
Estonia	EE
Faeroe Islands	FO
Finland (includes Aland Islands)	FI
France (includes French Guiana, French Southern Territories , Guadeloupe, Martinique, Mayotte, Monaco, Reunion, <u>Saint Barthélemy, Saint Martin (French part)</u> and <u>Saint Pierre and Miquelon</u>)	FR
<u>French Southern Territories</u>	TF
Germany (includes the European Central Bank)	DE
Greece	GR
Greenland	GL
Iceland	IS
Ireland	IE
Italy	IT
Japan	JP
Liechtenstein	LI
Luxembourg	LU
Malta	MT
Netherlands	NL
New Zealand (includes Cook Islands, Minor Islands, Niue, Ross Dependency and Tokelau)	NZ
Norway (includes Bouvet Islands, Svalbard and Jan Mayen Islands)	NO
Portugal (includes the Azores and Madeira)	PT
Residual developed economies	2R
San Marino	SM
Slovakia	SK
Slovenia	SI
Spain (includes Balearic Islands, Canary Islands and Ceuta and Melilla)	ES
Sweden	SE
Switzerland (includes Bank for International Settlements)	CH

Developed economies (Con't)	5R
Jurisdiction	ISO
United Kingdom (<u>includes British Indian Ocean Territory (comprises Chagos Archipelago), Pitcairn, Saint Helena, Ascension & Tristan da Cunha, South Georgia & South Sandwich Islands</u> , excludes Guernsey, Isle of Man and Jersey)	GB
United States (includes American Samoa, Guam, Midway Islands, Northern Mariana Islands, Puerto Rico, <u>United States Minor Outlying Islands</u> , US Virgin Islands and Wake Islands)	US
Vatican	VA

Offshore centres (1N)

include the following jurisdictions

Offshore centres	1N
Jurisdiction	ISO
<u>Anguilla</u>	<u>AI</u>
<u>Antigua and Barbuda</u>	<u>AG</u>
Aruba	AW
Bahamas	BS
Bahrain	BH
Barbados	BB
Bermuda	BM
<u>British Virgin Islands</u>	<u>VG</u>
Cayman Islands	KY
Curacao	CW
Gibraltar	GI
Guernsey	GG
Hong Kong, China [#]	HK
Isle of Man	IM
Jersey	JE
Lebanon	LB
Macao, China	MO
Mauritius	MU
<u>Montserrat</u>	<u>MS</u>
Panama (includes Panama Canal Zone)	PA
Residual former Netherlands Antilles	2D
Residual offshore centres	2N
Samoa	WS
Singapore	SG
Sint Maarten	SX
<u>St. Christopher / St. Kitts - Nevis</u>	<u>KN</u>
Vanuatu	VU

[#] For Part I LBS, Hong Kong, China (HK) should **not** be included as Offshore centres (1N).

For Part II CBS, Hong Kong, China (HK) should be included as Offshore centres (1N).

² The BIS-defined codes 1W (British Overseas Territories) and 1Z (UK West Indies) will be discontinued after the reporting position of December 2024. Territories under 1W should be reported under their governing state – United Kingdom. Territories under 1Z should be reported separately as individual counterparties. In addition, TF (French Southern Territories) should be reported separately from France.

Developing Europe (3C)

include the following jurisdictions

Developing Europe	3C
Jurisdiction	ISO
Albania	AL
Belarus	BY
Bosnia and Herzegovina	BA
Bulgaria	BG
Croatia	HR
Czech Republic	CZ
Hungary	HU
Latvia	LV
Lithuania	LT
Macedonia (the former Yugoslav Republic of -)	MK
Moldova	MD
Montenegro	ME
Poland	PL
Residual Europe	2B
Residual former Serbia and Montenegro	2C
Romania	RO
Russia	RU
Serbia	RS
Turkey	TR
Ukraine	UA

Developing Latin America and Caribbean (4U)

include the following jurisdictions

Developing Latin America and Caribbean	4U
Jurisdiction	ISO
Argentina	AR
Belize	BZ
Bolivia	BO
Bonaire, Saint Eustatius and Saba	BQ
Brazil	BR
Chile	CL
Colombia	CO
Costa Rica	CR
Cuba	CU
Dominica	DM
Dominican Republic	DO
Ecuador	EC
El Salvador	SV
Falkland Islands (Malvinas)	FK
Grenada	GD
Guatemala	GT
Guyana	GY
Haiti	HT
Honduras	HN
Jamaica	JM
Mexico	MX
Nicaragua	NI
Paraguay	PY
Peru	PE
Residual Latin America and Caribbean	2H
St. Lucia	LC
St. Vincent (includes the Grenadines)	VC
Suriname	SR
Trinidad and Tobago	TT
Turks and Caicos	TC
Uruguay	UY
Venezuela	VE

Developing Asia and Pacific (4Y)

include the following jurisdictions

Developing Asia and Pacific	4Y
Jurisdiction	ISO
Afghanistan	AF
Armenia	AM
Azerbaijan	AZ
Bangladesh	BD
Bhutan	BT
Brunei	BN
Cambodia (formerly Kampuchea)	KH
Fiji	FJ
French Polynesia (includes Society Archipelago, Tuamotu-Gambier Islands, Marquesas, Australes Archipelago)	PF
Georgia	GE
India	IN
Indonesia	ID
Kazakhstan	KZ
Kiribati (includes Canton and Enderbury, Gilbert Island, Phoenix Islands, Line Islands)	KI
Kyrgyz Republic	KG
Laos	LA
Mainland China	CN
Malaysia (includes Labuan International Financial Offshore Centre)	MY
Maldives	MV
Marshall Islands	MH
Micronesia	FM
Mongolia	MN
Myanmar (formerly Burma)	MM
Nauru	NR
Nepal	NP
New Caledonia	NC
North Korea	KP
Pakistan	PK
Palau	PW
Papua New Guinea	PG
Philippines	PH
Residual Asia and Pacific	2O
Solomon Islands	SB
South Korea	KR
Sri Lanka	LK
Taiwan, China	TW
Tajikistan	TJ
Thailand	TH
Timor Leste	TL
Tonga	TO
Turkmenistan	TM
Tuvalu (formerly the Ellice Islands)	TV
US Pacific Islands (includes Carolines, Howland and Baker, Kingman Reef, Palmyra, Jarvis and Johnston)	PU
Uzbekistan	UZ
Vietnam	VN
Wallis and Futuna	WF

Developing Africa and Middle East (4W)

include the following jurisdictions

Developing Africa and Middle East	4W
Jurisdiction	ISO
Algeria	DZ
Angola	AO
Benin	BJ
Botswana	BW
Burkina Faso (formerly Upper Volta)	BF
Burundi	BI
Cameroon	CM
Cape Verde	CV
Central African Republic	CF
Chad	TD
Comoros Islands	KM
Congo	CG
Congo Democratic Republic (formerly Zaire)	CD
Côte d'Ivoire	CI
Djibouti	DJ
Egypt	EG
Equatorial Guinea	GQ
Eritrea	ER
Ethiopia	ET
Gabon	GA
Gambia	GM
Ghana	GH
Guinea	GN
Guinea-Bissau	GW
Iran	IR
Iraq	IQ
Israel	IL
Jordan	JO
Kenya	KE
Kuwait	KW
Lesotho	LS
Liberia	LR
Libya	LY
Madagascar	MG
Malawi	MW
Mali	ML
Mauritania	MR
Morocco	MA
Mozambique	MZ
Namibia	NA
Niger	NE
Nigeria	NG
Oman	OM
Palestinian Territory	PS
Qatar	QA
Residual Africa (includes Western Sahara) and Middle East	2W
Rwanda	RW

Developing Africa and Middle East (Con't)	4W
Jurisdiction	ISO
Sao Tome and Principe	ST
Saudi Arabia	SA
Senegal	SN
Seychelles	SC
Sierra Leone	SL
Somalia	SO
South Africa	ZA
South Sudan	SS
St. Helena (includes Ascension, Gough and Tristan Da Cunha)	SH
Sudan	SD
Eswatini Swaziland	SZ
Syria	SY
Tanzania	TZ
Togo	TG
Tunisia	TN
Uganda	UG
United Arab Emirates	AE
Yemen	YE
Zambia	ZM
Zimbabwe	ZW

For Part I LBS,

Total external positions (i.e. Total of section 1 and 2) (5Z)

= Sum of positions vis-à-vis 1C, 5R, 1N, 3C, 4U, 4W and 4Y

Examples on the reporting of specific transactions in Part II CBS

Reporting jurisdiction: Hong Kong, China	Immediate risk <u>counterparty basis</u> reporting				Ultimate risk <u>Guarantor basis</u> reporting		
	Type of claims	Counter-party sector	Counter-party jurisdiction	Type of risk transfer	Type of claims	Counter-party sector	Counter-party jurisdiction
1. A Hong Kong incorporated licensed bank has extended a loan to a non-financial corporate in Japan which is backed by a guarantee from a bank in the United Kingdom	International claim	Non-bank private sector of which : non-financial private sector	Japan	Inward: United Kingdom Outward: Japan	Cross-border	Bank	United Kingdom
2. A subsidiary of a Hong Kong incorporated licensed bank in Japan has a deposit in local currency with a branch of a UK bank in Japan	Local claims in local currency	Bank	Japan	Inward: United Kingdom Outward: Japan	Cross-border	Bank	United Kingdom
3. A Japanese bank in Hong Kong has purchased Japanese government securities (reporting by Japanese bank in Hong Kong)	International claim	Official	Japan	None	None	None	None

(Con't overleaf)

Reporting jurisdiction: Hong Kong, China	Immediate risk <u>counterparty basis</u> reporting				Ultimate risk <u>Guarantor basis</u> reporting		
	Type of claims	Counter-party sector	Counter-party jurisdiction	Type of risk transfer	Type of claims	Counter-party sector	Counter-party jurisdiction
4. A Japan <u>branch</u> of a Hong Kong incorporated licensed bank extended and booked a HKD loan to a Hong Kong toy manufacturer (Hong Kong resident)	International claim – cross border	Non-bank private sector of which : non-financial private sector	Hong Kong, China	None	Cross-border claim	Non-bank private sector of which : non-financial private sector	Hong Kong, China
5. A Japan <u>subsidiary</u> of a Hong Kong incorporated licensed bank extended and booked a HKD loan to a Hong Kong toy manufacturer (Hong Kong resident)	International claim – cross border	Non-bank private sector of which : non-financial private sector	Hong Kong, China	None	Cross-border claim	Non-bank private sector of which : non-financial private sector	Hong Kong, China
6. A Japan <u>branch</u> of a Hong Kong incorporated licensed bank extended and booked a JPY loan to a Japanese toy manufacturer (Japanese resident), where a guarantee is given by a German bank	Local claim in local currency	Non-bank private sector of which : non-financial private sector	Japan	Inward: Germany Outward: Japan	Cross-border claim	Bank	Germany

(Con't overleaf)

Reporting jurisdiction: Hong Kong, China	Immediate risk counterparty basis reporting				Ultimate risk Guarantor basis reporting		
	Type of claims	Counter-party sector	Counter-party jurisdiction	Type of risk transfer	Type of claims	Counter-party sector	Counter-party jurisdiction
7. A Hong Kong office of a Hong Kong incorporated licensed bank extended and booked a <u>HKD</u> loan to a Hong Kong toy manufacturer (Hong Kong resident)	Local claim in local currency	Non-bank private sector of which : non-financial private sector	Hong Kong, China	None	Local claim	Non-bank private sector of which : non-financial private sector	Hong Kong, China
8. A Hong Kong office of a Hong Kong incorporated licensed bank extended and booked a <u>USD</u> loan to a Hong Kong toy manufacturer (Hong Kong resident)	International claim - local claim in foreign currency	Non-bank private sector of which : non-financial private sector	Hong Kong, China	None	Local claim	Non-bank private sector of which : non-financial private sector	Hong Kong, China
9. A Hong Kong office of a United States incorporated licensed bank extended and booked a <u>HKD</u> loan to a <u>Hong Kong</u> toy manufacturer (Hong Kong resident)	None	None	None	None	None	None	None
10. A Hong Kong office of a United States incorporated licensed bank extended and booked a <u>USD</u> loan to a <u>United States</u> toy manufacturer (United States resident)	International claim – cross border	Non-bank private sector of which : non-financial private sector	United States	None	None	None	None

Glossary – Part II CBS

Counterparty sector	Definition
Banks	Financial institutions whose business is to receive deposits or close substitutes for deposits and to grant credits or invest in securities on their own account (including AIs in Hong Kong). For the purpose of the CBS, the sector <u>excludes</u> central banks and multilateral development banks.
Official sector	The general government sector, central bank sector and international organisations <u>that undertake activities similar to those of central banks</u> (including multilateral development banks). Public non-bank financial institutions and public corporations should <u>not</u> be classified as “Official sector”, but rather should be classified as “Non-bank financial institutions” or “Non-financial private sector”, respectively. Claims on official institutions should be allocated to the respective jurisdictions of their residence. <u>The only exception is for claims on international organisations, which are to be reported as a separate item in the counterparty jurisdiction breakdown.</u> Central banks and international organisations are listed in <u>Annexes 1 and 2</u> respectively.
Non-bank private sector	Sum of non-bank financial institutions and non-financial private sector.
Non-bank financial institutions	Private or public financial institutions, other than banks, engaged primarily in the provision of financial services and activities auxiliary to financial intermediation such as fund management. Includes special purpose vehicles, hedge funds, securities brokers, money market funds, pension funds, insurance companies, financial leasing corporations, central clearing counterparties, unit trusts, other financial auxiliaries and other captive financial institutions. It also includes any public financial institutions such as development banks and export credit agencies.
Non-financial private sector	The non-financial private sector includes privately and publicly owned corporations as well as unincorporated enterprises that function as if they were corporations, such as partnerships and the branches of foreign corporations. It also includes individuals, families, unincorporated enterprises owned by households, and non-profit institutions serving households such as charities, religious institutions, trade unions and consumer associations.
Unallocated by sector	Any positions for which the sector of the counterparty is unknown <u>and international organisations other than those considered central banks.</u>

(Con’t overleaf)

Maturity breakdown	Definition
Up to and including one year	Claims with a remaining maturity of up to and including one year, i.e. claims with an original maturity of up to one year plus those with an original maturity of more than one year but falling due within the next 12 months. Claims that are receivable on demand should be allocated to the “up to and including one year” maturity bucket.
Over one year and up to and including two years	Claims with a remaining maturity of over one year and up to and including two years.
Over two years	Claims with a remaining maturity of over two years.
Unallocated by maturity	Claims for which the remaining maturity is unknown, or claims that cannot be classified by maturity (e.g. equities and participations).

Contingent liabilities	Definition
Guarantees extended	Contingent liabilities arising from an irrevocable obligation to pay a third-party beneficiary when a client fails to perform certain contractual obligations. They include secured, bid and performance bonds, warranties and indemnities, confirmed documentary credits, irrevocable and standby letters of credit, acceptances and endorsements. Guarantees extended also include the contingent liabilities of the protection seller of credit derivatives instruments.
Credit commitments	Arrangements that irrevocably obligate the reporting AI, at a client’s request, to extend credit in the form of loans, participation in loans, lease financing receivables, mortgages, overdrafts or other loan substitutes or commitments to extend credit in the form of the purchase of loans, securities or other assets, such as backup facilities including those under note issuance facilities and revolving underwriting facilities.

(Con’t overleaf)

Supplementary data	Definition
Total liabilities	Sum of the liability instruments listed below.
Loans and deposits	Deposits including non-negotiable securities (e.g. non-negotiable CDs), and borrowings (i.e. loans) from banks. Inter-office positions should be excluded. <u>Repos should be included and separately reported in the breakdown column.</u>
Debt securities liabilities with remaining maturity up to and including 12 months	Negotiable securities (including negotiable CDs) with a remaining maturity of up to and including one year.
Debt securities liabilities with remaining maturity of greater than 12 months	Negotiable securities (including negotiable CDs) with a remaining maturity of more than one year.
Derivatives liabilities	Derivatives instruments with a negative market value <u>fair value after netting.</u>
Other and unallocated liabilities	Retained earnings (with positive value) and debt liabilities not included under the funding instruments listed above.
Total equity	Total equity (E) is the residual claims on the reporting AI after subtraction of its total liabilities from its total assets. Ideally, the values reported for E should be consistent with the consolidation perimeter used to determine the reporting AI's total assets and liabilities. That is, $TA = TL + E$ The definition of total equity can be based on International Financial Reporting Standards or on national accounting standards (Hong Kong) as applicable.
Risk-weighted assets	Return on Capital Adequacy Ratios MA(BS)3 Part I Division A "Total risk-weighted amount" (consolidated position).
Total assets	Total assets (TA) are the total banking assets for the reporting AI based on the consolidation perimeter used for the reporting AI. TA is comprised of non-financial assets (NFA) plus financial assets (FA). That is, $TA = NFA + FA$ FA is comprised of total claims plus derivatives instruments with a positive market value. <u>Derivatives instruments should be reported in fair value after netting.</u> <u>To be more specific, total assets should include loans and deposits (including reverse repo), debt securities holdings, equity investments, derivatives, allowances for credit losses, and other assets (including other financial assets (e.g. accounts receivable, tax assets) and non-financial assets (e.g. intangible assets, real estate, equipment)).</u>
Tier 1 capital	Return on Capital Adequacy Ratios MA(BS)3 Part I Division A "Tier 1 Capital" (consolidated position).
Tier 2 capital	Return on Capital Adequacy Ratios MA(BS)3 Part I Division A "Tier 2 Capital" (consolidated position).