



Banc Ceannais na hÉireann  
Central Bank of Ireland

Eurosystem

# Quarterly Analysis of Lending and Deposits (SQ1)

## Notes on Compilation

Version 1.3

29 February 2012

Email: [creditinst@centralbank.ie](mailto:creditinst@centralbank.ie)

Website: <http://www.centralbank.ie/>

<b>Version</b>	<b>Date</b>	<b>Comment</b>
V1.1	11 May 2010	Original document
V1.2	4 August 2010	
V1.3	29 February 2012	Clarification of RVR and RVR formats

# Contents

- Section 1: General Guidance** ..... 3
- Section 2a: Definitions of lending instrument categories ..... 9
  - 1. Loans ..... 9
  - 2. Securities other than shares ..... 12
  - 3. Shares and other equity ..... 12
- Section 2b: Definitions of deposit instrument categories ..... 13
  - 1. Deposits ..... 13
- Section 3: Definitions of sectors ..... 17
  - 1. Institutional sector classification ..... 17
  - 2. Functional sector classification (NACE Rev 2) ..... 19
- Section 4. Reporting Formats for the SQ1 ..... 22
  - 4.1 Irish resident details, all currency (IEQ) ..... 22
  - 4.2 Other monetary union resident details, all currency (OEQ) ..... 22
  - 4.3 Rest of the world resident details, all currency (RWQ) ..... 22
  - 4.4 Quarterly revaluation adjustment: Irish resident and Non-resident (RVR and RVN) ..... 22
  - 4.5 Quarterly reclassification/Net flow of loans transferred adjustment: Irish resident and Non-resident (RCI, RCN) ..... 24
  - 4.6 Quarterly residential mortgage analysis (RMQ) ..... 25
  - 4.7 Quarterly SME lending analysis (SMQ) ..... 26
- APPENDIX 1 – SQ1 Functional Sector Definitions ..... 29
- APPENDIX 2 – SEC/SQ1 Transition Matrix ..... 38
- INDEX ..... 43

## ***Introduction***

These notes on compilation are designed to help reporting agents complete the new Quarterly Analysis of Lending and Deposits return, which will become effective from December 2010. It provides definitions of the instruments, institutional sector, functional sector and counterparty categories included on the returns, details of reporting deadlines and valuation methods etc. Whilst the requirements and rules underpinning the document are fixed, the document can be updated and refined as required, including taking on board views of reporting agents. Comments on the document are welcomed, and can be forwarded to [creditinst@centralbank.ie](mailto:creditinst@centralbank.ie).

The notes are structured as follows: Section 1 gives general guidance on the rules and treatment of various issues, common with the other statistical returns. Sections 2 and 3 provide definitions of the instruments being analysed and sector categories requested in the return. Section 4 gives a brief overview of each reporting format. An index is included at the back of the notes for your convenience.

## **Section 1: General Guidance**

These notes on compilation set out the statistical reporting requirements for credit institutions resident in Ireland in relation to the Quarterly Analysis of Lending and Deposits (SQ1). The primary aim of the returns is to inform national and euro area policy-making.

### **1.1 Reporting population**

The reporting population is all credit institutions resident in Ireland. These are:

- institutions incorporated and located in the Republic of Ireland, including subsidiaries of parent companies located outside the Republic of Ireland;
- **and**
- branches of institutions that have their head office outside the Republic of Ireland

Reporting institutions report the return in respect of its resident offices only. A resident office means an office or branch of the reporting institution which is located in 'the State' (the Republic of Ireland).

## 1.2 Reporting frequency

The return must be reported on a **quarterly basis**, including the following formats:

- **Quarterly Analysis of Lending and Deposits (SQ1)**

Irish resident details, all currency	IEQ
Other monetary union resident details, all currency	OEQ
Rest of the world resident details, all currency	RWQ
Quarterly Revaluation Adjustment: Irish resident details	RVR
Quarterly Revaluation Adjustment: Non-Irish resident details	RVN
Quarterly Reclassification/Net flow of loans transferred adjustment: Irish resident details	RCI
Quarterly Reclassification/Net flow of loans transferred adjustment: Non-Irish resident details	RCN
Quarterly Residential Mortgage Analysis	RMQ
Quarterly SME Lending Analysis	SMQ

## 1.3 Reporting deadline

The reporting deadline for all returns (monthly and quarterly) is the close of business of the 18<sup>th</sup> working day after the last working day of the reference period (T+18). Working days exclude weekends and Irish public holidays. A schedule of reporting deadlines for returns is available on the website of the Central Bank of Ireland.

## 1.4 Method of reporting

The returns must be submitted via the Central Bank of Ireland's Online Reporting System. Credit institutions may supply the data by manually inputting data into the Online Reporting System or by uploading the data onto the system in an XML format. Details on transmitting the return via the Online Reporting System, and specifications for uploading data onto the system, may be found in separate documents which are available on the Central Bank's website <<Link will be supplied as soon as available>>.

### *Minimum standards*

The required statistical information shall be reported in accordance with the minimum standards for transmission, accuracy, conceptual compliance and revisions as set out in Annex IV of Regulation (EC) No 25/2009 of the ECB of 19 December 2008 concerning the balance sheet of the monetary financial institutions sector (Recast) (ECB/2008/32).

### *First reporting*

The first reporting under the new forms will begin with reference to December 2010. Alongside the first return on the online reporting system, a *transition format* from the SEC to the SQ1 will also have to be reported. This *transition format* should be submitted in hardcopy, or by encrypted email to [returns@centralbank.ie](mailto:returns@centralbank.ie). The transition format will be forwarded to reporting agents in due course.

## 1.5 Counterpart residency

The distinction between residents (i.e., residents of the Republic of Ireland) and non-residents (i.e., residents of other monetary union member states and the rest of the world) should be based on the residency of the customer and not on the location of the branch in which the account is maintained. Residents of the State comprise the government, individuals, private non-profit-making bodies and enterprises.

- A person is considered to be an Irish resident if he/she is currently living in the Republic of Ireland (“the State”) and has been so for at least one year. A person who is newly arrived in the State is considered to be an Irish resident if he/she intends to live here for an indefinite period, or for a period of not less than one year.
- Any business operating in the State is regarded as an Irish resident irrespective of whether it is owned or controlled by Irish residents or by non-residents.
- A person is considered to be an ‘other monetary union member state’ resident, if he/she is currently living in a member state of the euro area, other than Ireland and has been so living for at least one year. A list of the member states of the Economic and Monetary Union can be viewed at <http://www.ecb.int/euro/intro/html/map.en.html>.
- Any business operation in another monetary union member state is considered as an ‘other monetary union member state’ resident irrespective of whether or not it is owned or controlled by other monetary union member state residents.
- The rest of world resident as referred to in the reporting forms is any country other than a member state of the Economic and Monetary Union.

The residency classification is based on international statistical standards and does not correspond to tax residency.

## 1.6 Valuation

Unless otherwise specified, all liabilities and assets, including off-balance sheet items, should be recorded at the value standing in the reporting institution’s books (i.e., book value) on the reference date. In some cases book value may reflect revaluations and internal transfers.

Deposit liabilities and loans should be reported at their principal amount outstanding on the reporting date. This should include any interest arrears which have been recapitalised, but exclude accrued interest payable.

All foreign-currency loans, debt securities, share equity and deposits should be valued at the exchange rates published by the Central Bank of Ireland on the reporting date and entered on the return as the euro equivalent of the amount outstanding on that day. The Central Bank provides a range of exchange rates for use in statistical returns and these are posted on the Central Bank website. If an exchange rate is not provided for a particular currency, institutions should use the same rate as that used in their own internal accounts.

*Exclusion of accrued interest*

The valuation of deposits and assets should not include accrued interest payable or receivable on relevant accounts, nor should it include unearned interest or charges. However, where a liability or asset is valued at market price which indistinguishably includes interest, such accrued interest may form part of the valuation, or where interest is paid by means of discount (for example, Exchequer Notes), such interest may be included in the book value of the asset if it is the accounting practice of the reporting institution to do so.

#### *Mark-to-market prices*

Mark-to-market values are usually obtained by attaching current market prices to nominal positions held, taking into account accrued interest and other realisation costs such as commissions and the bid/offer spread. The fair value is the amount at which an instrument could be exchanged on a current transaction between willing parties and should take account of future costs including the cost of credit and other risks. An adjustment should be made to the price in circumstances where it is considered that the indicative market price may not be achievable. This would include instances of market illiquidity or where trades would be of sufficient size to cause a change in the market price.

### **1.7 Currency**

All monetary values should be reported in thousands of euro.

### **1.8 Items in transit**

The practice of posting entries to accounts before they have passed through the clearing process and value has been received, gives rise to items in transit at reporting dates. In order to prevent double counting in the compilation of monetary aggregates, reporting institutions are requested to deduct 60 per cent of net debit items in transit from non-government current accounts and add the remaining 40 per cent to non-government overdrafts.

### **1.9 Provisions for bad and doubtful debts**

'Loans' should be measured gross of provisions for bad and doubtful debts. This is consistent with the treatment of loans on all Central Bank statistical returns from reference period December 2010 onwards. Where loans are recorded gross of provisions, an adjustment should be reported only at the time a write-off or write-down takes place and not when a provision is recorded, because this provision has no impact on the item 'loans'. Therefore, reporting institutions should report a revaluation adjustment each time loans are written-off. The adjustment should comprise both the write-offs directly applied and those that were previously provisioned.

*Further details of the transition from net to gross reporting will be forwarded in the coming months.*

### **1.10 Netting**

No netting is permitted in respect of funds deposited with or borrowed from monetary financial institutions or credit institutions.

Other loans and deposits which fulfil all of the eight conditions set out below may be reported on a net basis by the reporting institution for statistical purposes. Such netting may be applied to both principal and interest and may exist between:

- Current accounts and overdrafts;
- Deposit accounts and overdrafts; and
- Deposit accounts and other loans.

The eight conditions which qualify loans and deposits to be reported on a net basis for statistical purposes are:

1. The related loan and deposit are not of a normal deposit/loan nature in that the institution (at the instigation of an outside party) is merely acting as a 'clearing house' for that party's transactions;
2. The institution has established that it is not, in consequence of the deposit that is to be netted against the loan, exposed to any risk in respect of the loan;
3. The loan is conditional upon the deposit;
4. Both the loan and the deposit are in the same currency (or are otherwise protected from the effect of currency fluctuations);
5. Both the loan and the deposit have identical maturities;
6. The loan and the deposit relate to the same group of companies or individuals;
7. A legal right of 'offset' is embodied in the deposit/loan agreement; and
8. Both the loan and the deposit must be located in the customer's country of residence.

### ***Short positions in securities***

A short position should be recorded as a negative asset. Short positions in Securities should, therefore, be netted against the relevant sector in the SQ1 Return.



### **1.11 Memorandum Items**

On certain forms, memorandum items are requested. These are aimed at collecting an additional breakdown of items already reported in the main part of the format. All memorandum items are 'of which' position.

## Section 2a: Definitions of lending instrument categories

### LENDING

#### 1. Loans

Loans are defined as funds lent by the reporting institution to borrowers, which are not evidenced by documents or are represented by a single document (even if it has become negotiable).

All of the following should be reported here, and in certain cases, are also required to be separately reported:

- Loans to households and non-profit institutions serving households, broken down by:
  - **Loans for consumption purposes.** - this includes loans granted for the purpose of personal use in the consumption of goods and services. Credit for consumption granted to sole proprietors/unincorporated partnerships is included in this category, if the reporting agent knows that the loan is predominantly used for personal consumption purposes and not for lending for house purchases (credit extended for the purpose of investing in housing, including building and home improvements);
  - **Loans for house purchase** - this includes loans secured on residential property that are used for the purpose of house purchase and, where identifiable, other loans for house purchase made on a personal basis or secured against other forms of assets. Housing loans granted to sole proprietors/unincorporated partnerships are included in this category unless the reporting agent knows that the loan is predominantly used for business related purposes, in which case it is reported as loans for other purposes and also separately identifies in the 'of which sole proprietors' column. Loans for house purchase should include bridging loans.
  - **Loans for other purposes** - this includes other loans such as business loans, debt consolidation, education, etc; this category may include loans for consumption purposes to sole proprietors/unincorporated partnerships if these are not reported under the category 'loans for consumption'. Unless the conditions for reduced reporting apply, an 'of which' position is to be reported, separately identifying within this category the loans granted to sole proprietors.
- Credit card debt  
This category comprises credit granted to households or non-financial corporations either via delayed debit cards (i.e. cards providing convenience credit) or via credit cards (i.e. cards providing convenience credit and extended credit). Credit card debt is recorded on dedicated card accounts and is therefore not evident on current overdraft accounts.

- Convenience credit is defined as the credit granted at an interest rate of 0 per cent in the period between payment transaction(s) undertaken with the card during one billing cycle and the date at which debit balances from the specific billing cycle becomes due.
- Extended credit is defined as the credit granted after the due date(s) of the previous billing cycle(s) has/have passed, i.e. debit amounts on the card accounts that have not been settled when this was first possible, for which an interest rate or tiered interest rates usually greater than 0 per cent are charged. Often minimum instalments per month have to be made to at least partially repay extended credit.
- Revolving loans and overdrafts

Revolving loans are loans that have all the following features:

- The borrower may use or withdraw funds to a pre-approved credit limit without giving prior notice
- The amount of available credit can increase and decrease as funds are borrowed and repaid
- Credit may be used repeatedly
- There is no obligation of regular repayment of funds

Revolving loans include the amounts obtained through a line of credit and not yet repaid (outstanding amount). A line of credit is an agreement between a lender and borrower that allows a borrower to take advances, during a defined period and up to a certain limit, and repay the advances, at his/her discretion before a defined date. Amounts available through a line of credit that have not been withdrawn or already been repaid are not to be included in any balance sheet item (this should be reported on the Off-Balance Sheet format (OBS)). Overdrafts are debit balances on current accounts. Both revolving loans and overdrafts exclude loans provided through credit cards. The total amount owed by the borrower is to be reported, irrespective, of whether it is within or beyond any limit agreed beforehand between the lender and the borrower with regards to size and/or maximum period of the loan.

- Syndicated loans

Single loan agreements, in which several institutions participate as lenders. Syndicated loans only cover cases where the borrower knows, from the loan contract, that the loan is made by several lenders. For statistical purposes, only amounts actually disbursed by lenders (rather than total credit lines) are regarded as syndicated loans. The syndicated loan is usually arranged and coordinated by one institution (often called 'lead manager') and is actually made by various participants in the syndicate. Participants, including the lead manager, all report their share of the loans vis-a-vis the borrower (i.e. not vis-a-vis the lead manager)

- Financial leases granted to third parties

Financial leases are contracts whereby the legal owner of a durable good (lessor) lends these assets to a third party (lessee) for most if not all of the economic lifetime of the assets, in exchange for instalments covering the cost of the good plus an imputed interest charge. The lessee is in fact assumed to receive all of the benefits derived from the use of the good and to incur the costs and risks associated with ownership. For statistical purposes, financial leases are treated as loans from the lessor to the lessee (enabling the lessee to purchase the durable goods). Financial leases granted by the reporting institution (acting as the lessor) should be reported on the balance sheet and should be reported under loans. The assets (durable goods) which have been lent to the lessee should not be reported on the reporting institution's balance sheet.

- Bad debt loans that have not yet been repaid or written off

Bad debt loans are defined as loans in respect of which repayment is overdue or otherwise identified as being impaired.

- Holdings of non-negotiable securities

Holdings of securities other than shares and other equity which are not negotiable and cannot be traded on secondary markets, see also the definition of traded loans below.

- Traded loans

Loans that have de facto become negotiable are reported here, provided they continue to be evidenced by a single document and are, as a general rule, only traded occasionally.

- Subordinated debt in the form of deposits or loans

Subordinated debt instruments provide a subsidiary claim on the issuing institution that can only be exercised after all claims with a higher status, e.g. deposits/loans, have been satisfied, giving them some of the characteristics of shares and other equity. For statistical purposes, subordinated debt is treated according to the nature of the financial instrument, i.e., classified as either loans or securities other than shares according to the nature of the instrument. Where all forms of subordinated debt held by the reporting institution are identified only as a single figure, this figure should be reported as securities other than shares, on the grounds that subordinated debt is predominately constituted in the form of securities, rather than as loans.

- Claims under reverse repos

The counterpart of cash paid out in exchange for securities purchased by the reporting institution; see also the definition of repos in liability categories.

The following item is **not** treated as a loan

- Loans granted on a trust basis which are defined as trust loans or fiduciary loans or loans made in the name of one party (the trustee) on behalf of a third party (the beneficiary). For statistical purposes, trust loans should not be reported on the trustee's balance sheet where the risks and rewards of ownership of the funds remain with the beneficiary. The risks and rewards of ownership remain with the beneficiary where: (i) the beneficiary assumes the credit risk of the loan, i.e., the trustee is responsible only for the administrative management of the loan; or (ii) the beneficiary's investment is guaranteed against loss, should the trustee go into liquidation, i.e., the trust loan is not part of the assets of the trustee that can be distributed in the event of bankruptcy.

## **2. Securities other than shares**

Holdings of securities other than 'shares and other equity', which are negotiable and usually traded on secondary markets, or can be offset on the market, and which do not grant the holder any ownership rights over the issuing institution.

This item includes:

- Holdings of securities, whether or not evidenced by documents, which give the holder the unconditional right to a fixed or contractually determined income in the form of coupon payments and/or a stated fixed sum at a specific date or dates or starting from a date defined at the time of issue;
- Negotiable loans that have been restructured into a large number of identical documents and that can be traded on secondary markets (see also traded loans above);
- Subordinated debt in the form of debt securities.

Securities lent out under securities lending operations or sold under a repurchase agreement remain on the original owner's balance sheet and are not to be recorded on the temporary acquirer's balance sheet where there is a firm commitment to reverse the operation and not simply an option to do so. Where the temporary acquirer sells the securities received, this sale must be recorded as an outright transaction in securities and entered in the temporary acquirer's balance sheet as a negative position in the securities portfolio.

A maturity breakdown is required for holdings of securities other than shares. This means maturity at issue, i.e. original maturity and refers to the fixed period of life of a financial instrument before which it may not be redeemed.

## **3. Shares and other equity**

Holdings of securities which represent property rights in corporations or quasi-corporations. These securities generally entitle the holders to a share in the profits of corporations or quasi-corporations and to a share in their own funds in the event of liquidation. Mutual fund shares (other than money market fund shares/units) are included here.

## Section 2b: Definitions of deposit instrument categories

### 1. Deposits

Funds received inclusive of all active and dormant current accounts adjusted for net debit items in transit. Deposits are defined as amounts owed to creditors by the reporting institution, other than those arising from the issue of negotiable securities. For the purpose of this reporting scheme, deposits are broken down into overnight deposits, deposits with agreed maturity, deposits redeemable at notice and repurchase agreements

The following are to be included in the deposit category:

- Deposits also cover loans as liabilities of credit institutions. In conceptual terms, loans represent amounts received by credit institutions that are not structured in the form of deposits. Within the reporting scheme, loans are not recognised as a separate category on the liabilities side of the balance sheet. Instead balances that are considered loans are to be classified indistinguishably under the item 'deposits'. Loans to credit institutions are to be broken down in accordance with the requirements of the reporting scheme. Syndicated loans received by credit institutions fall under this category.
- Non-negotiable debt instruments  
Non-negotiable debt instruments issued by reporting agents are generally to be classified as deposit liabilities. Instruments may be referred to as being 'non-negotiable' in the sense that there are restrictions on the transfer of legal ownership of the instrument which means that they cannot be marketed or cannot be traded owing to the absence of an organised market. Non-negotiable instruments issued by the reporting agents that subsequently become negotiable and that can be traded on a secondary market should be reclassified as 'debt securities issued'.
- Margin deposits  
Margin deposits made under derivative contracts should be classified as deposit liabilities where they represent cash collateral deposited with the reporting agent and where they remain in the ownership of the depositor and are repayable to the depositor when the contract is closed.
- Securitisation liabilities  
Counterpart of loans and/or other assets disposed of in a securitisation but still recognised on the statistical balance sheet.

### *1.1 Overnight deposits*

Deposits which are convertible into currency and/or which are transferable on demand by cheque, banker's order, debit entry or similar means, without significant delay, restriction or penalty. These include the following:

- **Current accounts**  
Current accounts (adjusted for net debit items in transit) placed with the reporting institution. Current accounts are defined as deposits which are convertible into currency and/or which are transferable on demand by cheque, banker's order, debit entry or similar means, without significant delay, restriction or penalty. Balances (interest bearing or not) representing prepaid amounts in the context of hardware-based or software based e-money (e.g. prepaid cards);
- **Demand Deposits**  
Balances (interest bearing or not) which are immediately convertible into currency on demand or by close of business on the day following that on which the demand is made, without significant penalty or restriction. Loans liabilities of the reporting agent to be repaid by close of business on the day following that on which the loan was granted.

### *1.2 Deposits with agreed maturity*

Deposits with agreed maturity are defined as non-transferable deposits which cannot be converted into currency before an agreed fixed term or that can only be converted into currency before that agreed term, provided the holder is charged some kind of penalty. This item also includes administratively regulated savings deposits where the maturity related criterion is not relevant (classified in the maturity band over two years).

Financial products with roll-over provisions must be classified according to the earliest maturity. Although deposits with agreed maturity may feature the possibility of earlier redemption after prior notification, or may be redeemable at demand subject to certain penalties, these features are not considered to be relevant for classification purposes.

All of the following are included here:

- Margin payments made under derivative contracts, representing cash collateral placed to protect against credit risk but remaining in the ownership of the depositor and being repayable to the depositor when the contract is closed out;
- Loans liabilities of the reporting agent evidenced by a single document;
- Non-negotiable debt securities issued by the reporting agent (evidenced or not by documents);
- Securitisation liabilities - counterpart of loans and/or other assets disposed of in a securitisation but still recognised on the statistical balance sheet.

### *1.3 Deposits redeemable at notice*

Deposits redeemable at notice are defined as non-transferable deposits without any agreed maturity, which cannot be converted into currency without a period of prior notice, before the term of which the conversion into cash is not possible or possible only with a penalty. They include deposits, which, although perhaps legally withdrawable on demand, would be subject to penalties and restrictions and investment accounts without period of notice or agreed maturity, but which contain restrictive drawing provisions.

All of the following are included here:

- Balances placed without a fixed maturity that can be withdrawn only subject to notice or a pre-announcement;
- Balances placed where, if redemption occurs prior to a notice period (or even on demand), it involves the payment of a penalty;
- Non-transferable sight savings deposits and other types of retail deposits which, although legally redeemable on demand, are subject to significant penalties;
- Balances placed with a fixed term to maturity that are non-transferable but that have been subject to a notification for an earlier redemption; and
- Investment accounts without a period of notice or agreed maturity, but which contain restrictive drawing provisions.

### *1.4 Repos (Funds received under repurchase agreements)*

Counterpart of cash received in exchange for securities sold by reporting agents at a given price under a firm commitment to repurchase the same (or similar) securities at a fixed price on a specified future date. Funds received under sale/buy-back transactions should also be included here.

Amounts received by the reporting institution in exchange for securities transferred to a third party (temporary acquirer) should be classified under repurchase agreements where there is a firm commitment to reverse the operation and not merely an option to do so. This implies that the reporting institution retains effective (economic) ownership of the underlying securities during the operation. In this respect, the transfer of legal ownership is not the relevant feature for determining the treatment of repo-like operations.

The following variants of repo-type operations should be included here:

- Amounts received in exchange for securities temporarily transferred to a third party in the form of a repurchase agreement;
- Amounts received in exchange for securities temporarily transferred to a third party in the form of bond lending (against cash collateral) ;
- Amounts received in exchange for securities temporarily transferred to a third party in the form of a sale/buy-back agreement.



The securities underlying repo type operations are recorded as per 'securities other than shares on the assets side of the balance sheet. Operations involving temporary transfer of gold against cash collateral are also to be included here.

## Section 3: Definitions of sectors

Counterparties are identified according to their institutional sector classification in accordance with the *List of Monetary Financial Institutions (MFIs)* (available on the ECB's website [www.ecb.int](http://www.ecb.int)) and the guidance provided in the *ECB's Monetary Financial Institutions and Market Statistics Sector Manual: Guidance for the Statistical Classification of Customers* (available at the ECB's website<sup>1</sup>), as in the Resident Office Return (RS1). Counterparties are also identified according to their functional sector classification in accordance with the "Nomenclature générale des Activités économiques dans les Communautés Européennes" (Statistical classification of economic activities in the European Communities), or NACE Rev 2. Most formats of this return have the institutional sector classification as the columns, and the functional sector classification as the rows.

### 1. Institutional sector classification

#### 1.1 Monetary financial institutions (MFIs)

Resident national central banks, resident credit institutions, as defined in Community Law, money market funds, and other resident financial institutions whose business is to receive deposits and/or close substitutes for deposits from entities other than MFIs, and, for their own account (at least in economic terms), to grant credits and/or to make investments in securities.

A list of monetary financial institutions is available from the Central Bank of Ireland, the European Central Bank and any other national central bank of the monetary union area.

##### 1.1.1 Credit Institutions

Article 4 of 2006/48/EC (one of the two EU directives that make up the Capital Requirements Directive (CRD)) defines a 'credit institution' as:

- (a) an undertaking whose business is to receive deposits or other repayable funds from the public and to grant credits for its own account; or
- (b) An electronic money institution within the meaning of Directive 2000/46/EC

Credit institutions authorised in Ireland comprise banks licensed under Section 9 of the Central Bank Act, 1971, building societies authorised under the Building Societies Act, 1989 and Banks licensed pursuant to Section 9 of the Central Bank Act, 1971, and registered as designated credit institutions under Section 14 of the Asset Covered Securities Act, 2001.

Counterparties in non-EU member states should only be recorded under credit institutions if they hold a full or restricted banking licence.

---

<sup>1</sup> A copy of this manual is available at <http://www.ecb.int/pub/pdf/other/mfimarketstatisticssectormanual200703en.pdf>

Credit institutions include **Credit Unions** as regulated by the Registrar of Credit Unions.

## **1.2 General government**

Resident units which are principally engaged in the production of non-market goods and services intended for individual and collective consumption and/or in the redistribution of national income and wealth.

### **1.2.1 Central governments**

All administrative departments, agencies, foundations, institutes and similar state bodies, the competence territory of one country (with the exception of the administration of social security funds - see below). In Ireland this includes all non-commercial state-sponsored bodies.

### **1.2.2 Other general governments**

State/regional government: Institutional units exercising some of the functions of government at a level below that of central government and above that of local government (with the exception of the administration of social security funds - see below); this level of government does not exist in Ireland.

Local government: Those types of administrative departments, agencies, etc. of the state, the competence of which covers only a restricted part of the economic territory of a country (excluding the local agencies for social security funds see below).

Social security funds: Schemes managed by central, state/regional or local government, the principal objective of which is to provide social benefits to the population of the country. Certain population groups are obliged to pay contributions to these schemes. Social security funds are not classified separately in Ireland.

Definitions of the government sector, with illustrative lists of units, in each member state of the monetary union can be found in the *ECB's Monetary Financial Institutions and Market Statistics Sector Manual: Guidance for the Statistical Classification of Customers*.

## **1.3 Other sectors**

Throughout the RS1, RV1 and RC1 returns, reference is made to the 'other sectors'. This is generally meant as the non-government private sector (i.e. non-MFI and non-government). It is comprised of other financial intermediaries and financial auxiliaries, insurance corporations and pension funds, non-financial corporations and households, all of which are detailed below.

## **1.4 Other financial intermediaries and financial auxiliaries (OFIs)**

Financial corporations and quasi-corporations (except insurance corporations and pension funds) principally engaged in financial intermediation by incurring liabilities in forms other than currency, deposits and/or close substitutes for deposits from institutional units other than MFIs, or insurance technical reserves.

Also included are financial auxiliaries consisting of all financial corporations and quasi-corporations that are principally engaged in auxiliary financial activities.

This sector includes investment funds, treasury companies, hire purchase companies, securities and derivative dealers and FVCs.

### **1.5 Insurance corporations and pension funds (ICPFs)**

Financial corporations, which are principally engaged in financial intermediation as a consequence of the pooling of risks. This includes life and non-life insurance activity. Only pension schemes with autonomy of decision-making and with a complete set of accounts are included here. Other pension funds, which remain part of the entity which set them up, e.g., company pension funds, should not be reported here.

### **1.6 Non-financial corporations (NFCs)**

All private and public institutional units which are not classified as financial corporations but rather in the production of goods and non-financial services with the object of generating profit. In Ireland, commercial state-sponsored bodies are also included in the NFC category.

### **1.7 Households and non-profit institutions serving households**

Individuals or groups of individuals acting as (i) consumers; (ii) producers of goods and non-financial services exclusively intended for their own final consumption and (iii) small-scale market producers (such as sole proprietorships and partnerships without independent legal status, usually drawing on their own labour and financial resources).

Non-profit institutions serving households (NPISHs) are defined as separate legal institutional units which are principally engaged in serving particular groups of households and the main resources of which derive from occasional sales, voluntary contributions, occasional financing by general government and property income.

## **2. Functional sector classification (NACE Rev 2)**

The functional sector classification, which is primarily based on NACE Rev 2<sup>2</sup>, allows funds to be analysed on the basis of the primary economic activity of the counterparty (for lending and deposits) **and/or** the purpose of the loan. Where there is a conflict between these criteria in classifying a particular loan amount (see example below), the loan should be classified based on the purpose for which the loan was sought.

### **Classifying lending when funds are not given for the purpose of engaging in the primary economic activity of the counterparty**

In the vast majority of incidents the purpose of a loan corresponds with the primary economic activity of the borrower. In some instances however, particularly relating to real estate investment, this may not always be the case. For the purposes of the SQ1, if there is a difference between the purpose of a loan and the primary economic activity of the borrower, the purpose of the loan should take precedence.

Example: A dairy farmer is granted a loan to purchase land. If the land is being purchased for use in the farm business, the loan should be classified in “Farming of Animals”. If the land is being purchased to with the intention to build houses for sale or let then it should be classified under “Real estate, land and development”.

NACE Rev 2 is a hierarchical structure:

- i. a first level consisting of headings identified by an alphabetical code (sections), e.g. C - *Manufacturing*,
- ii. a second level consisting of headings identified by a two-digit numerical code (divisions), e.g. 10 – *Manufacture of Food Products*,
- iii. a third level consisting of headings identified by a three-digit numerical code (groups), e.g. 10.1 – *Processing and preserving of meat and production of meat products*,
- iv. a fourth level consisting of headings identified by a four-digit numerical code (classes), e.g. 10.11 – *Processing and preserving of meat (non-poultry)*.

The rows of most formats in the SQ1 are allocated on the basis of the high-level sections from NACE Rev.2, which are consistent with the broad functional sector of the counterparty. Underlying this, however, certain groups and classes have been moved to different divisions in the SQ1 to be more appropriate for the analysis of monetary and financial developments. For certain sectors, i.e. real estate, land and development activities, financial intermediation and personal (private households), there is no direct NACE division or group for the necessary

---

<sup>2</sup> NACE Rev 2 is the official statistical classification of economic activities in the European Community, which is maintained by Eurostat. Details are available at [http://epp.eurostat.ec.europa.eu/cache/ITY\\_OFFPUB/KS-RA-07-015/EN/KS-RA-07-015-EN.PDF](http://epp.eurostat.ec.europa.eu/cache/ITY_OFFPUB/KS-RA-07-015/EN/KS-RA-07-015-EN.PDF).

analysis required by the Central Bank. In this instance there is no direct link between NACE divisions and groups and those requested in the SQ1.

A full list of the sector details required, including the corresponding NACE Rev.2 divisions, groups, and (in some instances) classes are detailed in the Appendix. Reporting agents should use this list and refer to the NACE Rev.2 documentation from Eurostat<sup>3</sup> to compile the data required in the SQ1. Definitions are also included in Appendix 1 for those categories where NACE Rev.2 does not allow for definitions consistent with the needs for the Central Bank. For reporting agents who previously submitted the older version of the Quarterly Analysis of Lending and Deposits (SEC), there is also a transition matrix in Appendix 2 detailing where funds analysed under the previous format may appear in the SQ1.

### **Functional sector classification for 'General Government' counterparties**

General Government counterparties include all administrative departments, agencies, foundations, institutes and similar bodies, with either a national or a local remit. In Ireland, non-commercial state sponsored bodies are included in this institutional sector. While many of the counterparties in this institutional sector will be in the NACE functional sector Public Administration and Defence, certain agencies may not be most appropriately classified under this NACE code, e.g. The National Gallery of Ireland would be considered in the 'General Government' institutional sector, but would be classified as a counterparty engaged in the functional sector 'Recreational, cultural and sporting activities'. For further clarification on this matter please contact [creditinst@centralbank.ie](mailto:creditinst@centralbank.ie).

---

<sup>3</sup> Details are available at [http://epp.eurostat.ec.europa.eu/cache/ITY OFFPUB/KS-RA-07-015/EN/KS-RA-07-015-EN.PDF](http://epp.eurostat.ec.europa.eu/cache/ITY_OFFPUB/KS-RA-07-015/EN/KS-RA-07-015-EN.PDF).

## Section 4. Reporting Formats for the SQ1

There are seven formats to be completed in the SQ1. The Quarterly revaluation and reclassification adjustment formats (RVQ and RCQ) detailed below are reported on a basis consistent with the monthly Revaluation Adjustment return (RV1) and the monthly Reclassification Adjustment return (RC1).

### 4.1 Irish resident details, all currency (IEQ)

All positions vis-a-vis Irish residents should be reported here, with euro and non-euro denominated positions are separately identified. Definitions of all lending/deposit categories and counterpart sectors are in Chapter 2, Chapter 3 and the Appendix respectively.

### 4.2 Other monetary union resident details, all currency (OEQ)

All positions vis-a-vis other monetary union residents should be reported here, with euro and non-euro denominated positions are separately identified. Definitions of all lending/deposit categories and counterpart sectors are in Chapter 2, Chapter 3 and the Appendix respectively.

### 4.3 Rest of the world resident details, all currency (RWQ)

All positions vis-a-vis rest of the world residents should be reported here, with euro and non-euro denominated positions are separately identified. Definitions of all lending/deposit categories and counterpart sectors are in Chapter 2, Chapter 3 and the Appendix respectively.

### 4.4 Quarterly revaluation adjustment: Irish resident and Non-resident (RVR and RVN)

The introduction of these formats allows for a distinction to be made between true **transactions** (actual increases or decreases in business) and changes that arise due to **other influences**, i.e., non-transactions. Transactions are defined as the difference between end-of-quarter balance sheet (stock) positions at the reporting date (quarter-to-quarter changes), from which the effect of changes due to other influences is removed. For the purposes of compiling flow data there are three types of other (non-transaction) influences:

- exchange rate adjustments – changes in the value of assets and liabilities denominated in a foreign currency due to a change in the exchange rate of the euro vis-à-vis foreign currencies;

- Write-offs/write-downs at time of loan transfer , revaluations and changes in the valuation of negotiable instruments, e.g., securities, caused by a change in their price; and
- reclassifications and other adjustments – which include but are not confined to changes in the composition of the statistical reporting population, changes in the sector classification of counterparties, e.g., on privatisation, corrections of reporting errors in the absence of revisions.

The Central Bank will compile and calculate the exchange rate influences from the date supplied by the credit institution in the quarterly QCU format on the Resident Offices Return (RS1). The revaluations information is supplied to the Central Bank by credit institutions in the Quarterly Revaluation Adjustment formats (RVR and RVN) detailed here. This is populated on a basis consistent with the monthly Revaluation Adjustment Return (RV1). Reclassification information is supplied to the Central Bank by credit institutions in the Reclassifications Adjustment formats (RCR and RCN) detailed below.

### **Exchange rate adjustments should not be included in these formats**

#### *Loan Write-offs/Write Downs at Time of Securitisation or Other Transfer*

Data on write-offs/write-downs are reported in order to remove the impact of changes in the value of loans recorded in the IEQ, OEQ and RWQ formats that are caused by the write-offs/write downs of loans when they are securitised or transferred. As loans are reported on a nominal basis (i.e gross of impairment provisions) from December 2010, there should be no changes in the IEQ, OEQ or RWQ value of loans due to changes in impairments, and consequently this detail is not needed on the revaluation adjustment. Write-downs/write-offs of loans that are a result of debt forgiveness (i.e. where the credit institution has formally informed the borrower that there is no longer an obligation to repay all or part of the capital amount outstanding) should also not be included on the RVR or RVN..

Write-offs/write-downs should be reported only when they occur on the IEQ, OEQ or RWQ which implies that nils would be reported for every period in which no loan write-offs/write downs are recorded.

The amounts written off/written down are reported according to the geographical location of the counterparty, the institutional sector and the functional sector of the counterparty.

#### *Price Revaluation of Securities*

Data on price revaluations are reported in order to remove the impact of changes in the valuation of negotiable instruments due to changes in their price (excluding the effect of exchange rate changes).

The method used for the calculation of the revaluations adjustment includes the changes that occur over time in the value of end-period balance sheet stocks arising from holding gains/losses. It may also contain valuation changes that arise from transactions in securities, i.e., realised gains/losses.



The price revaluations are reported according to the geographical location of the counterparty, the institutional sector and the functional sector of the counterparty.

A number of examples for the reporting of both loan write-offs/write-downs and price revaluations are included in Appendix 1.

#### **4.5 Quarterly reclassification/Net flow of loans securitised/transferred adjustment: Irish resident and Non-resident (RCI, RCN)**

The purpose of these formats is to collect data on reclassifications and other adjustments which are not reported on Quarterly Revaluation Adjustment Return (RVQ). It is populated on a basis consistent with the monthly Reclassification Adjustment Return (RC1) and the monthly Securitisation Activities format (MSC) on the RS1.

Reclassifications data in these formats covers the reclassification of lending and deposits, by functional and institutional sector or geographic location, e.g., the change in the sector classification of a counterparty on privatisation or following a merger or acquisition. When submitting a reclassification, an email must be sent to [creditinst@ecentralbank.ie](mailto:creditinst@ecentralbank.ie) explain the reason behind the reclassification.

In the case of corrections of reporting errors, reclassifications **may** be reported in place of revisions. **Such a reclassification should only occur following the prior agreement of the Bank.**

The Central bank may instruct reporting agents to report a reclassification in relation to other developments when this treatment is logically consistent with the conceptual accuracy of the statistics being collected.

The net flows of loans securitised or otherwise transferred should also be included for each cell in these formats. *Net flows are defined* as: loans securitised or otherwise disposed of during the reference quarter minus loans acquired<sup>4</sup> during the reference quarter. Loans transferred to, or acquired from, another euro area MFI and loans whose transfer occurs as a result of a merger, takeover or division of the reporting agent, are not included in this calculation. Values should only be included here for loans transferred which were removed from the balance sheet (derecognised), as reported on the RS1 and on the corresponding IEQ, OEQ or RWQ formats of the SQ1. The net flow of loans securitised/transferred reported as part of the RCI and RCN should be consistent with the data submitted on the MSC format of the RS1 for the three months in any given quarter.

---

<sup>4</sup> Acquired loans are loans purchase by the reporting agent. It does not include loans granted in the normal course of business.

### RCI/RCN Example

A loan (€10 million) to a counterparty whose functional sector was manufacturing was being reported in error for a number of quarters as lending to the construction sector. In the same quarter as this long-standing error is corrected, manufacturing loans with a book value of €50 million are securitised. All loans in this example are with respect to NFC counterparties. The corresponding entries on the RCR/RCN formats for these events are:

	Non-financial corporations
Manufacturing	-40,000
.	
.	
Construction	-10,000

#### 4.6 Quarterly residential mortgage analysis (RMQ)

The nominal outstanding amounts of residential mortgages issued by the credit institution should be reported here at the various levels of disaggregation requested. This includes mortgages which have been securitised/transferred and derecognised but continue to be serviced by the originating credit institution. The following definition of residential mortgages applies to all rows on this format:

Lending to private individuals for house or apartment purchase, renovation, improvements or own construction of housing fully and completed secured by mortgage on the residential property which is or will be occupied by the borrower or which the borrower will let for residential purposes. This includes mortgages for holiday and/or second homes.

Top-up mortgages or equity release mortgages whereby a mortgage is increased to allow funds to be used for purposes other than purchase of residential property are recorded here provided the purpose of such borrowing is home improvement or renovation.

Maturity bands refer to the term over which the interest rate is fixed, i.e., not the term of the mortgage.

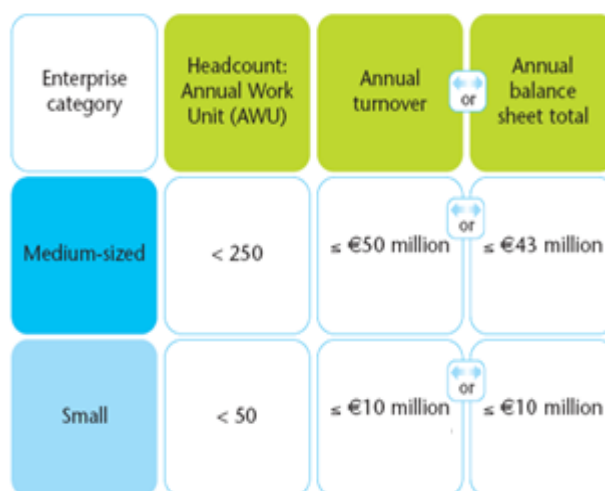
- i. Floating Rate Including Fixed Rates 1 Year or Less - Residential mortgages, as defined above, on which the interest rate is floating or fixed for up to one year.
  - a. Standard or LTV variable rates are those which the credit institution can change at any time and are not explicitly anchored to the ECB main refinancing rate, or any other policy rate set by the relevant monetary authority.
  - b. Tracker mortgages are those whose rate is explicitly anchored to the ECB main refinancing rate, or any other policy rate set by the relevant monetary authority.
  - c. Fixed rate mortgages up to 1 year are those whose rate is fixed and cannot change up to and including 1 year

- ii. Fixed rate mortgages - Residential mortgages, as defined above, on which the interest rate is fixed for over one year.
  - a. Fixed Rate Over 1 and up to 3 Years are residential mortgages, as defined above, on which the interest rate is fixed for over one and up to and including three years.
  - b. Fixed Rate Over 3 and up to 5 Years are residential mortgages, as defined above, on which the interest rate is fixed for over three and up to and including five years.
  - c. Fixed Rate Over 5 Years are residential mortgages, as defined above, on which the interest rate is fixed for over five years.
- iii. Mortgages to Staff at Preferential Interest Rates are residential mortgages, as defined above, on which the interest rate is at a preferential rate for staff of the reporting institution.

The further breakdown of securitised mortgages for principal dwelling homes, buy-to-let residential properties and second/holiday homes are requested on the same basis as the residential mortgages on-balance sheet are required in the IEQ format. The definition for the different types of mortgage (principal dwelling, buy-to-let, second/holiday home) are detailed in Appendix 1.

#### 4.7 Quarterly SME lending analysis (SMQ)

Funds are analysed with respect to Irish resident SMEs only. A **Medium Sized Enterprise** is any entity engaged in an economic activity, irrespective of its legal form (corporation, partnership, sole trader etc.), which employs fewer than 250 persons **and** whose annual turnover is greater than €10 million and less than or equal to €50 million **or** whose annual balance sheet is greater than €10 million and less than or equal to €43 million. Small enterprises are those engaged in an economic activity, irrespective of their legal form (corporation, partnership, sole trader etc.), which employs fewer than 50 persons **and** whose annual turnover **or** annual balance sheet is less than or equal to €10 million. If there are any instances where border-line cases exist using these definitions of small and medium sized enterprises, the employee number threshold is to take precedence.



For the purposes of this format, both euro and non-euro denominated lending to SME counterparties should be reported together. All non-euro balances should be reported in euro using the appropriate exchange rate for the reporting date as on the Central Bank website, and included in the reported amounts on the return.

If an SME counterparty is not a corporation, it is particularly important to differentiate accurately between lending for the purposes of the economic activity of the SME counterparty and lending for the personal use of the counterparty. This format should only include lending for the purpose of the economic activity of the SME counterparty.

The amounts reported on this format should only be with respect to private sector, non-monetary financial institution SME counterparties. The amounts being reported here, therefore, should be a sub-set of “Other Sectors” institutional sector balances as reported in the IEQ. This is particularly relevant when reporting balances with respect to counterparties in the Education, Human Health and Social Work and Other Community, Social and Personal Services functional sectors. Furthermore, lending to a counterparty which is in the household institutional sector but does not populate the Personal (private households) rows of the IEQ is likely to be an SME counterparty.

The column codes for this format are as follows:

#### *Stock of Lending at End-Quarter*

Outstanding balances of loans held with respect to SME counterparties. These should be reported in euro at book value, *gross* of any provisions for bad and doubtful debts.

#### *Of Which Overdrafts and Revolving loans*

Revolving loans are loans that have all the following features:

- The borrower may use or withdraw funds to a pre-approved credit limit without giving prior notice
- The amount of available credit can increase and decrease as funds are borrowed and repaid
- Credit may be used repeatedly
- There is no obligation of regular repayment of funds

Revolving loans include the amounts obtained through a line of credit and not yet repaid (outstanding amount). A line of credit is an agreement between a lender and borrower that allows a borrower to take advances, during a defined period and up to a certain limit, and repay the advances, at his/her discretion before a defined date. Amounts available through a line of credit that have not been withdrawn or already been repaid are not to be included. Overdrafts are debit balances on current accounts. Both revolving loans and overdrafts exclude loans provided through credit cards. The total amount owed by the borrower is to be reported, irrespective, of whether it is within or beyond any limit agreed beforehand

between the lender and the borrower with regards to size and/or maximum period of the loan.

#### *New Lending During Quarter*

Any drawdown of loans (excluding increased use of overdraft facilities or revolving credit facilities) to SME counterparties that took place between the current and previous reporting date, which was not already part of closing stock of lending at the previous reference period. Capitalisation of interest is included in this figure. Renegotiations of existing loans, or renewals of overdraft facilities are not to be included here.

#### *Renegotiations*

Any new negotiations of loans (excluding overdraft facilities) to SME counterparties which was part of the stock of lending in the previous quarter, apart from prolongations of existing loan contracts which are carried out automatically. These include any renegotiation of the terms and conditions of the contract (including the interest rate, repayment schedule and term of the loan) which require the active involvement of the counterparty.

#### *Revaluations*

Loan write-offs/write-downs with respect to SME counterparties. Write-offs/write downs recognised at the time a loan is sold or transferred to a third party are also included, where identifiable. Write-downs/write-offs should be reported only when they occur, which implies that zeros would be reported for every period in which no loan write-downs/write-offs are recorded. Exchange rate adjustments should not be included in this reporting form.

#### *Reclassifications and net flow of loans securitised/transferred*

This column is reported on a basis consistent with the RCI and RCN formats of the SQ1. Reclassifications include changes in the balance sheet stocks due to changes in the SME population, or residency of lending, or sectoral classification, or changes due to the correction of long-term reporting errors. The Central bank may instruct reporting agents to report a reclassification in relation to other developments when this treatment is logically consistent with the conceptual accuracy of the statistics being collected. The net flows of loans securitised or otherwise transferred *is defined* as: loans securitised or otherwise disposed of during the reference quarter minus loans acquired during the reference quarter.

## APPENDIX 1 – SQ1 Functional Sector Definitions

<b>SQ1 Functional Sectoral Classifications</b>	<b>NACE Rev.2 Section</b>	<b>NACE Rev.2 Divisions</b>	<b>NACE Rev.2 Groups or relevant definition</b>	<b>NACE Rev.2 Classes*</b>
<b><u>Primary Industries</u></b>	<i>A, B</i>			
Growing of crops; market gardening; horticulture		01	01.1, 01.2, 01.3	
Farming of Animals		01	01.4	
Other Agricultural Activities		01	01.5, 01.6, 01.7	
Forestry, Logging, Mining and Quarrying		02, 05, 06, 07, 08, 09	02.1, 02.2, 02.3, 02.4, 05.1, 05.2, 06.1, 06.2, 07.1, 07.2, 08.1, 08.9, 09.1, 09.9	
Fishing and aquaculture		03	03.1, 03.2	
<b><u>Manufacturing</u></b>	<i>C</i>			
Manufacture of food, beverages and tobacco products		10, 11, 12	10.1, 10.2, 10.3, 10.4, 10.5, 10.6, 10.7, 10.8, 10.9, 11.0, 12.0	
Wood, Pulp, Paper, Paper Products, Printing and reproduction of recorded media		16, 17, 18	16.1, 16.2, 17.1, 17.2, 18.1, 18.2	
Chemicals, rubber/plastic products, other non-metallic mineral products		20, 22, 23	20.1, 20.2, 20.3, 20.4, 20.5, 20.6, 22.1, 22.2, 23.1, 23.2, 23.3, 23.4, 23.5, 23.6, 23.7, 23.9	
Pharmaceutical products and preparations, medical and dental instruments and supplies		21, part 32	21.1, 21.2, 32.5	
Fabricated metal products, except machinery and equipment		25	25.1, 25.2, 25.3, 25.4, 25.5, 25.6, 25.7, 25.9	
Computer, electronic and optical products		26	26.1, 26.2, 26.3, 26.4, 26.5, 26.6, 26.7, 26.8	
Production, installation and repair of commercial machinery/equipment, not including Computers		27, 28	27.1, 27.2, 27.3, 27.4, 27.5, 27.9, 28.1, 28.2, 28.3, 28.4, 28.9	
Other manufacturing		13, 14, 15, 19, 24, 29, 30, 31, part 32	13.1, 13.2, 13.3, 13.9, 14.1, 14.2, 14.3, 15.1, 15.2, 19.1, 19.2, 24.1, 24.2, 24.3, 24.4, 24.5, 29.1, 29.2, 29.3, 30.1, 30.2, 30.3, 30.4, 30.9, 31.0, 32.1, 32.2, 32.3, 32.4, 32.9	
<b><u>Electricity, Gas, Steam and Air Conditioning Supply</u></b>	<i>D</i>	35	35.1, 35.2, 35.3	
<b><u>Water Supply, Sewerage, Waste Management and Remediation Activities</u></b>	<i>E</i>	36, 37, 38, 39	36.0, 37.0, 38.1, 38.2, 38.3, 39.0	
<b><u>Construction</u></b>	<i>F</i>	Part 41, 42, 43		
Construction of buildings carried out on contract		Part 41	41.2	
Civil engineering activities carried out on contract		42	42.1, 42.2, 42.9	

Other construction activities	43	43.1, 43.2, 43.3, 43.9	
<b><u>Wholesale/Retail Trade &amp; Repairs</u></b>	<i>G, part S</i>		
Sale, Maintenance/Repair of Motor Vehicles; Retail Sale of Fuel	45, part 47	45.1, 45.2, 45.3, 45.4, 47.3	
Wholesale trade and commission trade (except vehicles)	46	46.1, 46.2, 46.3, 46.4, 46.5, 46.6, 46.7, 46.9	
Retail trade (except vehicles); repair of personal/household goods	part 47, part 95	47.1, 47.2, 47.4, 47.5, 47.6, 47.7, 47.8, 47.9, 95.2	
Other wholesale/retail	N/A	Wholesale/retail trade activity not included elsewhere.	
<b><u>Transportation and Storage</u></b>	<i>H</i>		
Land, water and air transport	49, 50, 51	49.1, 49.2, 49.3, 49.4, 49.5, 50.1, 50.2, 50.3, 50.4, 51.1, 51.2	
Postal, courier, warehousing and support activities for transportation	52, 53	52.1, 52.2, 53.1, 53.2	
Other transportation and storage	N/A	Transport and storage activity not included elsewhere.	
<b><u>Hotels and Restaurants</u></b>	<i>I</i>		
Hotels	55	55.1, 55.2, 55.3, 55.9	
Restaurants	part 56	56.1, 56.2	
Bars	part 56	56.3	
Other accommodation and catering	N/A	Hotels and restaurants activity not included elsewhere.	
<b><u>Information and Communication</u></b>	<i>J, part S</i>		
Publishing of printed material	part 58	58.1	
Audio-visual production and publishing, programming and broadcasting activities	59, 60	59.1, 59.2, 60.1, 60.2	
Telecommunications and information service activities	61, 63	61.1, 61.2, 61.3, 61.9, 63.1, 63.9	
Software publishing, computer programming, consultancy and related activities	part 58, 62	58.2, 62.0	
Other information and communication	part 95	95.1 and other information and communication activity not included elsewhere.	
<b><u>Financial Intermediation (Excl. Monetary Financial Institutions)</u></b>	<i>part K</i>		
Financial Leasing	part 64	part 64.9	64.91
Non-bank credit grantors, excluding credit unions	part 64	part 64.10	64.92

Investment funds, excluding Financial Vehicle Corporations and Money Market Funds	N/A	Collective investment units which invest in financial or non-financial assets to the extent that their objective is investing capital raised from retail, professional and institutional investors, as defined in Regulation (EC) No 958/2007 of the European Central Bank. This excludes MMFs, FVCs and pension funds.	
Financial Vehicle Corporations (FVCs)	N/A	Entities which intend to carry out, or carries out, one or more securitisation transactions and is insulated from the risk of bankruptcy or any other default of the originator and issues, or intends to issue, securities, securitisation fund units, other debt instruments and/or financial derivatives and/or legally or economically owns, or may own, assets underlying the issue of securities, securitisation fund units, other debt instruments and/or financial derivatives that are offered for sale to the public or sold on the basis of private placements.	
Life insurance	65	part 65.1	65.11
Pension funding	65	65.3	
Non-life insurance	65	part 65.1	65.12
Security broker/Fund management	66	66.1, 66.3	
Other financial intermediation	66	66.2 and other financial intermediation (excluding MFIs) not included elsewhere.	
<b><u>Real estate, land and development activities</u></b> <span style="float: right;">L</span>			
Speculative property investment/development of residential real estate	N/A	The buying and/or developing of land zoned for residential property which is not pre-sold or pre-let. Projects where in excess of 75 per cent of floorspace is residential real estate should be included here. This would also include funds advanced to counterparties whose primary economic activity was not in real estate, land and development, but who is using the funds advanced for this purpose. Lending related to both green field and brown	



		field residential real estate sites with no guaranteed rental income are included here.
Speculative property investment/development of commercial real estate	N/A	The buying and/or developing of land zoned for commercial property which is not pre-sold or pre-let. Projects where in excess of 75 per cent of floorspace is commercial real estate should be included here. This would also included funds advanced to counterparties whose primary economic activity was not in real estate, land and development, but who is using the funds advanced for this purpose. Lending related to both green field and brown field commercial real estate sites with no guaranteed rental income are included here.
Speculative property investment/development of mixed real estate	N/A	The buying and/or developing of land zoned for mixed residential/commercial purposes which is not pre-sold or pre-let. Projects where the share of either residential or commercial in the contribution to floorspace does not exceed 75 per cent of the development's total should be included here. This would also included funds advanced to counterparties whose primary economic activity was not in real estate, land and development, but who is using the funds advanced for this purpose. Lending related to both green field and brown field commercial real estate sites with no guaranteed rental income are included here.

Property investment/development of residential real estate	N/A	The buying and/or development of land zoned for residential property which is pre-let or pre-sold. Projects where in excess of 75 per cent of floorspace is residential real estate should be included here. This would also included funds advanced to counterparties whose primary economic activity was not in real estate, land and development, but who is using the funds advanced for this purpose. Lending related to both green field and brown field residential real estate sites with contracted rental income are included here.
Property investment/development of commercial real estate	N/A	The buying and/or development of land zoned for commercial property which is pre-let or pre-sold. Projects where in excess of 75 per cent of floorspace is commercial real estate should be included here. This would also included funds advanced to counterparties whose primary economic activity was not in real estate, land and development, but who is using the funds advanced for this purpose. Lending related to both green field and brown field commercial real estate sites with contracted rental income are included here.
Property investment/development of mixed real estate	N/A	The buying and/or development of land zoned for mixed residential/commercial purposes which is pre-let or pre-sold. Projects where the share of either residential or commercial in the contribution to floorspace does not exceed 75 per cent of the development's total floorspace should be included here. This would also included funds advanced to counterparties whose primary economic activity was not in real estate, land and development, but who is using the funds advanced for this purpose. Lending related to both green field and brown field commercial real estate sites with contracted rental

			income are included here.
Investment in unzoned land		N/A	Funds advance for the purchase of unzoned land with the intention of seeking planning permission to build residential, commercial or mixed developments. This would also include funds advanced to counterparties whose primary economic activity was not in real estate, land and development, but who is using the funds advanced for this purpose. This category does not include funds advanced to a borrower whose primary economic activity is not real estate development and who intends on using the land purchased for the purpose of engaging in that primary economic activity. Such funds should be included under the relevant category which identifies the borrower's primary economic activity.
Other real estate activities		part 68	68.3 and other real estate activities not included elsewhere.
<b><u>Business and Administrative Services</u></b>	<i>M, N, part K</i>		
Legal, accounting, and management consultant activities		69, 70	69.1, 69.2, 70.1, 70.2
Architectural and engineering activities; technical testing and analysis		71	71.1, 71.2
Scientific research and development		72	72.1, 72.2
Rental and leasing activities, services to buildings and landscape activities		77, 81	77.1, 77.2, 77.3, 77.4, 81.1, 81.2, 81.3
Employment, office administration and business support activities		78, 82	78.1, 78.2, 78.3, 82.1, 82.2, 82.3, 82.9
Other business and administrative services		73, 74, 75, 79, 80, part 64	64.2, 73.1, 73.2, 74.1, 74.2, 74.3, 74.9, 75.0, 79.1, 79.9, 80.1, 80.2, 80.3
<b><u>Other Community, Social and Personal Services</u></b>	<i>R, part S, part Q</i>		
Recreational, cultural and sporting activities		90, 91, 92, 93	90.0, 91.0, 92.0, 93.1, 93.2
Activities of membership organisations (business, employers, professional, trade unions, religious, political)		94	94.1, 94.2, 94.9
Other service activities		96, part 88	96.0, part 88.9 88.91
<b><u>Education</u></b>	<i>P</i>	85	85.1, 85.2, 85.3, 85.4, 85.5, 85.6
<b><u>Human Health and Social</u></b>	<i>Q</i>		

<b><u>Work</u></b>			
Hospitals and medical practice activities	part 86	86.1, 86.2	
Residential care activities	87	87.1, 87.2, 87.3	
Other health and social work	part 86, part 87, part 88	86.9, 87.9, 88.1, part 88.9	88.99
<b><u>Personal (Private Households)</u></b>			
House mortgage finance	N/A	Lending to private individuals for house or apartment purchase, renovation, improvements or own construction of housing fully and completed secured by mortgage on the residential property which is or will be occupied by the borrower or which the borrower will let for residential purposes. This includes mortgages for holiday and/or second homes. Top-up mortgages or equity release mortgages whereby a mortgage is increased to allow funds to be used for purposes other than purchase of residential property are recorded here provided the purpose of such borrowing is home improvement or renovation.	
Mortgage Finance for Principal Dwelling Houses	N/A	Lending to private individuals for purchase, renovation, improvement or own construction of a house or apartment that is or will be used as the principal dwelling for the borrower; lending should be fully secured by mortgage on the principal dwelling house. Top-up mortgages or equity release mortgages whereby a mortgage is increased to allow funds to be used for purposes other than purchase of residential property are recorded here provided the purpose of such borrowing is home improvement or renovation of the principal-dwelling house.	

Mortgage Finance for Buy-to-Let Residential Properties	N/A	<p>lending to private individuals for purchase, renovation, improvement or own construction of a house or apartment which is or will be let for residential purposes by the borrower:</p> <p>Lending should be fully secured by mortgage on the buy-to-let residential property. Top-up mortgages or equity release mortgages whereby a mortgage is increased to allow funds to be used for purposes other than purchase of residential property are recorded here provided the purpose of such borrowing is home improvement or renovation of the buy-to-let property.</p>
Mortgage Finance for Holiday Homes/Second Houses	N/A	<p>Lending to private individuals for purchase, renovation, improvement or own construction of a house or apartment which is or will be used as a holiday home or second house;</p> <p>Lending should be fully secured by mortgage on the holiday home or second house. Top-up mortgages or equity release mortgages whereby a mortgage is increased to allow funds to be used for purposes other than purchase of residential property are recorded here provided the purpose of such borrowing is home improvement or renovation of the holiday home or second house.</p>
Other housing finance	N/A	<p>Short-term lending to private individuals to finance house purchase pending receipt of funds from another source.</p>

Finance for investment		N/A	Lending to private individuals for purposes such as business, debt consolidation, education, etc. Lending to individuals, on a personal basis, for investment in a trade, business or profession, including lending to purchase a trade or profession, to acquire a share in a partnership, or to finance investment in long-term risk capital ventures. Lending to active partners to invest in their partnership. Lending to directors/employees to acquire shares in, or otherwise finance, their company. Lending to individuals for third-level or other specific educational expenses.
Other personal		N/A	Lending to private individuals in the form of consumer credit, lending for the purpose of personal use in the consumption of goods and services. Lending to private individuals not already specified, including lending including overdrafts and personal credit card borrowings.
<b>Public Administration and Defence</b>	<i>O</i>	84	84.1, 84.2, 84.3
<b>Extra-Territorial Organisations and Bodies</b>	<i>U</i>	99	99.0
<b>Unallocated</b>			

\*Where not included in the listed NACE Divisions

## APPENDIX 2 – SEC/SQ1 Transition Matrix

SEC	SQ1
AAGRIC	Primary Industries
BFISHX	
CMINQR	
A40THA	Growing of crops; market gardening; horticulture
A2FARM	Farming of Animals
A1FARM	
A3FARM	
A40THA	Other Agricultural Activities
A5FORS	Forestry, Logging, Mining and Quarrying
CMINQR	
BFISHX	Fishing and aquaculture
DMANUF	Manufacturing
A5FORS	
D1MANU	Manufacture of food, beverages and tobacco products
D2FOOD	
A5FORS	Wood, Pulp, Paper, Paper Products, Printing and reproduction of recorded media
D4WOOD	
D5CHEM	Chemicals, rubber/plastic products, other non-metallic mineral products
D80THT	
D5CHEM	Pharmaceutical products and preparations, medical and dental instruments and supplies
D3TEXT	
D6MACH	
D80THT	Fabricated metal products, except machinery and equipment
D7COMP	
D5CHEM	Computer, electronic and optical products
D6MACH	Production, installation and repair of commercial machinery/equipment, not including Computers
D6MACH	
D3TEXT	Other manufacturing

<b>D8OTHT</b>	
<b>EELGAS</b>	<b>Electricity, Gas, Steam and Air Conditioning Supply</b>
<b>EELGAS</b>	
<b>D5CHEM</b>	<b>Water Supply, Sewerage, Waste Management and Remediation Activities</b>
<b>N2OTHT</b>	
<b>D8OTHT</b>	
<b>FCONST</b>	
<b>F2CONS</b>	<b>Construction</b>
<b>F2CONS</b>	<b>Construction of buildings carried out on contract</b>
<b>F2CONS</b>	<b>Civil engineering activities carried out on contract</b>
<b>F3OTHT</b>	<b>Other construction activities</b>
<b>GRETTR</b>	<b>Wholesale/Retail Trade &amp; Repairs</b>
<b>G1SALE</b>	<b>Sale, Maintenance/Repair of Motor Vehicles; Retail Sale of Fuel</b>
<b>G2SALE</b>	<b>Wholesale trade and commission trade (except vehicles)</b>
<b>G3TRAD</b>	<b>Retail trade (except vehicles); repair of personal/household goods</b>
<b>G4OTHT</b>	<b>Other wholesale/retail</b>
<b>ITRANS</b>	<b>Transportation and Storage</b>
<b>I1LAND</b>	<b>Land, water and air transport</b>
<b>I2POST</b>	<b>Postal, courier, warehousing and support activities for transportation</b>
<b>I3OTHT</b>	
<b>I3OTHT</b>	<b>Other transportation and storage</b>
<b>HHOTEL</b>	<b>Hotels and Restaurants</b>
<b>H1HOTL</b>	<b>Hotels</b>
<b>H2REST</b>	<b>Restaurants</b>
<b>H3BARS</b>	<b>Bars</b>
<b>H4OTHT</b>	<b>Other accommodation and catering</b>
<b>ITRANS</b>	
<b>D4WOOD</b>	
<b>K6OTHT</b>	<b>Information and Communication</b>
<b>N1RECR</b>	
<b>K2COMP</b>	
<b>D4WOOD</b>	<b>Publishing of printed material</b>
<b>K6OTHT</b>	<b>Audio-visual production and publishing, programming and broadcasting activities</b>
<b>N1RECR</b>	



I2POST	
I2POST	Telecommunications and information service activities
K2COMP	
K2COMP	Software publishing, computer programming, consultancy and related activities
I3OTHT	Other information and communication
JFININ	Financial Intermediation (Excl. Monetary Financial Institutions)
J1FINL	Financial Leasing
J2NBCR	
J7HIRE	Non-bank credit grantors, excluding credit unions
J4MORTC	
J13OTH	Investment funds, excluding Financial Vehicle Corporations and Money Market Funds
J5INUN	
J8SPVS	Financial Vehicle Corporations (FVCs)
J9LIFE	Life insurance
J10PEN	Pension funding
J11NLF	Non-life insurance
J12SEC	Security broker/Fund management
J13OTH	Other financial intermediation
J6HOLD	
K1REAL	Real estate, land and development activities
F1SPEC	
K11SPC	Speculative property investment/development of residential real estate
F1SPEC	
K11SPC	Speculative property investment/development of commercial real estate
F1SPEC	
K11SPC	Speculative property investment/development of mixed real estate
F1SPEC	
K12PRP	Property investment/development of residential real estate
K12PRP	Property investment/development of commercial real estate
K12PRP	Property investment/development of mixed real estate
K11SPC	
F1SPEC	Investment in unzoned land
K12PRP	

<b>K13OTHT</b>	<b>Other real estate activities</b>
<b>KREALE</b>	<b>Business and Administrative Services</b>
<b>N2OTHT</b>	
<b>K4LEGA</b>	<b>Legal, accounting, and management consultant activities</b>
<b>K6OTHT</b>	<b>Architectural and engineering activities; technical testing and analysis</b>
<b>K3RDEV</b>	<b>Scientific research and development</b>
<b>K6OTHT</b>	<b>Rental and leasing activities, services to buildings and landscape activities</b>
<b>N2OTHT</b>	
<b>K6OTHT</b>	<b>Employment, office administration and business support activities</b>
<b>K5ADVT</b>	<b>Other business and administrative services</b>
<b>K6OTHT</b>	
<b>NOTHER</b>	<b>Other Community, Social and Personal Services</b>
<b>N1RECR</b>	<b>Recreational, cultural and sporting activities</b>
<b>N3CHRC</b>	<b>Activities of membership organisations (business, employers, professional, trade unions, religious, political)</b>
<b>N2OTHT</b>	
<b>N2OTHT</b>	<b>Other service activities</b>
<b>N4CHAR</b>	
<b>LEDUCT</b>	<b>Education</b>
<b>MHEALT</b>	<b>Human Health and Social Work</b>
<b>M1HOSP</b>	<b>Hospitals and medical practice activities</b>
<b>M1HOSP</b>	<b>Residential care activities</b>
<b>M2OTHT</b>	
<b>M2OTHT</b>	<b>Other health and social work</b>
<b>OPERSN</b>	<b>Personal (Private Households)</b>
<b>O1HMRT</b>	<b>House mortgage finance</b>
<b>O11PDH</b>	<b>Mortgage Finance for Principal Dwelling Houses</b>
<b>O12BTL</b>	<b>Mortgage Finance for Buy-to-Let Residential Properties</b>
<b>O13HSH</b>	<b>Mortgage Finance for Holiday Homes/Second Houses</b>
<b>O2OTHF</b>	<b>Other housing finance</b>
<b>O3FINV</b>	<b>Finance for investment</b>
<b>O4OTHT</b>	<b>Other personal</b>
<b>PLOCAL</b>	<b>Public Administration and Defence</b>
<b>QGOVNT</b>	

<b>REXTOB</b>	<b>Extra-Territorial Organisations and Bodies</b>
<b>SUNALL</b>	<b>Unallocated</b>

# INDEX

## A

*accrued interest*, 6

## C

Central Governments, 19  
Convenience credit. *See* Credit Card Debt  
Credit Card Debt, 9  
**Credit Institutions**, 18  
Credit Unions, 19  
**Currency**, 6  
Current accounts, 15

## D

Demand Deposits, 15  
Deposits, 14  
*Deposits redeemable at notice*, 15  
*Deposits with agreed maturity*, 15

## E

Extended credit. *See* Credit Card Debt

## G

**General government**, 19  
**General Guidance**, 3

## H

Households, 20  
**Households and non-profit institutions serving households**, 20

## I

**ICPFs**. *See* Insurance corporations and pension funds  
**Insurance corporations and pension funds**, 20  
**Items in transit**, 6

## L

*Loan Write-offs/Write Downs*, 24  
Loans, 9  
*loans for consumer purposes*, 9  
*Loans for house purchase*, 9  
*Loans for other purposes*, 9  
Loans to households, 9  
Local Government. *See* Other General Government

## M

*Mark-to-market prices*, 6  
**Memorandum Items**, 8  
**Monetary Financial Institutions (MFIs)**, 18

## N

**Netting**, 7  
**NFCs**. *See* Non-financial corporations  
**Non-financial corporation's**, 20

## O

**OFIs**. *See* Other financial intermediaries and financial auxiliaries  
online reporting system, 4  
**Other financial intermediaries and financial auxiliaries**, 20  
Other General Governments, 19  
**Other sectors**, 19  
*Overnight deposits*, 14

## P

Price Revaluation of Securities, 24  
**Provisions for bad and doubtful debts**, 6

## R

**Reporting deadline**, 4  
**Reporting frequency**, 4  
**Reporting population**, 3  
*Repos*, 16  
**Residency**, 5  
Revolving loans and overdrafts, 10

## S

securities lending operations, 12  
Securities other than shares, 12  
Securitisation liabilities, 14  
Shares and other equity, 12  
**Short positions in Securities**, 7  
Social Security Funds. *See* Other General Government  
State/Regional Government. *See* Other General Government  
Syndicated loans, 10

**V**

**Valuation, 5**