



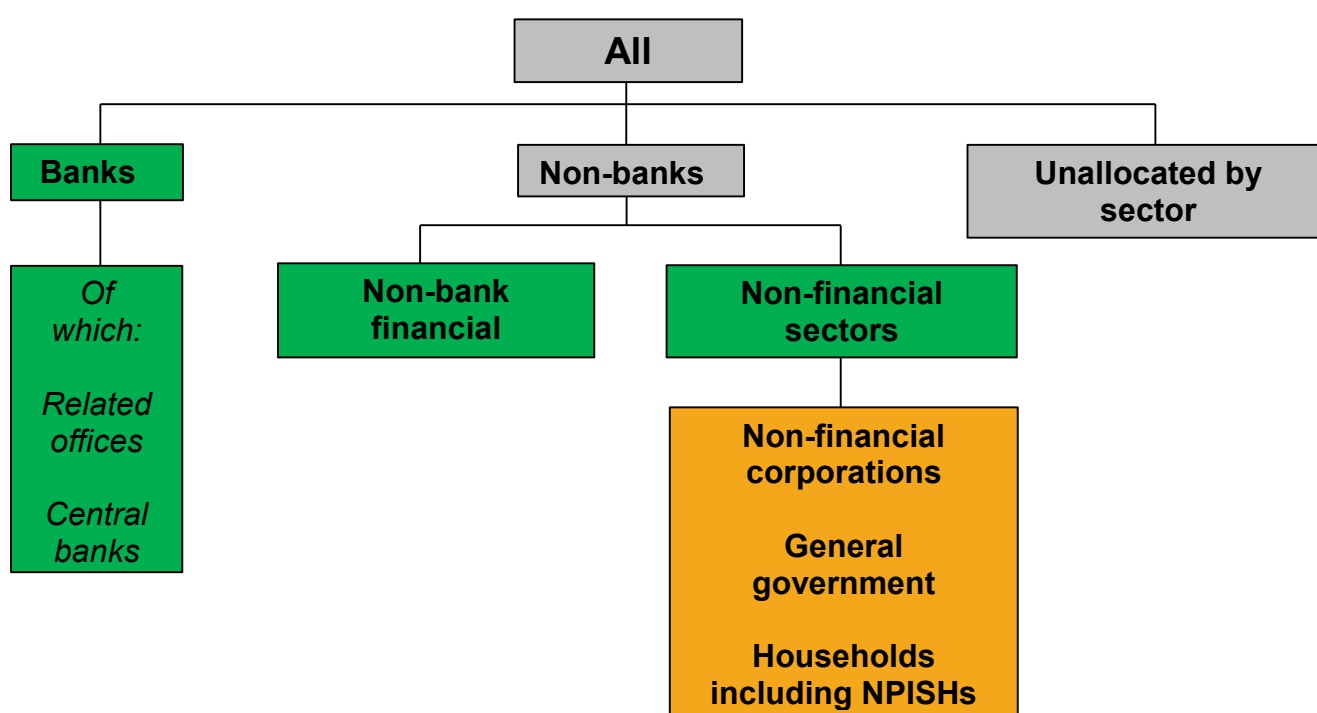
Guernsey Financial
Services Commission

General guidance to form LOC/2

Background

In 2001 at the request of the Bank of International Settlements (BIS), Guernsey banks started reporting their quarterly locational banking positions to the Commission via the LOC/1 statistical return. The Commission aggregates this data and submits the results to the BIS which are also made available to the IMF. Since 2014 Guernsey banks have been using the expanded LOC/2 return which generates a better measurement of banks' reliance on, and exposure to, the non-bank financial sector as well as banks' funding by broad instrument type (deposits, short- and long-term debt securities, other liabilities). These enhancements also measure banks' exposure to other 'related' group bank offices and where applicable, central banks.

Data reporting structure using the same colour codes from sector headings on the LOC/2 return



All sectors

Sum of 'Banks', 'Non-banks' and 'Unallocated by sector'

Banks

'Related offices' and 'Central banks' are now included in this sector as "of which" items.

Banks: of which: Related offices

Entities that are part of the same banking group (i.e. have the same controlling parent intuition). Includes the controlling parent institution, the head office of the bank (if different) and branches or subsidiaries that are part of the consolidated reporting entity.

Banks: of which: Central banks

This includes central banks such as the BIS, European Central Bank and other official monetary authorities. A complete list of central banks can be found in Section H of the Guidelines on the BIS website at:-

<http://www.bis.org/statistics/bankstatsguide.htm>

Non-banks

Sum of **Non-bank financial institutions** and **Non-financial sectors**:

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. 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. It also includes any public financial institutions such as development banks and export credit agencies.

Non-financial sectors

The sum of the **General Government**, **Non-financial corporations** and **Households including NPISHs**:-

General 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. Central banks, other official monetary authorities and public corporations are not part of the general government sector

Non-financial corporations

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 NPISHs

Individuals, families, unincorporated enterprises owned by households, and non-profit institutions serving households (NPISHs) such as charities, religious institutions, trade unions and consumer associations.

Unallocated by sector (Code 5M line 6)

For any positions for which the sector of the counterparty is Unallocated.

Front sheet

The Commission pre-populates the name of the bank which then automatically populate cells at the top of each of the LBS worksheets. Banks need only amend the reporting month and year. The usual double sign-off is required and this should be printed off and kept by the bank for future reference. Under the new online submissions process there is no need to send a hard copy of the signed Front sheet to the Commission.

Worksheets LBS1 to LBS8

Worksheet calculation

Positions are reported in £000s. In the LOC/2, LBS1 is automatically calculated as the sum of LBS2 to LBS4 and LBS5 as the sum of LBS6 to LBS8. LBS1 and LBS5 are password-protected and cannot be edited by banks. Banks should also complete the reporting date in cell A1 on LBS1, which automatically updates all other worksheets.

On worksheets LBS2 to LBS4 and LBS6 to LBS8 banks must enter the data in the **white cells only**. The yellow and grey cells are auto-completed and are locked. Columns with **RED** headers are not to be reported (these cells are locked) as their data appears elsewhere:

UN9:U Unallocated currencies is to be reported as **TO3:F OTH**

GBP:F GBP is to be reported as **GBP:D Domestic Currency**

Guernsey positions

The line for reporting Guernsey positions is the third reporting line down at the top of the page (line 7) and has the code 1E.

LBS7 (Liabilities – Issues of Debt Securities)

There are two LBS7 worksheets:-

LBS7 Liabs – Debt Sec issues

This is for all issues of debt securities and this feeds its data through to the LBS5 Liabilities – Total worksheet.

LBS7 Liabs – Debt Sec issues ST

This relates only to short term debt securities and is an ‘of which’ figure relating to the “LBS7 Liabs – Debt Sec issues” worksheet. This worksheet is stand-alone and does not feed its data through to any other worksheet.

International organisations

International organisations are to be reported on the line at the foot of the page (line 238) with the code 1C. A list of these organisations can be found in Section G of the Guidelines on the BIS website at:-

<http://www.bis.org/statistics/bankstatsguide.htm>