



Banc Ceannais na hÉireann
Central Bank of Ireland

Eurosystem

Statistics National Specific Template 1 (SNST.1)

Notes on Compilation

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For further information or comments:

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Section 1: Introduction

Valuation

Assets and liabilities of all Insurance Companies can be reported in accordance with the Solvency II valuation rules (Solvency II Directive (2009/138/EC)), or the reporting rules from your companies Statutory Financial Statements. The Central Bank of Ireland has preference for the use of the former valuation rules. The Assets and Liabilities breakdown in this template is at aggregate level.

Reporting Currency

All monetary values should be reported in single units of euro.

The Online Reporting System will accept integer values for monetary values only (i.e. without decimal points). Amounts should be rounded to the single unit.

Basis of Reporting

It is required that insurance corporations complete this template on a Solo/Individual basis.

The aggregate values entered for the Irish resident branch should include any business written through FOS/FPS (Freedom of Services/Freedom to Provide Services) by that branch.

Reporting Frequency

This template should be completed on a quarterly basis. First reporting is 26th May 2016 with reference to Q1 2016, in line with the Solvency II QRTs. Please see table 1 below for Submission dates in 2016 for SNST.1 return.

Table 1: Submission dates in 2016 for SNST.1 return

Reference quarters	Reporting agents to Central Bank of Ireland	Submission Deadline
	T + x weeks	Date
2016 Q1	8	26/05/2016
2016 Q2	8	25/08/2016
2016 Q3	8	25/11/2016
2016 Q4	8	24/02/2017
2017 Q1 – 2017 Q4	7	-
2018 Q1 – 2018 Q4	6	-
As of 2019 Q1	5	-

Reporting agents who wish to revise data which has already been submitted should contact insurance.statistics@centralbank.ie in order to request for the return to be unlocked for retransmission. Reporting agents should provide reasons for such revisions, unless it has been in response to, or at the request of the Central Bank of Ireland.

Basis of Collection

The Central Bank of Ireland has chosen to meet the ECB requirements by the Solvency II data collection; however there are difficulties in reconciling statistical and supervisory data as they differ in a number of fundamental ways. The most obvious difference is the residency basis for Statistics versus the group concept for Supervision.

The Central Bank of Ireland is using this Statistics National Specific Template to address a number of statistical requirements. This includes the reconciliation between supervisory reporting (on which Solvency II is based) and statistical reporting as an outcome of ECB Regulation on statistical reporting requirements for insurance corporations (ECB/2014/50), in accordance with The International Statistical Manuals (European System of Accounts 2010 and Balance of Payments Manual 6) for macroeconomic analysis. This data from branches collected in the SNST.1 will be used to facilitate the translation of the supervisory based data into macro-economic statistical concepts for a broad range of uses.

The decision to use Solvency II as the primary source of statistical data was taken to reduce the burden on reporters, the alternative would have been to collect a separate statistical return for all requirements.

Reporting Population

The Reporting Population for this template is any branch of an insurance corporation resident in Ireland with a head office in any other EEA country.

Please contact the Central Bank of Ireland at insurance.statistics@centralbank.ie if further information or clarification regarding the reporting population is required.

Worked Example

Example: A branch of an insurance corporation resident in Ireland operating on FOE basis, with the head office resident in France is recorded as follows:-

SNST.1			
Irish Resident Branches Quarterly Aggregate Balance Sheet Statement			
		C0010	C0020
		Total	of which: ISIN*
ASSETS			
Currency and deposits	R0010	26,190,000	
Debt securities	R0020	201,405,000	128,485,800
<i>Short term debt securities</i>	R0030	124,977,000	74,986,200
<i>Long term debt securities</i>	R0040	76,428,000	53,499,600
Loans	R0050	971,000	
Equity	R0060	138,747,000	1,359,874,710
<i>Listed shares</i>	R0070	21,409,000	13,487,670
<i>Unlisted shares</i>	R0080	18,756,000	1,275,408,000
<i>Other equity</i>	R0090	98,582,000	70,979,040
Investment funds shares/units	R0100	138,582,000	
Financial derivatives	R0110	2,923,000	
Insurance technical reserves and related claims	R0120	2,495,000	
Non-financial assets	R0130	32,625,000	
Remaining assets	R0140	12,238,000	
Total assets	R0150	556,176,000	
LIABILITIES			
Debt securities issued	R0160	25,541,000	
Loans Received	R0170	9,450,000	
Equity	R0180	2,988,000	
Insurance technical reserves	R0190	490,892,000	
Financial derivatives	R0200	25,535,000	
Remaining liabilities	R0210	1,770,000	
Total liabilities	R0220	556,176,000	

Note 1: 'Of which: ISIN' column should only be completed for debt securities (long & short-term) and Equity (Listed, unlisted & other equity). These fields should be populated with aggregates amounts for securities and shares with an ISIN.

Note 2: If the financial assets of a domestic branch are held by their head office, please include this amount under 'remaining assets'.

Section 2: Definitions of Financial Instruments - Assets

The European System of Accounts 2010 (ESA2010) provides the standard for Financial Instrument classification in SNST.1.

1. Currency and deposits (R0010)

Holdings of euro and foreign currency banknotes and coins in circulation that are commonly used to make payments and deposits placed by the IC with MFIs. They may include overnight deposits, deposits with agreed maturity and deposits redeemable at notice, as well as claims under reverse repos or securities borrowing against cash collateral.

2. Debt securities (R0020)

Holdings of debt securities, which are negotiable financial instruments serving as evidence of debt, are 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 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.
- Loans which have become negotiable on an organised market, i.e. traded loans, provided that there is evidence of secondary market trading, including the existence of market makers, and frequent quotation of the financial asset, such as provided by bid-offer spreads. Where this is not the case they should be classified under the asset item 'loans' (see also 'traded loans' in category 3).
- Subordinated debt in the form of debt securities (see also 'subordinated debt in the form of loans' in category 3).

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 in the balance sheet of the temporary acquirer) 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 balance sheet of the temporary acquirer as a negative position in the securities portfolio.

2a. Short-term debt securities (R0300)

Debt securities whose original maturity is one year or less, and debt securities repayable on demand of the creditor.

2b. Long-term debt securities (R0400)

Debt securities whose original maturity is more than one year, or of no stated maturity.

3. Loans (R0050)

For the purposes of the reporting scheme, this item consists of funds lent by ICs to borrowers, or loans acquired by ICs, which are either evidenced by non-negotiable documents or not evidenced by documents. It includes the following items:

- Holdings of non-negotiable securities: Holdings of debt securities which are not negotiable and cannot be traded on secondary markets.
- Traded loans: Loans that have de facto become negotiable are classified under the item 'loans' provided that there is no evidence of secondary market trading. Otherwise they are classified as debt securities.
- Subordinated debt in the form of loans: Subordinated debts instruments provide a subsidiary claim on the issuing institution that can only be exercised after all claims with a higher status have been satisfied, giving them some of the characteristics of equity. For statistical purposes, subordinated debt is classified as either 'loans' or 'debt securities' according to the nature of the instrument. Where the IC's holdings of all forms of subordinated debt are currently identified as a single figure for statistical purposes, this figure is classified under the item 'debt securities', on the grounds that subordinated debt is predominantly constituted in the form of debt securities, rather than as loans.
- Claims under reverse repos or securities borrowing against cash collateral. Counterpart of cash paid out in exchange for securities purchased by reporting agents at a given price under a firm commitment to resell the same or similar securities at a fixed price on a specified future date, or securities borrowing against cash collateral. This item excludes assets in the form of deposits placed by ICs (included in item 1 instead).

4. Equity (R0060)

Financial assets that represent property rights in corporations or quasi-corporations. Such financial assets generally entitle the holders to a share in the profits of the corporations or quasi-corporations in the event of liquidation.

This item includes listed and unlisted shares and other equity.

Equity securities lent out under securities lending operations or sold under repurchase agreements are treated in accordance with the rules in category 2 'debt securities'.

4a. Listed shares (R0070)

Equity securities listed on an exchange. The exchange may be a recognised stock exchange or any other form of secondary market. Listed shares are also referred to as 'quoted shares'.

4b. Unlisted shares (R0080)

Unlisted shares are equity securities not listed on an exchange.

4c. Other equity (R0090)

Other equity comprises all forms of equity other than listed shares and unlisted shares.

5. Investment funds shares/units (R0100)

This item includes holdings of shares or units issued by money market funds (MMFs) and non-MMF investment funds (i.e. investment funds other than MMFs) included in the lists of MFIs and investment funds (IFs) for statistical purposes.

6. Financial derivatives (R0110)

Financial derivatives are financial instruments linked to a specified financial instrument, indicator, or commodity, through which specific financial risks can be traded in financial markets in their own right

This item includes:

- Options
- Warrants

- Futures
- Forwards
- Swaps
- Credit Derivatives

Financial derivatives are recorded at market value on the balance sheet on a gross basis. Individual derivative contracts with positive market values are recorded on the asset side of the balance sheet, and contracts with negative market values on the liability side of the balance sheet

Gross future commitments arising from derivative contracts should not be entered as on-balance-sheet items.

This item does not include financial derivatives that are not subject to on-balance-sheet recording according to national rules.

7. Insurance technical reserves and related claims (R0120)

Financial claims of ICs against reinsurance corporations connected with life and non-life reinsurance policies.

8. Non-financial assets (R0130)

Tangible and intangible assets, other than financial assets. This item includes dwellings, other buildings and structures, machinery and equipment, valuables, and intellectual property products such as computer software and databases.

9. Remaining assets (R0140)

This is the residual item on the asset side of the balance sheet, defined as 'assets not included elsewhere'. NCBs may require the reporting of specific sub-positions included in this item. Remaining assets may include:

- Dividends receivable
- Accrued rent receivable

10. Total assets (R0150)

Total Assets is the sum of the individual asset components (1 to 9) listed above.

{R0100 = R0010 + R0020 + R0030 + R0040 + R0050 + R0060 + R0070 + R0080 + R0090}

Section 3: Definitions of Financial Instruments - Liabilities

1. Debt securities issued (R0160)

Securities issued by the IC, other than equity, which are instruments usually negotiable and traded on secondary markets or which can be offset on the market.

2. Loans Received (R0170)

Amounts owed to creditors by the IC, other than those arising from the issue of negotiable securities.

This item consists of:

- Loans: loans granted to the ICs which are either evidenced by non-negotiable documents or not evidenced by documents.
- Repos and repo-type operations against cash collateral: counterpart of cash received in exchange for securities sold by the IC at a given price under a firm commitment to repurchase the same (or similar) securities at a fixed price on a specified future date. Amounts received by the IC in exchange for securities transferred to a third party ('temporary acquirer') are to be classified here where there is a firm commitment to reverse the operation and not merely an option to do so. This implies that the IC retains all risks and rewards of the underlying securities during the operation.
- Cash collateral received in exchange for securities lending: amounts received in exchange for securities temporarily transferred to a third party in the form of securities lending operations against cash collateral.
- Cash collateral received in operations involving the temporary transfer of gold against collateral.

3. Equity (R0180)

The below items should be included in equity liabilities:

- Reconciliation reserve

Note: This item should include any other equity liabilities relevant and not listed above.

4. Insurance technical reserves (R0190)

The amount of capital that the IC holds in order to meet the future insurance claims of its policyholders.

5. Financial Derivatives (R0200)

Financial derivatives are financial instruments linked to a specified financial instrument, indicator, or commodity, through which specific financial risks can be traded in financial markets in their own right

This item includes:

- Options
- Warrants
- Futures
- Forwards
- Swaps
- Credit Derivatives

Financial derivatives are recorded at market value on the balance sheet on a gross basis. Individual derivative contracts with positive market values are recorded on the asset side of the balance sheet, and contracts with negative market values on the liability side of the balance sheet

Gross future commitments arising from derivative contracts should not be entered as on-balance-sheet items

This item does not include financial derivatives that are not subject to on-balance-sheet recording according to national rules.

6. Remaining liabilities (R0210)

This is the residual item on the liabilities side of the balance sheet, defined as 'liabilities not included elsewhere'. NCBs may require the reporting of specific sub-positions included in this item. Remaining liabilities may include:

- Amounts payable not related to the IC's main business, i.e. amounts due to suppliers, tax, wages, social contributions, etc.
- Provisions representing liabilities against third parties, i.e. pensions, dividends, etc.
- Net positions arising from securities lending without cash collateral
- Net amounts payable in respect of future settlements of transactions in securities

7. Total liabilities (R0220)

Total Liabilities is the sum of the individual liability components (1 to 6) listed above.

{R0170 = R0110 + R0120 + R0130 + R0140 + R0150 + R0160}

Queries on reporting population, reporting requirements, as well as technical queries or requests relating to the Online Reporting System, should be directed to:

insurance.statistics@centralbank.ie