



BANKA QENDRORE E REPUBLIKËS SË KOSOVËS
CENTRALNA BANKA REPUBLIKE KOSOVA
CENTRAL BANK OF THE REPUBLIC OF KOSOVO

Interest Rate Report

Reporting Instructions

V e r s i o n 2 . 0

BANKA QENDRORE E REPUBLIKËS SË KOSOVËS
CENTRALNA BANKA REPUBLIKE KOSOVA
CENTRAL BANK OF THE REPUBLIC OF KOSOVO

INTEREST RATE REPORT

REPORTING INSTRUCTIONS

(Version 2.0)

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1. GENERAL INSTRUCTIONS

1.1. Introduction

The principal objectives of CBK are to foster the soundness, solvency, and efficient functioning of the financial system as well as to support the general economic policies with a view to contributing to an efficient allocation of resources. In line with the principal objectives, specific powers and relevant articles of the Law No. 03/L-074 'On the Central Bank of the Republic of Kosovo', CBK compiles monetary and financial statistics, and external sector statistics. For that purpose it uses, among others, information collected from the commercial banks on their interest rates (through the Interest Rates Report: IRR).

To enlarge the scope of the data, CBK has put in place the IRR for banks to obtain information on the underlying price setting. Compilation of IRR is based on the international standards, such as Manual on MFI Interest Rate Statistics (ECB Regulation ECB/2001/18), European System of National and Regional Accounts (ESA 95), System of National Accounts (SNA 93), Monetary and Financial Statistics Manual (MFSM 2000), Monetary and Financial Statistics Compilation Guide (MFSG 2008), and other country practices.

1.2. Reporting institutions

The IRR will contain solely the interest rates applied, and must be communicated, by commercial banks operating in Kosovo. Collection of the IRR statistics is based on the census approach.

1.3. Financial instruments

Data on interest rates refer to the interest rates applied by the banks in their lending and deposit business and debt securities. The selected financial instruments are presented below:

Loans**Investment**

Agriculture
 Industry
 Services
 Other sectors

Other (non-investment)

Agriculture
 Industry
 Services
 Other sectors

Overdrafts**Credit lines****Loans with favorable conditions**

Cash cover loans
 Other loans

Consumer loans**Mortgage loans****Deposits**

Current account
 Time deposits
 Saving deposits

Debt Securities

Negotiable certificates of deposit
 Notes
 Bonds

1.4. Currency denomination and frequency

The IRR covers euro denominated financial instruments reported from banks and must be sent to the CBK on a monthly frequency, describing the interest rates applied during the reference month.. All loans are extended in euro currency and as well as majority of deposits are in euro. There are no cases of dual currency loans.

1.5. Counterparts

Reporting requirements are limited to the business with resident nonfinancial corporations and households. The determination if the contract is made with a resident or non-resident counterpart (in this last case no reporting is made in IRR) is based on the main residence of the debtor (borrower). In case of corporations, this means the registered office. The breakdown of institutional sector is presented in the Appendices.

IRR report includes two institutional sectors:

- a) Nonfinancial corporations are corporations whose principal activity is the production of market goods or nonfinancial services. Nonfinancial corporations

sector is composed of resident public nonfinancial corporations and other (private) nonfinancial corporations.

- b) Households are defined as group of persons who share the same living accommodation, who pool some, or all, of their income and wealth and who consume certain types of goods and services collectively, mainly housing and food. In general, each member of a household should have some claim upon the collective resources of the household. At least some decisions affecting consumption or other economic activities must be taken for the household as a whole.

1.6. Breakdown by type of instrument

1.6.1. Deposits

A deposit represents claim on banks that can be divided into current account, time deposit and saving deposit.

Current accounts are transferable deposits 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.

Time deposits are deposits with agreed fixed term maturity exceeding one working day, 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.

Saving deposits are same defined as time deposit but maturity related criterion is not relevant.

1.6.2. Loans

Loans are financial assets that (1) are created when a creditor lends funds directly to a debtor, and (2) are evidenced by non-negotiable documents, except accounts receivable/payable, which are treated as a separate category of financial assets. Loans are funds lent by banks to nonfinancial corporations and households which are categorized based on their purpose separated into the investment and other (non- investment) loans.

Investment loans are those loans used for investments purposes that can be divided into sectors such as agriculture, industry, services and other sectors based on the NACE classification (see Appendix 2: NACE Codes). Typical examples of investment loans are loans for start-up capital, buying of fixed assets, expand the business activity, etc.

Other (non-investment) loans are loans that are shorter in maturity and smaller in value compared with the investment loans and can be divided into sector same as investment loans. Typical examples of non-investment loans are loans for working capital, repairs, etc.

The breakdown of loans (investment and non-investment loans) in IRR is shown below:

- Agriculture
 - Agriculture, forestry and fishing;
- Industry
 - Manufacturing;
 - Electricity, gas, steam and air conditioning;
 - Water supply, sewerage, waste management and remediation activities;
 - Construction;
- Services
 - Wholesale and retail trade, repair of motor vehicles and motorcycles;
 - Transporting and storage;
 - Accommodation and food service activities;
 - Information and communication;
 - Financial and insurance activities;
 - Real estate activities;
 - Professional, scientific and technical activities;
 - Administrative and support service activities;
- Other
 - Public administration and defense;
 - Education;
 - Human health and social work activities;
 - Arts, entertainment and recreation;
 - Other services activities;

Consistent with the definitions stated above, loans for buying a tractor (agriculture) should be treated as investment loans, while loans for buying seeds and related should be treated non-investment loans. Analogically, in industry, loans for buying machinery for production of a particular product should be treated as investment loans, while loans extended for buying raw material that serves as input for particular production process should be treated as non-investment loans.

Overdrafts are defined as debit balances on current accounts. The interest rate on bank overdrafts is charged when current account 'becomes negative.' Overdrafts are implied for nonfinancial corporations and households. In this category there are included all types of credit and debit cards regardless if they are linked or not with current account, deposit account or loan account.

Credit lines are defined as pre-established amount of credit which borrower can obtain from lender by specifying the amount and period. This line is allowed to be drawn from borrower whenever is needed and it is determined by certain agreed conditions and is more flexible in repayment of debt and installments.

Loans with favorable conditions include special condition loans which differ from the regular loans in terms of interest rates applied. This category includes:

- *Cash cover loans* includes loans backed with deposits. Cash cover loans are taken on the basis of borrower's deposits 'blocked' at a bank.
- *Other loans* include other than cash cover loans such as loans extended to the bank staff, etc).

Consumer loans are loans granted to households for the purpose of personal use in consumption of goods and services. Destination of these loans is purchase of durable and consumer goods.

Mortgage loans are loans which for collateral have a mortgage and serves for buying mortgage. This category can be applied only to households.

1.6.3. Debt securities

Debt securities are composed from certificate of deposits, notes, and bonds. Certificate of deposit are securities issued by a bank and which in contrast to a time deposit, are negotiable during the lifetime of certificate. Notes are a type of financial instrument very similar to certificate of deposit but are in principle not negotiable. This type of instrument will become less and less popular given the CD and the difference with non-negotiable CD is not existent. Bonds are long-term financial instruments issued by the bank. They are in principle negotiable. They are comparable to the negotiable CDs except for their initial maturity. They bear a fixed or variable interest rate and can be subordinated (in which case they will bear an interest rate higher than the one on non-subordinated bonds, because of the higher risk).

1.7. Reported contracts: new contracts/activities

For all financial instruments the principle of new business is used in the IRR, except for the current accounts, savings accounts, and overdrafts, which follow the outstanding amount approach. New business is defined as any new agreement between the household/nonfinancial corporations and the reporting bank concluded during the reference month.

New agreements are:

- All financial contracts, terms and conditions that specify for the first time the interest rate of deposit or loan; and
- All new negotiations of existing deposit and loans.

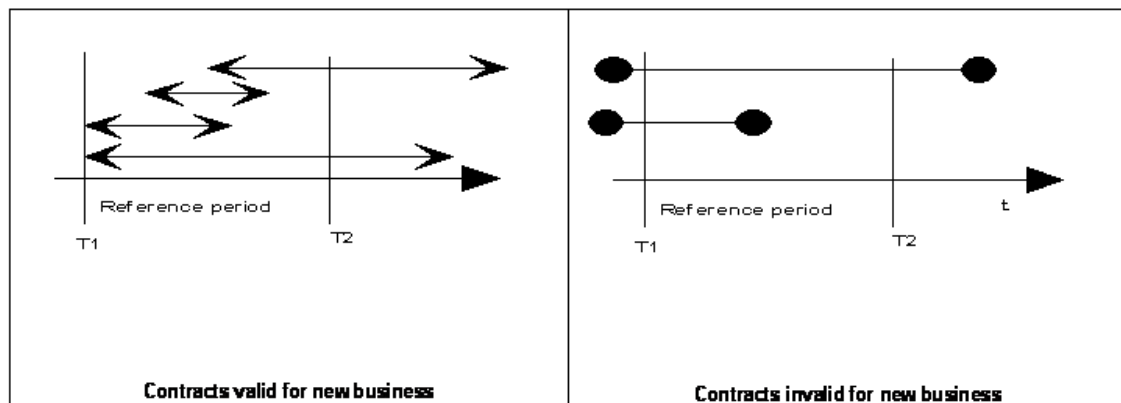
The main cases that should not be considered as new business are:

- All prolongations of existing deposit and loan contracts that are carried out automatically, i.e. without any active involvement of the household or nonfinancial corporations and do not involve any renegotiation of the terms and conditions of the contract, including interest rate.
- Changes in floating interest rate in the sense of automatic adjustment of interest rate performed by bank are not new agreement as these are laid down from outset in the contract.
- A change from fixed to floating interest rates or vice versa (at time t_1) during the course of the contract, which has been agreed at the start of the contract (time t_0), is not a new agreement but part of the terms and conditions of the loan laid down (at time t_0). For example, during reference month there is a contract on a loan between bank and customer with fixed interest at 8% p.a. for first 12 months and that after this initial period of fixation the interest rate automatically adjusts to EURIBOR plus x basis points. Only the interest rate of 8% for the first year is considered as

new business at that month. Neither the switch to variable rates nor the associated automatic adjustments are reflected in the statistics on new business, as they are not new agreements but part of the terms and conditions of the loan laid down at the beginning of contract.

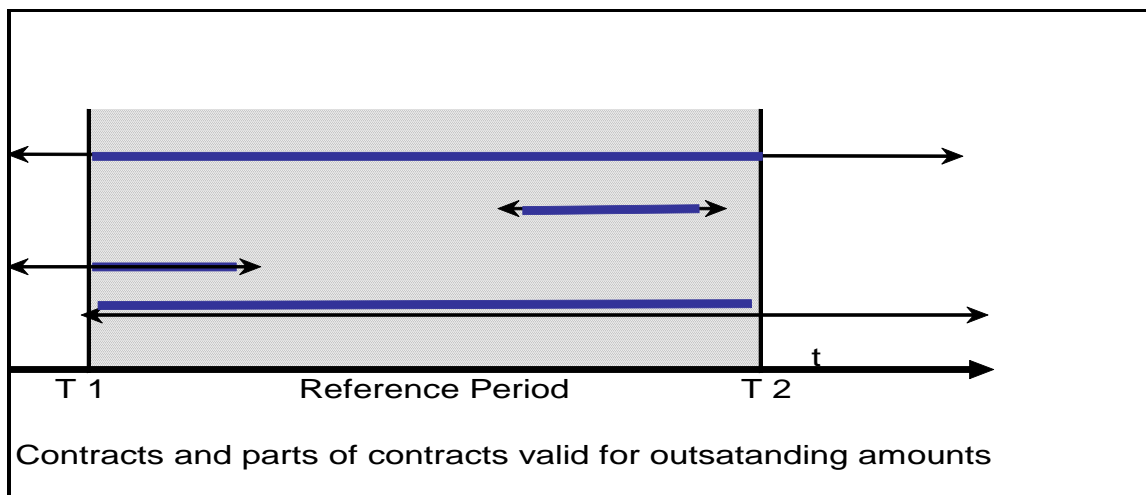
New contracts should be seen as the 'production' by the bank. This means that for a reference month the new business includes financial contracts which may not any longer exist at the end of the month (for example, a two-week deposit originated on the 10th of the month must be counted as new business, even if it is no longer on the balance sheet of the bank at the end of the month). On the other hand, a short-term contract can be counted more than once a month (for example, a deposit at one-week maturity originated at 1st of the month and which is renegotiated and reinvested at 10th and 20th of the particular month, will be counted 3 times).

Figure 1. Illustrative example of new business definition



As already stated, three exceptions apply to the general rule on new business and this for practical reasons. The exception holds for current accounts, saving accounts and overdrafts. Instead, the 'outstanding amount approach' must be used for these financial instruments. Two methods are presented: the *snapshot approach* and the *quotient approach*. The *snapshot* at the end of the month: the outstanding contracts will be inventoried and the interest rate applicable on each contract will be weighted with the outstanding amount of the contract. The *quotient* approach must be used for saving accounts and overdrafts, while for the current accounts each bank can freely choose between the snapshot- and the quotient-approach. The quotient approach (or implicit approach) over the month: the cumulative interest flows (accrued interest) over the month are divided by the average of the daily outstanding amounts.

Figure 2. Illustrative example of outstanding amounts definition (quotient approach)



1.8. Type of interest rates

The interest rate reporting to CBK will not include any fee, tax nor any other cost related to the third parties, like taxes to state, which bank pays for the client. However, costs manifested as a disagio in case of a loan must be considered as an interest payment. Disagio, defined as the difference between the nominal amount of the loan and the amount received by customer, shall be considered as an interest payment at the start of the contract (time t_0) and shall be reflected in the annualized agreed rate. The disagio is related directly with the loan processing and it is an interest cost for specific loan agreement or new contract. The rates reported must be those which are effectively applied in each commercial transaction.

The interest rate reported should reflect what bank pays on deposits and receives from loans. Therefore, in cases where banks receive subsidies from a third party (for example, international donor) on loans granted, these subsidies should be considered as part of interest rates reported to CBK. For example if client pays 6% p.a. for a loan where 10% is actually charged by the bank but a third party pays a 4% from this interest rate, the 10% should be reported in IRR. On other hand, in case of deposit IRR captures what the bank pays but not what the household on nonfinancial corporations receives in terms of interest payments. For example, if customer receives 5% p.a. on deposit where 3% is paid by bank and other 2% is subsidy by third party, which is transferred to client through the bank then the 3% p.a. should be reported by bank in IRR.

Figure 3. Illustrative example of loan/deposit subsidy approach

Instrument	Agreed Interest Rate	Bank	Subsidy	IRR to be reported at CBK	Receiver of loan / deposit
Loan	10%	6%	4%	10%	Client
Deposit	5%	3%	2%	3%	Bank

As can be seen in the illustrative example (Figure 3), for IRR reporting issue to CBK is relevant what the bank charges/pays for loan/deposit.

1.9. Method of calculation

The rate used is the agreed annual interest rate (AAR) and is to be applied in all cases where there is no capitalization, where the capitalization follows a regular pattern whether interest payments occur more frequently than or equally frequently to capital redemption, where interest is calculated on the remaining outstanding capital, (including all cases where the capital is paid at the end of contract) and no grace periods for interest payments or capital redemption are present.

Equation (1) below provides the formula for annualizing the agreed interest rate:

$$AAR = \left(1 + \frac{AG}{n}\right)^n - 1 \quad (1)$$

Where AAR is annualized agreed rate, AG is the nominal rate, on annual basis, agreed among the parties, and n is the number of capitalization periods for the deposit and the loan per year. This $n = 1$ for yearly interest payments, $n = 2$ for semi-annual interest payments, $n = 4$ for quarterly interest payments and $n = 12$ for monthly interest payments. For example, a customer and bank agree on a two-year loan at 10% per annum (p.a.) for entire maturity, where interest and principal is repaid at the end of each month. The annualized agreed rate for this loan is then 10.47% and calculated as follows:

$$AAR = \left(\left(1 + \frac{AG}{n}\right)^n - 1\right) * 100 = \left(\left(1 + \frac{0.10}{12}\right)^{12} - 1\right) * 100 = 10.47$$

In case of deposit with an agreed maturity of six months where interest is 3% per annum paid at the end of maturity then the annualized agreed rate is 3.02%

$$AAR = \left(\left(1 + \frac{AG}{n}\right)^n - 1\right) * 100 = \left(\left(1 + \frac{0.03}{2}\right)^2 - 1\right) * 100 = 3.02$$

In all other cases the actuarial annual interest rate (AcAR) should be used to foster comparability among the data reported by the banks. Actuarial or effective interest rate which is the interest rate equaling the discounted (actualized) future cash inflows to the

nominal amount of the loan or deposit and can be calculated by applying following equation:

$$A - T = \sum_{m=1}^M \frac{CF_m}{(1+i)^m} \quad (2)$$

i - effective interest rate

CF_m - cash flow at point in time m , from the perspective of investor in the case of deposits and from the point of view of the bank in case of loans (containing capital redemption and interest payments)

M - number of cash flows associated with financial instrument

A - nominal amount of the deposit (loan) initially placed (granted)

T - administrative cost (if there is amount) to be paid at the start of the loan.

Finding i from equation (2) may also be calculated directly using functions within a spreadsheet or financial calculator. For instance, Microsoft Excel has an IRR function that requires the cash flows to be listed in an array of cells within the spreadsheet. However, effective interest rate than must be annualized by equation (1). In Appendix 3 some examples for deposit and loans are presented for the use of equation (1) - AAR and last two ones where must be used equation (2) - AcAR. The number of days per year is fixed at 360.

1.10. Reported rate and volume

The commercial banks report the interest rates by category in full conformity with the calculation instructions explained in the section 1.9 (Method of calculation). As the CBK should be able to calculate data for all commercial banks in Kosovo in conformity with the calculations carried out by the commercial banks at individual basis, the banks must also communicate the new business (new contracts) or, depending on the type of financial instrument, the outstanding amounts related to the reference month. Appendix 3 contains the detailed process of calculation in a schematic way for interest rates and new business/outstanding amounts.

1.11. Technical instructions

All percentages shall be expressed with 2 decimals (format NN,NN) and amounts for new business or outstanding must be reported in unity of euro, with figures rounded to the nearest euro. No item in the IRR may be left blank. An entry must be made for each item, i.e. a percentage, an amount, a zero or "N/A ("not available"). No negative entries may appear in the amounts, as only new business is recorded or outstanding amounts.

1.12. Modes and deadlines

IRR shall be submitted in paper form and simultaneously on electronic copy, according to the formats delivered by CBK. The submission must contain all schedules required for a particular reporting period and be fully consistent with the instructions provided in this document 'Reporting Instructions.' The delivery must contain the cover page of IRR signed by authorized persons of the reporting bank. IRR must be delivered latest by the 15th after the reference month to:

Statistics Directorate
Central Bank of the Republic of Kosovo
33 Garibaldi
10000 Prishtina
Republic of Kosovo

In case of any discrepancy or change in relation to a previous report, a brief explanation must be attached to the submitted IRR. Banks shall retain track of data reported in the IRR. Should the CBK detect errors in the IRR, it may require necessary correction or justification of the data.

Questions concerning instructions and interpretations of any part of these Reporting Instructions shall be addressed to the CBK.

2. VALIDATION RULES

The IRR contains a few validation rules:

Where “A” stands for the part of the schedule on amounts and “P” for the part of the schedule on percentages.

001) IR/DIR//A//500 = BS/DBM// Currency code 1// 1001+1101+1201
 002) IR/DIR//A//513 = BS/DBM// Currency code 1// 1002+1102+1202
 003) IR/DIR//A//600 = BS/DBM// Currency code 1// 1301
 004) IR/DIR//A//608 = BS/DBM// Currency code 1// 1302
 005) IR/DIR//A//502 => 250000 euro
 006) IR/DIR//A//504 => 250000 euro
 007) IR/DIR//A//506 => 250000 euro
 008) IR/DIR//A//508 => 250000 euro
 009) IR/DIR//A//510 => 250000 euro
 010) IR/DIR//A//512 => 250000 euro

Except for current accounts:

011) IF IR/DIR//A//nnn > 0 Then IR/DIR//P//nnn > 0 where nnn stands for all codes of IR/LIR and IR/DIR different from ‘500’

IF IR/DIR//A//nnn > 0 Then IR/DIR//P//nnn <> NA

3. REPORTING FORMS

The Interest Rate Report consists of a cover page and three master schedules:

- Cover page
- Deposit Interest Rates, in percentage and amounts;
- Lending Interest Rates, in percentage and amounts;
 - o Calculation methodology;
- Debt Securities Interest Rate, in percentage and amounts.

The cover page must be filled out completely and signed by authorized persons each time data are exchanged with the CBK. The first submission for a given reference month must contain all four schedules. Each of the schedules in IRR is identified by a set of information. These are:

- The name of the reporting bank (‘Bank Name’)
- The currency code which is in all cases the code "1" (only euro);
- The code of the ‘Reference month’ of the data in the report (YY/MM);
- The date of report mentions the date the report has been established (YY/MM/DD).



INTEREST RATE REPORT

(Version 2.0)

Bank name

The last day of the reporting period and the Report number

Note: The Interest Rate Report must be signed by the officer of the bank responsible for preparing it and at least one member of the management board.

To be fulfilled by commercial bank:

As an authorized officer or management board member of the bank, I hereby declare that this Interest Rate Report has been prepared in accordance with the Reporting Instructions issued by the Central Bank of the Republic of Kosovo and is complete and true to the best of my knowledge and belief.

Signature of responsible officer

Signature of Management Board Member

Date

Date

To be fulfilled from CBK:

Signature from Statistician

Signature of the Director of Statistics

Date

Date

Central Bank of the Republic of Kosovo	Bank name:
	Currency code: 1
	Reference period:
	Reporting date:
Table: Deposit interest rates, in percentage and amount	

	DOMESTIC SECTOR					
	Nonfinancial corporations			Households		
	code	%	amount	Code	%	amount
Current account (outstanding amounts)	500			600		
Time deposits (new contrats)				601		
Up to 1 month (≤ 1 month)						
Up to 250.000 euro (≤ 250.000)	501					
Over 250.000 euro (> 250.000)	502					
Over 1 month and up to 3 months (> 1 month ≤ 3 months)				603		
Up to 250.000 euro (≤ 250.000)	503					
Over 250.000 euro (> 250.000)	504					
Over 3 months and up to 6 months (> 3 months ≤ 6 months)				604		
Up to 250.000 euro (≤ 250.000)	505					
Over 250.000 euro (> 250.000)	506					
Over 6 months and up to 1 year (> 6 months ≤ 1 year)				605		
Up to 250.000 euro (≤ 250.000)	507					
Over 250.000 euro (> 250.000)	508					
Over 1 year and up to 2 years (> 1 year ≤ 2 years)				606		
Up to 250.000 euro (≤ 250.000)	509					
Over 250.000 euro (> 250.000)	510					
Over 2 years (> 2 years)				607		
Up to 250.000 euro (≤ 250.000)	511					
Over 250.000 euro (> 250.000)	512					
Saving deposits (outstanding amounts)	513			608		

Central Bank of the Republic of Kosovo	Bank name:
Table: Loans interest rates, in percentage and amount	Currency code: 1
	Reference period:
	Reporting date:

	DOMESTIC SECTOR					
	Nonfinancial corporations			Households		
	Code	%	amount	Code	%	amount
Investment						
Agriculture						
Up to 1 year (\leq 1 year)	100			300		
Over 1 year and up to 2 years ($>$ 1 year \leq 2 years)	101			301		
Over 2 years and up to 5 years ($>$ 2 years \leq 5 years)	102			302		
Over 5 years and up to 10 years ($>$ 5 years \leq 10 years)	103			303		
Over 10 years ($>$ 10 years)	104			304		
Industry						
Up to 1 year (\leq 1 year)	105			305		
Over 1 year and up to 2 years ($>$ 1 year \leq 2 years)	106			306		
Over 2 years and up to 5 years ($>$ 2 years \leq 5 years)	107			307		
Over 5 years and up to 10 years ($>$ 5 years \leq 10 years)	108			308		
Over 10 years ($>$ 10 years)	109			309		
Services						
Up to 1 year (\leq 1 year)	110			310		
Over 1 year and up to 2 years ($>$ 1 year \leq 2 years)	111			311		
Over 2 years and up to 5 years ($>$ 2 years \leq 5 years)	112			312		
Over 5 years and up to 10 years ($>$ 5 years \leq 10 years)	113			313		
Over 10 years ($>$ 10 years)	114			314		
Other						
Up to 1 year (\leq 1 year)	115			315		
Over 1 year and up to 2 years ($>$ 1 year \leq 2 years)	116			316		
Over 2 years and up to 5 years ($>$ 2 years \leq 5 years)	117			317		
Over 5 years and up to 10 years ($>$ 5 years \leq 10 years)	118			318		
Over 10 years ($>$ 10 years)	119			319		
Other (non-investment)						
Agriculture						
Up to 1 year (\leq 1 year)	200			400		
Over 1 year and up to 2 years ($>$ 1 year \leq 2 years)	201			401		
Over 2 years and up to 5 years ($>$ 2 years \leq 5 years)	202			402		
Over 5 years and up to 10 years ($>$ 5 years \leq 10 years)	203			403		
Over 10 years ($>$ 10 years)	204			404		
Industry						
Up to 1 year (\leq 1 year)	205			405		
Over 1 year and up to 2 years ($>$ 1 year \leq 2 years)	206			406		
Over 2 years and up to 5 years ($>$ 2 years \leq 5 years)	207			407		
Over 5 years and up to 10 years ($>$ 5 years \leq 10 years)	208			408		
Over 10 years ($>$ 10 years)	209			409		
Services						
Up to 1 year (\leq 1 year)	210			410		
Over 1 year and up to 2 years ($>$ 1 year \leq 2 years)	211			411		
Over 2 years and up to 5 years ($>$ 2 years \leq 5 years)	212			412		
Over 5 years and up to 10 years ($>$ 5 years \leq 10 years)	213			413		
Over 10 years ($>$ 10 years)	214			414		
Other						
Up to 1 year (\leq 1 year)	215			415		
Over 1 year and up to 2 years ($>$ 1 year \leq 2 years)	216			416		
Over 2 years and up to 5 years ($>$ 2 years \leq 5 years)	217			417		
Over 5 years and up to 10 years ($>$ 5 years \leq 10 years)	218			418		
Over 10 years ($>$ 10 years)	219			419		
Overdrafts	220			420		
Credit lines	230					
Loans with favourable conditions						
Cash covered loans	240			440		
Other loans	241			441		
Consumer loans				442		
Mortgage loans						
Up to 1 year (\leq 1 year)				443		
Over 1 year and up to 2 years ($>$ 1 year \leq 2 years)				444		
Over 2 years and up to 5 years ($>$ 2 years \leq 5 years)				445		
Over 5 years and up to 10 years ($>$ 5 years \leq 10 years)				446		
Over 10 years ($>$ 10 years)				447		

Central Bank of the Republic of Kosovo	Bank name:
	Currency code: 1
	Reference period:
	Reporting date:

Table: Lending interest rates, in percentage and amount

	DOMESTIC SECTOR					
	Nonfinancial corporations			Households		
	code	%	amount	Code	%	amount
Certificate of deposit						
Up to 1 year (≤ 1 year)	100			200		
Over 1 year and up to 2 years (> 1 year ≤ 2 years)	101			201		
Over 2 year and up to 5 years (> 2 years ≤ 5 years)	102			202		
Over 5 year and up to 10 years (> 5 years ≤ 10 years)	103			203		
Over 10 years (> 10 years)	104			204		
Notes						
Up to 1 year (≤ 1 year)	105			205		
Over 1 year and up to 2 years (> 1 year ≤ 2 years)	106			206		
Over 2 year and up to 5 years (> 2 years ≤ 5 years)	107			207		
Over 5 year and up to 10 years (> 5 years ≤ 10 years)	108			208		
Over 10 years (> 10 years)	109			209		
Bonds						
Up to 1 year (≤ 1 year)	110			210		
Over 1 year and up to 2 years (> 1 year ≤ 2 years)	111			211		
Over 2 year and up to 5 years (> 2 years ≤ 5 years)	112			212		
Over 5 year and up to 10 years (> 5 years ≤ 10 years)	113			213		
Over 10 years (> 10 years)	114			214		

Appendix 1: Interest rates calculation examples

Deposits	
amount	10000 Euro
annual agreed rate(AAR)	3,5%
Interest is paid at the end of the maturity	
Case 1	maturity 2 years
Case 2	maturity 3 month
Solution	
Case 1	The annualized agreed rate for this case is calculated as follows:
Agreed annual rate of interest	3,55% to be reported in IRR
Case 2	The annualized agreed rate for this case is calculated as follows:
Agreed annual rate of interest	3,44% to be reported in IRR

Loan A

amount	10000 Euro
redemption at maturity	
maturity	2 years
annual agreed rate(AAR)	12%

Interest payment

Case 1	every end of the year
Case 2	every end of the quarter
Case 3	every end of the month

Solution

Case 1 The annualized agreed rate for this case is calculated as follows:

$$AAR = \left(\left(1 + \frac{AG}{n} \right)^n - 1 \right) * 100 = \left(\left(1 + \frac{0.12}{1} \right)^1 - 1 \right) * 100 = 12.00$$

Agreed annual rate of interest 12,00 % to be reported in IRR

Case 2 The annualized agreed rate for this case is calculated as follows:

$$AAR = \left(\left(1 + \frac{AG}{n} \right)^n - 1 \right) * 100 = \left(\left(1 + \frac{0.12}{4} \right)^4 - 1 \right) * 100 = 12.55$$

Agreed annual rate of interest 12,55 % to be reported in IRR

Case 3 The annualized agreed rate for this case is calculated as follows:

$$AAR = \left(\left(1 + \frac{AG}{n} \right)^n - 1 \right) * 100 = \left(\left(1 + \frac{0.12}{1} \right)^{12} - 1 \right) * 100 = 12.68$$

Agreed annual rate of interest 12,68 % to be reported in IRR

Loan C

amount	2000 Euro
redemption	equal monthly instalments of capital and interest
maturity	12 months
monthly rate	0,9 %

Solution

$$\text{Monthly instalments} = \frac{2000}{\frac{1 - (1 + 0.009)^{-12}}{0.009}} = 17.58 \text{ Euro}$$

The loan repayment schedule becomes:

month:	<u>interest</u>	<u>capital</u>	<u>total</u>
1	18.00	158.58	176.58
2	16.57	160.01	176.58
3	15.13	161.45	176.58
4	13.68	162.90	176.58
5	12.21	164.37	176.58
6	10.73	165.85	176.58
7	9.24	167.34	176.58
8	7.74	168.84	176.58
9	6.22	170.36	176.58
10	4.68	171.90	176.58
11	3.14	173.44	176.58
12	1.58	175.00	176.58

The annualized agreed rate for this case is calculated as follows:

$$AAR = \left(\left(1 + \frac{AG}{n} \right)^n - 1 \right) * 100 = ((1 + 0.009)^{12} - 1) * 100 = 11.35$$

Actuarial or effective annual rate of interest 13,35 % to be reported in IRR

Loan C

amount	2000 Euro
redemption	equal monthly instalments of capital and interest
maturity	12 months
monthly rate	0,9 %

Solution

$$\text{Monthly instalments} = \frac{2000}{\frac{1 - (1 + 0.009)^{-12}}{0.009}} = 17.58 \text{ Euro}$$

The loan repayment schedule becomes:

month:	<u>interest</u>	<u>capital</u>	<u>total</u>
1	18.00	158.58	176.58
2	16.57	160.01	176.58
3	15.13	161.45	176.58
4	13.68	162.90	176.58
5	12.21	164.37	176.58
6	10.73	165.85	176.58
7	9.24	167.34	176.58
8	7.74	168.84	176.58
9	6.22	170.36	176.58
10	4.68	171.90	176.58
11	3.14	173.44	176.58
12	1.58	175.00	176.58

The annualized agreed rate for this case is calculated as follows:

$$AAR = \left(\left(1 + \frac{AG}{n} \right)^n - 1 \right) * 100 = \left((1 + 0.009)^{12} - 1 \right) * 100 = 11.35$$

Actuarial or effective annual rate of interest 13,35 % to be reported in IRR

Loan D

amount	10000 Euro
redemption	equal pat capital every monthly
maturity	2 years
monthly rate each month	0,8 %
applied on initial capital	

Solution

Monthly capital redemption	416,67 Eur namely 10000 Eur /24 month
Monthly interest payment	80,00 Eur namely 10000 Eur *0,8 % month
total payment each month	496,67 Eur namely 416,67+80

The annualized agreed rate for this case is calculated as follows:

$$AAR = \left(\left(1 + \frac{AG}{n} \right)^n - 1 \right) * 100 = \left(\left(1 + \frac{0.12}{4} \right)^4 - 1 \right) * 100 = 12.55$$

This creates an annuity (in fact a fixed monthly payment)

Actuarial monthly rate calculated by equation (2), here cash flows $CF_m = 496,67$,

$m=1,2,3,,24$

$$10000 = \sum_{m=1}^{24} \frac{496.67}{(1+i)^m} = 496.67 * \left(\frac{1 - (1+i)^{-24}}{i} \right)$$

From where solution for monthly rate 1,45558 %, than this must be annualized by equation (1)

$$AAR = \left(\left(1 + \frac{AG}{n} \right)^n - 1 \right) * 100 = ((1 + 0.0145558)^{12} - 1) * 100 = 18.93$$

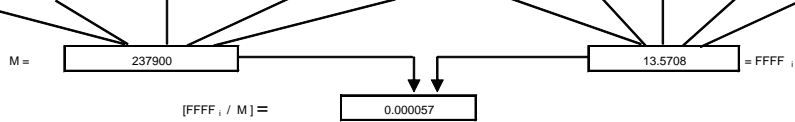
Actuarial or effective annual rate of interest 18,93 % to be reported in IRR

Examples of quotient and snapshot approaches for IRR Calculation

Illustration of calculation for IRR

Savings accounts: QUOTIENT - APPROACH

Month t	Client A		Client B		Client C		Client D		Client E		Client A	Client B	Client C	Client D	Client E	
	Outstanding amount	Annual Interest rate	Outstanding amount	Annual Interest rate	Outstanding amount	Annual Interest rate	Outstanding amount	Annual Interest rate	Outstanding amount	Annual Interest rate	Daily earned interest	Daily earned interest	Daily earned interest	Daily earned interest	Daily earned interest	
1	2500	1.5%	1500	1.5%	800	1.5%	1600	1.5%	950	1.5%	0.10	0.06	0.03	0.07	0.04	
2	2500	1.5%	1500	1.5%	800	1.5%	1600	1.5%	950	1.5%	0.10	0.06	0.03	0.07	0.04	
3	2500	1.5%	1500	1.5%	800	1.5%	1600	1.5%	950	1.5%	0.10	0.06	0.03	0.07	0.04	
4	2500	1.5%	1500	1.5%	800	1.5%	1600	1.5%	950	1.5%	0.10	0.06	0.03	0.07	0.04	
5	2500	1.5%	1500	1.5%	800	1.5%	1600	1.5%	950	1.5%	0.10	0.06	0.03	0.07	0.04	
6	2500	1.5%	1500	1.5%	800	1.5%	1600	1.5%	950	1.5%	0.10	0.06	0.03	0.07	0.04	
7	2500	1.5%	1500	1.5%	800	1.5%	1600	1.5%	950	1.5%	0.10	0.06	0.03	0.07	0.04	
8	2500	1.5%	1500	1.5%	800	1.5%	2100	1.5%	1250	1.5%	0.10	0.06	0.03	0.09	0.05	
9	2500	1.5%	1500	1.5%	800	1.5%	2100	1.5%	1250	1.5%	0.10	0.06	0.03	0.09	0.05	
10	2500	1.5%	1500	1.5%	800	1.5%	2100	1.5%	1250	1.5%	0.10	0.06	0.03	0.09	0.05	
11	2500	1.5%	1500	1.5%	800	1.5%	1600	1.5%	1250	1.5%	0.10	0.06	0.03	0.07	0.05	
12	2500	1.5%	1500	1.5%	800	1.5%	1600	1.5%	1250	1.5%	0.10	0.06	0.03	0.07	0.05	
13	2500	1.5%	1500	1.5%	800	1.5%	1600	1.5%	1250	1.5%	0.10	0.06	0.03	0.07	0.05	
14	2500	1.5%	1500	1.5%	500	1.5%	1600	1.5%	1250	1.5%	0.10	0.06	0.02	0.07	0.05	
15	2500	2.5%	1500	2.5%	500	2.5%	1600	2.5%	1500	2.5%	0.17	0.10	0.03	0.11	0.10	
16	2500	2.5%	1500	2.5%	500	2.5%	1600	2.5%	1500	2.5%	0.17	0.10	0.03	0.11	0.10	
17	2500	2.5%	1500	2.5%	500	2.5%	2100	2.5%	1500	2.5%	0.17	0.10	0.03	0.15	0.10	
18	2500	2.5%	1500	2.5%	500	2.5%	2100	2.5%	1500	2.5%	0.17	0.10	0.03	0.15	0.10	
19	2500	2.5%	1500	2.5%	500	2.5%	2100	2.5%	1500	2.5%	0.17	0.10	0.03	0.15	0.10	
20	2500	2.5%	1500	2.5%	500	2.5%	2100	2.5%	1500	2.5%	0.17	0.10	0.03	0.15	0.10	
21	2500	2.5%	1800	2.5%	500	2.5%	1600	2.5%	1500	2.5%	0.17	0.13	0.03	0.11	0.10	
22	2500	2.5%	1800	2.5%	500	2.5%	1600	2.5%	1900	2.5%	0.17	0.13	0.03	0.11	0.13	
23	2500	2.5%	1800	2.5%	500	2.5%	1600	2.5%	1900	2.5%	0.17	0.13	0.03	0.11	0.13	
24	2500	2.5%	1800	2.5%	500	2.5%	1600	2.5%	1900	2.5%	0.17	0.13	0.03	0.11	0.13	
25	2500	2.5%	1800	2.5%	500	2.5%	2100	2.5%	1900	2.5%	0.17	0.13	0.03	0.15	0.13	
26	2500	2.5%	1800	2.5%	500	2.5%	2100	2.5%	1900	2.5%	0.17	0.13	0.03	0.15	0.13	
27	2500	2.5%	1800	2.5%	500	2.5%	2100	2.5%	1900	2.5%	0.17	0.13	0.03	0.15	0.13	
28	2500	2.5%	1800	2.5%	500	2.5%	1600	2.5%	1900	2.5%	0.17	0.13	0.03	0.11	0.13	
29	2500	2.5%	1800	2.5%	500	2.5%	1600	2.5%	1900	2.5%	0.17	0.13	0.03	0.11	0.13	
30	2500	2.5%	1800	2.5%	500	2.5%	1600	2.5%	1900	2.5%	0.17	0.13	0.03	0.11	0.13	
Month t+1																
Σ	75000		48000		18900		53000		43000		Σ	4.2361	2.7500	1.0097	3.0167	2.5583



In case when earned interest is add to the capital every month, than must be reported as follows:

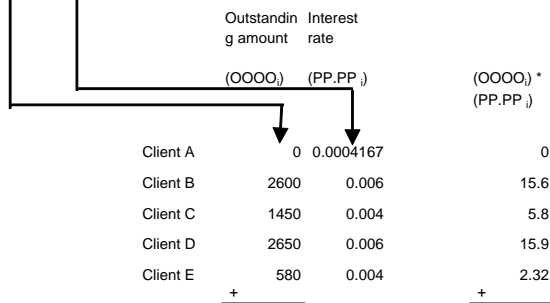
Report in IRR for month t:	
Average of month outstanding amounts	7930
Annual Interest Rate	$((1+0.000057*30)^{12}-1)*100 = 2.07$

In case when earned interest is add to the capital once a year, than must be reported as follows:

Report in IRR for month t:	
Average of month outstanding amounts	7930
Annual Interest R	$(0.000057*360*100) = 2.05$

Current accounts : SNAPSHOT - APPROACH

	Client A		Client B		Client C		Client D		Client E		Outstanding amount end of month (figure of the balance)
	Out-standing amount	Interest rate	Out-standing amount	Interest rate	Out-standing amount	Interest rate	Out-standing amount	Interest rate	Out-standing amount	Interest rate	
Month t-1											
Month t											
1	0	0.0004167	1300	0.004	520	0.004	1500	0.006	420	0.004	
2	0	0.0004167	1200	0.004	602	0.004	1600	0.006	450	0.004	
3	0	0.0004167	1150	0.004	580	0.004	526	0.006	485	0.004	
4	0	0.0004167	1350	0.004	480	0.004	852	0.006	785	0.004	
5	0	0.0004167	1400	0.004	592	0.004	923	0.006	698	0.004	
6	0	0.0004167	1500	0.004	482	0.004	485	0.006	569	0.004	
7	0	0.0004167	1600	0.004	450	0.004	902	0.006	859	0.004	
8	0	0.0004167	1450	0.004	450	0.004	2510	0.006	236	0.004	
9	0	0.0004167	1320	0.004	450	0.004	2600	0.006	458	0.004	
10	0	0.0004167	1425	0.004	450	0.004	2780	0.006	784	0.004	
11	0	0.0004167	1258	0.004	450	0.004	2600	0.006	956	0.004	
12	0	0.0004167	2568	0.006	450	0.004	2600	0.006	563	0.004	
13	0	0.0004167	3250	0.006	450	0.004	3200	0.006	524	0.004	
14	0	0.0004167	2100	0.006	520	0.004	890	0.006	653	0.004	
15	0	0.0004167	800	0.006	520	0.004	978	0.006	986	0.004	
16	0	0.0004167	1520	0.006	520	0.004	2500	0.006	485	0.004	
17	0	0.0004167	900	0.006	520	0.004	2600	0.006	125	0.004	
18	0	0.0004167	1500	0.006	600	0.004	2700	0.006	123	0.004	
19	0	0.0004167	4005	0.006	600	0.004	2800	0.006	526	0.004	
20	100	0.0004167	3500	0.006	450	0.004	2926	0.006	949	0.004	
21	100	0.0004167	2400	0.006	300	0.004	3500	0.006	593	0.004	
22	0	0.0004167	1480	0.006	600	0.004	3600	0.006	250	0.004	
23	0	0.0004167	2680	0.006	620	0.004	3750	0.006	761	0.004	
24	0	0.0004167	2700	0.006	620	0.004	4000	0.006	749	0.004	
25	0	0.0004167	2700	0.006	620	0.004	2526	0.006	726	0.004	
26	0	0.0004167	2700	0.006	980	0.004	2400	0.006	365	0.004	
27	0	0.0004167	2600	0.006	1200	0.004	2400	0.006	258	0.004	
28	0	0.0004167	2600	0.006	1320	0.004	2350	0.006	741	0.004	
29	0	0.0004167	2600	0.006	1320	0.004	2500	0.006	369	0.004	
30	0	0.0004167	2600	0.006	1450	0.004	2650	0.006	580	0.004	7280
Month t+1											
...											



$$S \text{ OOOO}_t \quad 7280 \quad S \frac{[(\text{OOOO}) * (\text{PP.PP})]}{(\text{PP.PP})} \quad 39.62$$

$$\left\{ \frac{S \frac{[(\text{OOOO}) * (\text{PP.PP})]}{(\text{PP.PP})}}{S \text{ OOOO}_t} \right\} =$$

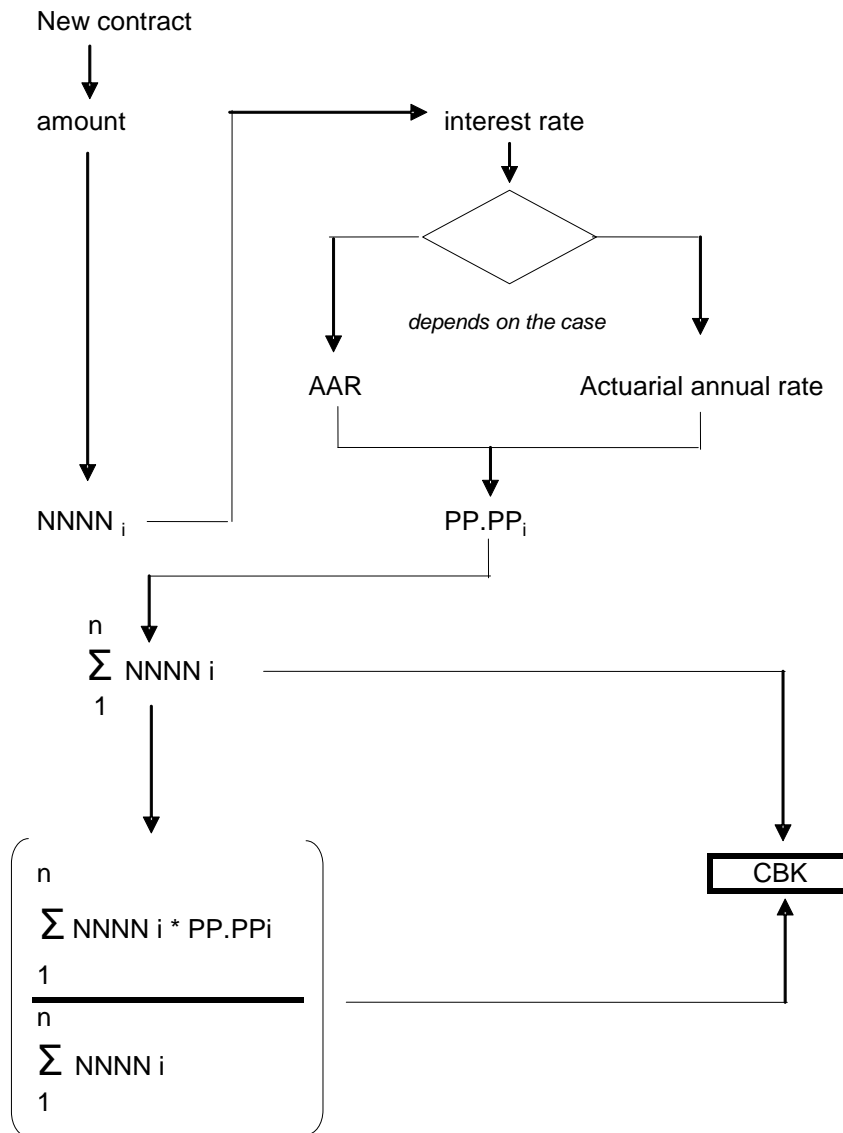
0.005442308

Report in IRR for month t:
Outstanding Amount 7280
Interest Rate 0.54

Detailed calculation scheme for IRR (interest rates and new business/outstanding amounts)

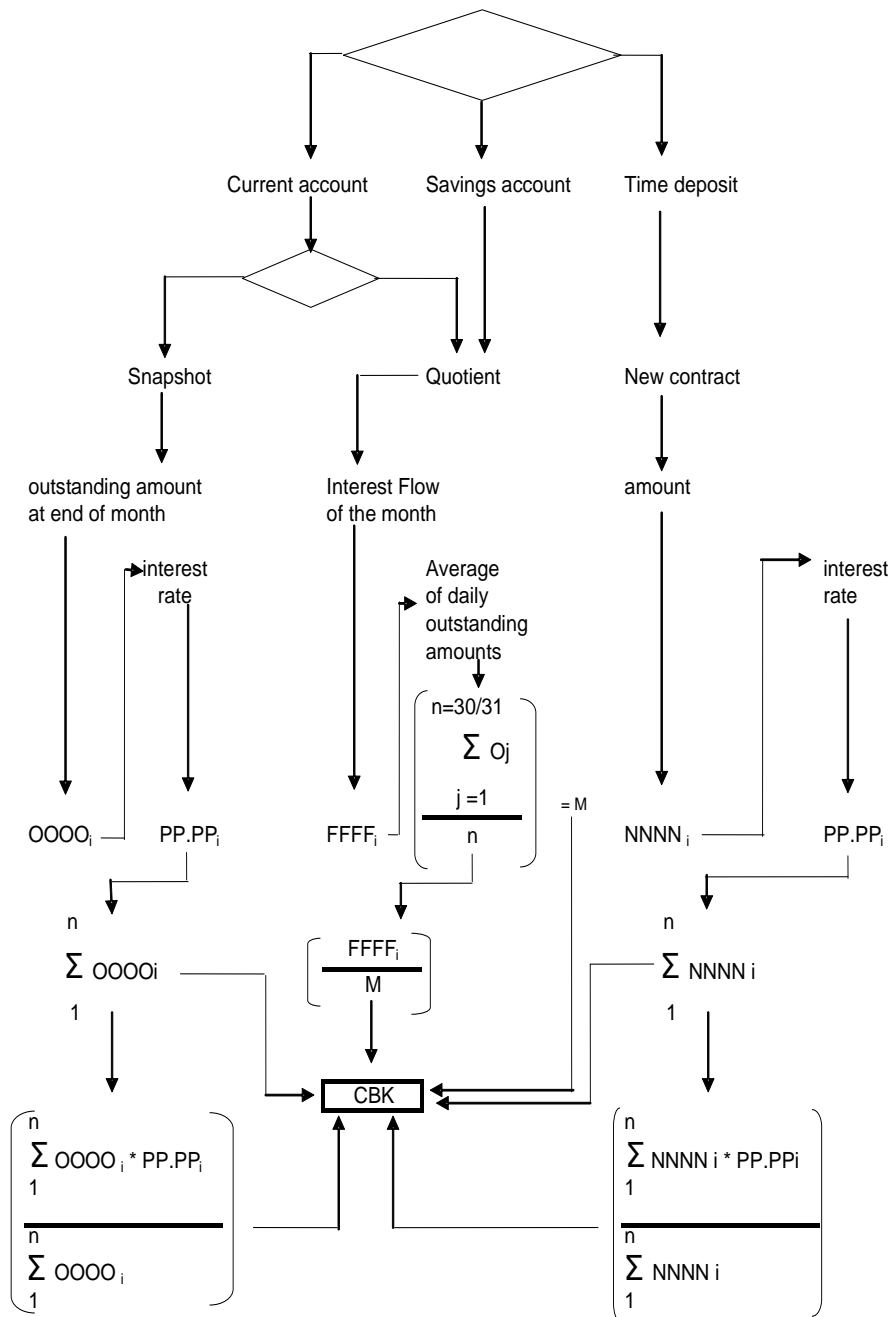
Monthly procedure

I. By category of lending rate (# 24)



Monthly procedure

II. By category of deposit rate (# 19)



Appendix 2: Institutional Sectors

Main Sector	Subsector	Description	-
Government	Central Government	Central Government is legal entity established by political processes that have legislative, judicial, or executive authority over other institutional units within specific areas.	General Assembly, Ministries and their sections (departments), Courts, etc;
	Local Government	Local Government are units of legal entities , respectively municipalities established by political processes that have legislative, judicial, or executive authority over other institutional units.	Municipalities.
Financial Corporations	DC, ODC, OFC	The financial corporations sector consist of all resident corporations and quasi-corporations principally engaged in financial intermediation or in related auxiliary financial activities	Central bank, commercial banks, insurance companies, pension funds, and the rest of financial institutions.
Depository Corporations	Depository Corporations	-	-
	Central Bank	The central bank is the national financial institution that exercises control over key aspects of the financial system and carries out such activities as issuing currency, regulating money supply and credit, managing international reserves, transacting with the IMF, and providing credit to other depository corporations.	Central bank of the Republic of Kosovo (CBK)
	Other Depository Corporations (ODC)	The other depository corporations subsector consists of all resident financial corporations (except the central bank) and quasi-corporations that are mainly engaged in financial intermediation and that issue liabilities included in the national definition of broad money	Procredit Bank, Banka Ekonomike, Raiffeisen Bank, Bank for Business, NLB Prishtina, Banka Kombëtare Tregëtare, Komercijalna Banka, Türk Ekonomik Bankasi
Other Financial Corporations	Other Financial Corporations	-	-
	Other Financial Intermediaries (OFC)	The subsector of other financial intermediaries covers a diverse group of units constituting all financial corporations other than depository corporations, insurance corporations, pension funds, and financial auxiliaries.	FINCA, KEP, Gramen Trust, Agency for Finance in Kosovo, Cordaid, Besëlidhja Micro Finance, Kreditimi Rural i Kosovës, Kosinvest World Vision, Mështekna, Centro Laici Italiani per le Mission, START, Ballkanctie, Perspektiva 4, AgroBusinees Development Unit, Koosva Aid and development, Atlantic Capital Partners, Vllesa - Co, Crimson Finance Fund.
	Pension Funds	Pension funds are established to provide retirement benefits for specific groups of employees. Pension funds hold and invest assets of contributors to cover future pension payments. Governments	KPST, Slovenian - Kosovar Pension Fund.

		sometimes organize pension plans for their employees, which are independent of the social security system. Pension plans can be established on a voluntary basis, or they can be compulsory with mandated contributions from the employee, employer, or both.	
	Insurance Companies	Insurance companies provide financial benefits to policyholders and their survivors in the event of accidents, illness, death, disasters, or incurrance of various business or personal expenses. Insurance corporations invest premiums to build up portfolios of financial assets to be used to meet future claims.	Croatia Insurance, Dardania, Dukagjini, Insignu, Kosova e Re, Sigal-Drini, Sigkos, Sigma, Siguria, Elsig, Shoqata e Sigurimeve IAK, Fondi I Garancionit GFK, CIU, Dukagjini Life.
	Financial Auxiliaries	The financial auxiliary subsector includes financial corporations that engage in activities closely related to financial intermediation but do not act as intermediaries. Activities that are auxiliary to financial intermediation are performed, on a secondary basis, by traditional financial intermediaries or by financial auxiliaries that do not engage in raising funds or extending credit on their own account.	Exchange Bureaus: Agimi, Agoni, Ari, Beni, Euro, Euro Eki, Euro Exchange, Euro-Cufa, Gipa, Indriti, Monedha, Pikon, Prizreni, Valuta, Xeni, Ximi, E-Bani, Te Gazi, Pëllumbi, Hamza, Veli, Mena. Money Transfer Agencies: DMTH, KLM Enterprises, PCB Western Union, RZBK Western Union, Union Financiar Prishtina, E&S Efikasiteti Siguria Llc. Other Financial Auxiliaries: Guarantee Fund, Slovenian-Kosovar Fund - Assets Manager.
Nonfinancial corporations	Public owned	Nonfinancial corporations are legal entities engaged in economic activities and transactions in their own rights. Such units are responsible and accountable for the economic decisions or actions they take.	PTK, KEK, Termokos, Batllava, International Prishtina Airport, etc.
	Social owned		-
	Private owned		All private nonfinancial business entities which are incorporated.
Households	-	A household may consist of an individual or more than one person. Persons constituting a single household own assets in common, assume liabilities on behalf of the whole household, and make collective decisions on expenditure.	Individuals and self employed persons running a non incorporated business
NPISH	-	Non-profit institutions serving households (NPISH) are legal or social entities created for the purpose of producing goods and services, but whose status does not permit them to be a source of income, profit, or other financial gain for the units that establish, control, or finance them.	NGOs, charitable institutions, mosques, churches, etc.
Nonresidents	-	Nonresident sub-sector consists of nonresident institutional units (corporation or household) that enter into transactions with resident units, or have other economic links with resident units.	UNMIK, EULEX, nonresident households, corporations, etc.

Appendix 3: NACE Classification

Main category		Sub-category		Details			
Agriculture	A	Agriculture, forestry and fishing	A1	Crop and animal production, hunting, and related service activities	A1.1.1	Growing of cereals (except rice), leguminous crops, oil seeds, rice, vegetables, melons, roots, tubers, sugar cane, tobacco, fibre crops, non-perennial crops.	
					A1.2.1	Growing of grapes, tropical and subtropical fruits, citrus fruits, pome fruits, stone fruits, other tree, bush fruits and nuts, oleaginous fruits, beverage crops, spices, aromatic, drug, pharmaceutical crops, perennial crops, tropical, subtropical fruits, pome fruits, stone fruits, tree, bush fruits, nuts, oleaginous fruits, beverage crops, spices, aromatic, drug and pharmaceutical crops, of other perennial crops.	
					A1.3.0	Plant propagation.	
					A1.4.1	Raising of dairy cattle, buffaloes, horses, other equines, camels, camelids, sheep, goats, swine, pigs, poultry and other animals.	
					A1.5.0	Mixed farming.	
					A1.6.1	Support activities for crop production, support activities for animal production, post-harvest crop activities, seed processing for propagation.	
					A1.7.0	Hunting, trapping and related service activities.	
					A2	Forestry and logging	A2.1.0
					A2.2.0	Logging	
					A2.3.0	Gathering of wild growing non-wood products.	
					A2.4.0	Support services to forestry	
				A3	Fishing and aquaculture	A3.1.1	Marine fishing and freshwater fishing.
						A3.2.1	Marine aquaculture and freshwater aquaculture.
			Industry	B	Mining and quarrying	B5	Mining and quarrying
B5.2.0	Mining of lignite.						
B6	Extraction of crude petroleum and natural gas	B6.1.0				Extraction of crude petroleum.	
		B6.2.0				Extraction of natural gas.	
B7	Mining of metal ores	B7.1.0				Mining of iron ores.	
		B7.2.1				Mining of uranium and thorium ores.	
		B7.2.9				Mining of other non-ferrous metal ores.	
B8	Other mining and quarrying	B8.1.1				Quarrying of ornamental, building stone, limestone, gypsum, chalk, slate, operation of gravel and sand pits, mining of clays and kaolin.	
		B8.9.1				Mining of chemical, fertilizer minerals, extraction of peat, salt other mining and quarrying n.e.c.	

			B9	Mining support service activities	B9.1.0	Support activities for petroleum and natural gas extraction.
					B9.9.0	Support activities for other mining and quarrying.
Industry	C	Manufacturing	C10	Manufacturing of food products	C10.1.1	Processing and preserving of meat, processing, preserving of poultry meat, production of meat and poultry meat products.
					C10.2.0	Processing, preserving of fish, crustaceans and molluscs.
					C10.3.1	Processing, manufacture of fruit, vegetable juice, other processing preserving of fruit, potatoes and vegetables.
					C10.4.1	Manufacture of oils, fats, margarine and similar edible fats.
					C10.5.1	Operation of dairies, cheese making and manufacture of ice cream.
					C10.6.1	Manufacture of grain mill products, starches and starch products.
					C10.7.1	Manufacture of bread, fresh pastry goods and cakes, rusks biscuits, manufacture of preserved pastry goods, cakes, manufacture of macaroni, noodles, couscous and similar farinaceous products.
					C10.8.1	Manufacture of sugar, cocoa, chocolate, sugar confectionery, processing of tea, coffee, condiments, seasonings, prepared meals, dishes, homogenised food preparations, dietetic food and other food products n.e.c.
					C10.9.1	Manufacture of prepared feeds for farm animals and prepared pet foods.
			C11	Manufacture of beverages	C11.0.1	Distilling, rectifying and blending of spirits, of wine from grape, cider, other fruit wines, manufacture of other non-distilled fermented beverages, beer, malt, soft drinks, production of mineral waters and other bottled waters.
			C12	Manufacture of tobacco products	C12.0.0	Manufacture of tobacco products.
					C13.1.0	Preparation and spinning of textile fibres.
					C13.2.0	Weaving of textiles.
					C13.3.0	Finishing of textiles.
					C13.9.1	Manufacture of knitted, crocheted fabrics, made-up textile articles, except apparel, carpets, rugs, cordage, rope, twine, netting, non-wovens, articles made from non-wovens, except apparel, other technical, industrial textiles and other textiles n.e.c.
			C14	Manufacture of wearing apparel	C14.1.1	Manufacture of leather clothes, workwear, other outerwear, underwear, other wearing apparel and accessories.
					C14.2.0	Manufacture of articles of fur.
					C14.3.1	Manufacture of knitted, crocheted hosiery, other knitted and crocheted apparel.
			C15	Manufacture of leather and related products	C15.1.1	Tanning and dressing of leather, dressing, dyeing of fur, luggage, handbags, saddler, harness and the like.
					C15.2.0	Manufacture of footwear.
			C16	Manufacture	C16.1.0	Sawmilling and planning of wood.

	of wood and of products of wood and cork, except furniture; manufacture of articles of cork, straw and plaiting materials	C16.2.1	Manufacture of veneer sheets and wood-based panels, assembled parquet floors, other builders' carpentry, joinery, wooden containers, other products of wood, articles of cork, straw and plaiting materials.
C17	Manufacture of paper and paper products	C17.1.1	Manufacture of pulp, paper and paperboard, household, sanitary goods toilet requisites, paper stationery, wallpaper, other articles of paper and paperboard.
C18	Printing and reproduction of recorded media	C18.1.1	Printing of newspapers, other printing, pre-press, pre-media services, binding and related services.
		C18.2.0	Reproduction of recorded media.
C19	Manufacture of coke and refined petroleum products	C19.1.0	Manufacture of coke oven products.
		C19.2.0	Manufacture of refined petroleum products.
C20	Manufacture of chemicals and chemical products	C20.1.1	Manufacture of industrial gases, dyes, pigments, other inorganic basic chemicals, other organic, fertilisers, nitrogen compounds, plastics in primary forms, synthetic rubber in primary forms.
		C20.2.0	Manufacture of pesticides and other agrochemical products.
		C20.3.0	Manufacture of paints, varnishes, similar coatings, printing ink and mastics.
		C20.4.1	Manufacture of soap, detergents, cleaning, polishing preparations, perfumes and toilet preparations.
		C20.5.1	Manufacture of explosives, glues, essential oils, and other chemical products n.e.c.
		C20.6.0	Manufacture of man-made fibres.
C21	Manufacture of basic pharmaceutical products and pharmaceutical preparations	C21.1.0	Manufacture of basic pharmaceutical products.
		C21.2.0	Manufacture of pharmaceutical preparations.
C22	Manufacture of rubber and plastic products	C22.1.1	Manufacture of rubber tyres and tubes, retreading, rebuilding of rubber tyres and other rubber products.
		C22.2.1	Manufacture of plastic plates, sheets, tubes, profiles, plastic packing goods, builders' ware of plastic and other plastic products.
C23	Manufacture of other non-metallic mineral products	C23.1.1	Manufacture of flat glass, shaping, processing of flat glass, hollow glass, glass fibres and including technical glassware.
		C23.2.0	Manufacture of refractory products.
		C23.3.1	Manufacture of ceramic tiles, flags, bricks, tiles and construction products, in baked clay.

		C23.4.1	Manufacture of ceramic household, ornamental articles, ceramic sanitary fixtures, ceramic insulators, insulating fittings and other technical ceramic products.
		C23.5.1	Manufacture of cement, lime and plaster.
		C23.6.1	Manufacture of concrete products for construction purposes, plaster products for construction purposes, ready-mixed concrete, mortars, other articles of concrete, plaster and cement.
		C23.7.0	Cutting, shaping and finishing of stone.
		C23.9.1	Production of abrasive products, other non-metallic mineral products n.e.c.
C24	Manufacture of basic metals	C24.1.0	Manufacture of basic iron, steel and of ferro-alloys.
		C24.2.0	Manufacture of tubes, pipes, hollow profiles, related fittings and steel.
		C24.3.1	Cold drawing of bars, cold rolling of narrow strip, cold forming or folding and cold drawing of wire.
		C24.4.1	Precious metals production, aluminium production, lead, zinc and tin production, copper production, other non-ferrous metal production, processing of nuclear fuel.
		C24.5.1	Casting of iron, steel, light metals, and other non-ferrous metals.
C25	Manufacture of fabricated metal products, except machinery and equipment.	C25.1.1	Manufacture of metal structures, parts of structures, doors and windows of metal.
		C25.2.1	Manufacture of central heating radiators and boilers, other tanks, reservoirs and containers of metal.
		C25.3.0	Manufacture of steam generators, except central heating hot water boilers.
		C25.4.0	Manufacture of weapons and ammunition.
		C25.5.0	Forging, pressing, stamping, roll-forming of metal and powder metallurgy.
		C25.6.1	Treatment, coating of metals and machining.
		C25.7.1	Manufacture of cutlery, locks, hinges and manufacture of tools.
		C25.9.1	Manufacture of steel drums, similar containers, light metal packaging, wire products, chain, springs, fasteners, screw machine products, fasteners, screw machine products and other fabricated metal products n.e.c.
C26	Manufacture of computer, electronic and optical products	C26.1.1	Manufacture of electronic components and loaded electronic boards.
		C26.2.0	Manufacture of computers and peripheral equipment.
		C26.3.0	Manufacture of communication equipment.
		C26.4.0	Manufacture of consumer electronics.
		C26.5.1	Manufacture of instruments, appliances for measuring, testing, navigation, watches and clocks.

		C26.6.0	Manufacture of irradiation, electromedical and electrotherapeutic equipment.
		C26.7.0	Manufacture of optical instruments and photographic equipment.
		C26.8.0	Manufacture of magnetic and optical media.
C27	Manufacture of electrical equipment	C27.1.1	Manufacture of electric motors, generators and transformers, electricity distribution and control apparatus.
		C27.2.0	Manufacture of batteries and accumulators.
		C27.3.1	Manufacture of fibre optic cables, other electronic, electric wires and cables and wiring devices.
		C27.4.0	Manufacture of electric lighting equipment.
		C27.5.1	Manufacture of electric domestic appliances and non-electric domestic appliances.
		C27.9.0	Manufacture of other electrical equipment.
C28	Manufacture of machinery and equipment n.e.c.	C28.1.1	Manufacture of engines, turbines, except aircraft, vehicle, cycle engines, fluid power equipment, other pumps, compressors, other taps, valves, bearings, gears, gearing and driving elements.
		C28.2.1	Manufacture of ovens, furnace burners, lifting and handling equipment, office machinery, equipment (except computers and peripheral equipment), power-driven hand tools, non-domestic cooling, ventilation equipment, power-driven hand tools, other general-purpose machinery n.e.c.
		C28.3.0	Manufacture of agricultural and forestry machinery.
		C28.4.1	Manufacture of metal forming machinery and other machine tools.
		C28.9.1	Manufacture of machinery for metallurgy, mining, quarrying, construction, manufacture of machinery for food, beverage, tobacco processing, machinery for textile, apparel, leather production, machinery for paper, paperboard production, plastics, rubber machinery and other special-purpose machinery n.e.c.
C29	Manufacture of motor vehicles, trailers and semi-trailers	C29.1.0	Manufacture of motor vehicles, bodies (coachwork) for motor vehicles and trailers and semi-trailers.
		C29.2.0	Manufacture of bodies (coachwork) for motor vehicles, manufacture of trailers and semi-trailers.
		C29.3.1	Manufacture of electrical, electronic equipment for motor vehicles, other parts, accessories for motor vehicles, other parts and accessories for motor vehicles.
C30	Manufacture of other transport equipment	C30.1.1	Building of ships, floating structures, pleasure and supporting boats, manufacture of railway locomotives and rolling stock.
		C30.2.0	Manufacture of railway locomotives and rolling stock.
		C30.3.0	Manufacture of air, spacecraft and related machinery.
		C30.4.0	Manufacture of military fighting vehicles.

				C30.9.1	Manufacture of motorcycles, bicycles, invalid carriages and other transport equipment n.e.c.			
		C31	Manufacture of furniture	C31.0.1	Manufacture of office shop furniture, manufacture of kitchen furniture, manufacture of mattresses, manufacture of other furniture.			
		C32	Other manufacturing	C32.1.1	Striking of coins, manufacture of jewelry, related articles, imitation jewelry and related articles.			
				C32.2.0	Manufacture of musical instruments.			
				C32.3.0	Manufacture of sports goods.			
				C32.4.0	Manufacture of games and toys.			
				C32.5.0	Manufacture of medical and dental instruments and supplies.			
				C32.9.1	Manufacture of brooms and brushes and other manufacturing n.e.c.			
		C33	Repair and installation of machinery and equipment	C33.1.1	Repair of fabricated metal products, machinery, electronic, optical equipment, maintenance of ships, boats, maintenance of aircraft and spacecraft other transport equipment and repair of other equipment.			
				C33.2.0	Installation of industrial machinery and equipment.			
Industry	D	Electricity, gas, steam and air conditioning supply	D35	Electricity, gas, steam and air conditioning supply	D35.1.1	Production of electricity, transmission of electricity and distribution of electricity.		
					D35.2.1	Manufacture of gas, distribution of gaseous fuels through mains, trade of gas through mains.		
					D35.3.0	Steam and air conditioning supply.		
Industry	E	Water supply, sewerage, waste management and remediation activities.	E36	Water collection, treatment and supply	E36.0.0	Water collection, treatment and supply.		
					E37	Sewerage	E37.0.0	Sewerage
					E38	Waste collection, treatment and disposal activities, materials recovery	E38.1.1	Collection of non-hazardous waste and collection of hazardous waste.
			E38.2.1	Treatment, disposal of non-hazardous waste, treatment and disposal of hazardous waste.				
			E38.3.1	Dismantling of wrecks.				
			E38.3.2	Recovery of sorted materials and recovery of sorted materials.				
	E39	Remediation activities and other waste management services.	E39.0.0	Remediation activities and other waste management services.				
Industry	F	Construction	F41	Construction of buildings	F41.1.0	Development of building projects.		
					F41.2.0	Construction of residential and non-residential buildings.		

Services	G	Wholesale and retail trade, repair of motor vehicles and motorcycles.	F42	Civil engineering	F42.1.1	Construction of roads, railways and motorways, underground railways, bridges and tunnels.
					F42.2.1	Construction of utility projects for fluids, utility projects for electricity and telecommunications.
					F42.9.1	Construction of water projects, construction of other civil engineering projects n.e.c.
			F43	Specialised construction activities	F43.1.1	Demolition, site preparation, test drilling and boring.
					F43.2.1	Electrical installation, plumbing, heat and air-conditioning installation, other construction installation, building completion and finishing.
					F43.3.1	Plastering, joinery installation, floor, wall covering, painting, glazing, other building completion and finishing.
					F43.9.1	Roofing activities, other specialised construction activities n.e.c.
			G45	Wholesale and retail trade and repair of motor vehicles and motorcycles	G45.1.1	Sale of cars, light motor vehicles, sale of other motor vehicles.
					G45.2.0	Maintenance and repair of motor vehicles.
					G45.3.1	Wholesale trade of motor vehicle parts and accessories, retail trade of motor vehicle parts and accessories.
					G45.4.0	Sale, maintenance, repair of motorcycles, related parts and accessories.
					G46	Wholesale trade, except of motor vehicles and motorcycles
G46.2.1	Wholesale of grain, unmanufactured, tobacco, seeds, animal feeds, flowers, plants, live animals, hides, skins and leather.					
G46.3.1	Wholesale of fruit and vegetables, meat products, dairy products, eggs, edible oils, fats, beverages, tobacco products, sugar, chocolate, sugar confectionery, coffee, tea, cocoa, spices, other food, including fish, crustaceans, mollusks, non-specialized food, beverages and tobacco.					
G46.4.1	Wholesale of textiles, clothing, footwear, electrical household appliances, china, glassware, cleaning materials, perfume, cosmetics and pharmaceutical goods, furniture, carpets, lightings equipment,					

				watches, jewellery and other households goods.
			G46.5.1	Wholesale of computers, computer peripheral equipment, software, electronic, telecommunications equipment and parts.
			G46.6.1	Wholesale of agricultural machinery, equipment and supplies, machine tools, mining, construction, civil engineering machinery, machinery for the textile industry sewing, knitting machines, office furniture, other office machinery equipment, other machinery and equipment.
			G46.7.1	Wholesale of solid, liquid, gaseous fuels and related products, metals, metal ores, wood, construction materials, sanitary equipment, hardware, plumbing and heating equipment, supplies, chemical products, other intermediate products, waste and scrap.
			G46.9.0	Non-specialised wholesale trade
G47	Retail trade, except of motor vehicles and motorcycles.		G47.1.1	Retail sale in non-specialised stores with food, beverages or tobacco predominating, other retail sale in non-specialised stores.
			G47.2.1	Retail sale of fruit and vegetables in specialised stores, meat products in specialised stores, fish, crustaceans, molluscs in specialised stores, bread, cakes, flour confectionery and sugar confectionery in specialised stores, retail sale of beverages in specialized, other retail sale of food in specialised storesstores, tobacco products in specialised stores.
			G47.3.0	Retail sale of automotive fuel in specialised stores.
			G47.4.1	Retail sale of computers, peripheral units, software in specialised stores, retail sale of telecommunications equipment in specialised stores, retail sale of audio and video equipment in specialised stores.
			G47.5.1	Retail sale of textiles in specialised stores, hardware, paints and glass in specialised stores, hardware, paints, glass in specialised stores, carpets, rugs, wall and floor coverings in specialised stores, electrical household appliances in specialised stores, furniture, lighting equipment and other household articles in specialised stores.
			G47.6.1	Retail sale of books in specialised stores, Retail sale of newspapers, stationery in specialised stores, retail sale of music video recordings in specialised stores, retail sale of sporting equipment in specialised stores, retail sale of games and toys in specialised stores.

				G47.7.1	Retail sale of clothing in specialised stores, footwear, leather goods in specialised stores, dispensing chemist in specialised stores, retail sale of medical orthopaedic goods in specialised stores, retail sale of cosmetic, toilet articles in specialised stores, retail sale of flowers, plants, seeds, fertilisers, pet animals, pet food in specialised stores, retail sale of watches, jewellery in specialised stores, other retail sale of new goods in specialised stores.	
				G47.8.1	Retail sale via stalls and markets of food, beverages, tobacco products, sale via stalls, markets of textiles, clothing, footwear and markets of other goods.	
				G47.9.1	Retail sale via mail order houses or via Internet, other retail sale not in stores, stalls or markets.	
Services	H	Transporting and storage	H49	Land transport and transport via pipelines	H49.1.0	Passenger rail transport, interurban.
					H49.2.0	Freight rail transport.
					H49.3.1	Urban and suburban passenger land transport
					H49.4.1	Freight transport by road, Removal services
					H49.5.0	Transport via pipeline
			H50	Water transport	H50.1.0	Sea and coastal passenger water transport
					H50.2.0	Sea and coastal freight water transport.
					H50.3.0	Inland passenger water transport.
					H50.4.0	Inland freight water transport.
			H51	Air transport	H51.1.0	Passenger air transport.
					H51.2.1	Freight air transport and space transport.
			H52	Warehousing and support activities for transportation	H52.1.0	Warehousing and storage.
					H52.2.1	Service activities incidental to land transportation, water transportation, air transportation, cargo handling and other transportation support activities.
			H53	Postal and courier activities	H53.1.0	Postal activities under universal service obligation.
					H53.2.0	Other postal and courier activities.
Services	I	Accommodation and food service activities	I55	Accommodation	I55.1.0	Hotels and similar accommodation.
					I55.2.0	Holiday and other short-stay accommodation.
					I55.3.0	Camping grounds, recreational vehicle parks and trailer parks.
					I55.9.0	Other accommodation
			I56	Food and beverage service activities.	I56.1.0	Restaurants and mobile food service activities.
					I56.2.1	Event catering activities and other food service activities.

Services	J	Information and communication	J58	Publishing activities	I56.3.0	Beverage serving activities.			
					J58.1.1	Book publishing, directories, mailing lists, newspapers, journals periodicals and other publishing activities.			
					J58.2.1	Publishing of computer games and other software publishing.			
			J59	Motion picture, video, television programme production, sound recording and music publishing activities.	J59.1.1	Motion picture, video and television programme distribution production activities, post-production activities, motion picture and motion picture projection activities.			
					J59.2.0	Sound recording and music publishing activities.			
			J60	Programming and broadcasting activities.	J60.1.0	Radio broadcasting.			
					J60.2.0	Television programming and broadcasting activities.			
			J61	Telecommunications	J61.1.0	Wired telecommunications activities.			
					J61.2.0	Wireless telecommunications activities.			
					J61.3.0	Satellite telecommunications activities.			
					J61.9.0	Other telecommunications activities.			
			J62	Computer programming, consultancy and related activities.	J62.0.1	Computer programming activities, consultancy activities, facilities management activities, other information technology and computer service activities.			
			J63	Information service activities	J63.1.1	Data processing, hosting, related activities and web portals.			
			Services	K	Financial and insurance activities	K64	Financial service activities, except insurance and pension funding	K64.1.1	Central banking and other monetary intermediation.
								K64.2.0	Activities of holding companies.
K64.3.0	Trusts, funds and similar financial entities.								
K64.9.1	Financial leasing, other credit granting, other financial service activities, except insurance and pension funding n.e.c.								
K65	Insurance, reinsurance, pension funding, except compulsory social security.	K65.1.1				Life insurance and Non-life insurance.			
		K65.2.0				Reinsurance			
		K65.3.0				Pension funding			

		K66	Activities auxiliary to financial services and insurance activities.	K66.1.1	Administration of financial markets, security, commodity contracts brokerage, other activities auxiliary to financial services, except insurance and pension funding.	
				K66.2.1	Risk and damage evaluation, activities of insurance agents and brokers, other activities auxiliary.	
				K66.3.0	Fund management activities.	
Services	L	Real estate activities	L68	Real estate activities	L68.1.0	Buying and selling of own real estate.
				L68.2.0	Renting and operating of own or leased real estate.	
				L68.3.1	Real estate agencies, management of real estate on a fee or contract basis.	
Services	M	Professional, scientific and technical activities	M69	Legal and accounting activities	M69.1.0	Legal and accounting activities.
				M69.2.0	Accounting, bookkeeping, auditing activities and tax consultancy.	
			M70	Activities of head offices; management consultancy activities	M70.1.0	Activities of head offices.
			M71	Architectural and engineering activities; technical testing and analysis	M70.2.1	Public relations and communication activities, business and other management consultancy activities.
				M71.1.1	Architectural activities, engineering activities and related technical consultancy.	
				M71.2.0	Technical testing and analysis.	
			M72	Scientific research and development	M72.1.1	Research and experimental development on biotechnology, other research, experimental development on natural sciences and engineering.
				M72.2.0	Research and experimental development on social sciences and humanities.	
			M73	Advertising and market research	M73.1.1	Advertising agencies and media representation.
				M73.2.0	Market research and public opinion polling.	
			M74	Other professional, scientific and technical activities	M74.1.0	Specialised design activities.
				M74.2.0	Photographic activities.	
				M74.3.0	Translation and interpretation activities.	
				M74.9.0	Other professional, scientific and technical activities n.e.c.	
			M75	Veterinary activities	M75.0.0	Veterinary activities.

Services	N	Administrative and support service activities	N77	Rental and leasing activities	N77.1.1	Renting and leasing of cars, light motor vehicles, renting and leasing of trucks.
					N77.2.1	Renting and leasing of recreational and sports goods, video tapes and disks, leasing of other personal and household goods.
					N77.3.1	Renting and leasing of agricultural machinery, equipment, construction and civil engineering machinery and equipment, leasing of office machinery and equipment (including computers), leasing of water transport equipment, leasing of air transport equipment, leasing of other machinery, equipment and tangible goods n.e.c.
					N77.4.0	Leasing of intellectual property, similar products and except copyrighted works.
			N78	Employment activities	N78.1.0	Activities of employment and placement agencies.
					N78.2.0	Temporary employment agency activities.
					N78.3.0	Other human resources provision.
			N79	Travel agency, tour operator and other reservation service and related activities	N79.1.1	Travel agency activities and tour operator activities.
					N79.9.0	Other reservation service and related activities.
			N80	Security and investigation activities	N80.1.0	Private security activities.
					N80.2.0	Security system services activities investigation activities.
					N80.3.0	Investigation activities.
			N81	Services to buildings and landscape activities	N81.1.0	Combined facilities support activities.
					N81.2.1	General cleaning of buildings, other building and industrial cleaning activities and other cleaning activities.
N82	Office administrative, office support and other business support activities	N82.1.1	Combined office administrative service activities, photocopying, document preparation, and other specialised office support activities.			
		N82.3.0	Organisation of conventions and trade shows.			
		N82.9.1	Activities of collection agencies and credit bureaus, packaging activities, other business support service activities n.e.c.			
Other	O	Public administration and defence; compulsory social security	O84	Public administration and defence; compulsory social security	O84.1.1	General public administration activities, regulation of the activities of providing health care, education, cultural services and other social services, excluding social security regulation of and contribution to more efficient operation of businesses.

				O84.2.1	Foreign affairs, defence activities, justice and judicial activities, public order and safety activities, fire service activities.
				O84.3.0	Compulsory social security activities.
Other	P	Education	P85	Education	P85.1.0 Pre-primary education
					P85.3.1 General secondary education, technical and vocational secondary education.
					P85.4.1 Post-secondary non-tertiary education and tertiary education.
					P85.5.1 Sports and recreation education, cultural education, driving school activities, driving school activities, other education n.e.c.
					P85.6.0 Educational support activities.
Other	Q	Human health and social work activities	Q86	Human health activities	Q86.1.0 Hospital activities.
					Q86.2.1 General medical practice activities, specialist medical practice activities and dental practice activities.
					Q86.9.0 Other human health activities.
			Q87	Residential care activities	Q87.1.0 Residential nursing care activities, residential care activities for mental retardation, mental health and substance abuse.
					Q87.3.0 Residential care activities for the elderly and disabled.
					Q87.9.0 Other residential care activities.
			Q88	Social work activities without accommodation	Q88.1.0 Social work activities without accommodation for the elderly and disabled.
					Q88.9.1 Child day-care activities, other social work activities without accommodation n.e.c.
Other	R	Arts, entertainment and recreation	R90	Creative, arts and entertainment activities	R90.0.1 Performing arts, support activities to performing arts, artistic creation and operation of arts facilities.
					R91.0.1 Library and archives activities, museums activities, operation of historical sites, buildings, similar visitor attractions, botanical, zoological gardens and nature reserves activities.
			R92	Gambling and betting activities	R92.0.0 Gambling and betting activities.
			R93	Sports activities and amusement and recreation activities	R93.1.1 Operation of sports facilities, activities of sport clubs, fitness facilities and other sports activities.
Other	S	Other services activities	S94	Activities of membership organisations	S94.1.1 Activities of professional membership organisations, activities of business and employers membership organisations.
					S94.2.0 Activities of trade unions.
					S94.9.1 Activities of religious organisations, political organisations and other membership organisations n.e.c.

		S95	Repair of computers and personal and household goods	S95.1.1	Repair of computers and peripheral equipment and communication equipment.
				S95.2.1	Repair of consumer electronics, household appliances, home, garden equipment, footwear, leather goods, furniture, home furnishings, repair of watches, clocks, jewellery, repair of other personal and household goods.
		S96	Other personal service activities.	S96.0.1	Washing and (dry-)cleaning of textile and fur products, hairdressing, other beauty treatment, funeral and related activities, physical well-being activities and other personal service activities n.e.c.
Other	T		Activities of households as employers, undifferentiated goods, services - producing activities of households for own use.	T97	Activities of households as employers of domestic personnel.
				T97.0.0	Activities of household as employer and domestic personnel.
		T98	Undifferentiated goods, services-producing activities of private households for own use.	T98.1.0	Undifferentiated goods-producing activities of private households for own use.
Other	U		Activities of extraterritorial organisations and bodies	U99	Activities of extraterritorial organisations and bodies.
				U99.0.0	Activities of extraterritorial organisation and bodies.