

GUIDELINE OF THE EUROPEAN CENTRAL BANK

of 14 December 2009

amending Guideline ECB/2006/16 on the legal framework for accounting and financial reporting in the European System of Central Banks

(ECB/2009/28)

(2009/1021/EU)

THE GOVERNING COUNCIL OF THE EUROPEAN CENTRAL BANK,

HAS ADOPTED THIS GUIDELINE:

Having regard to the Statute of the European System of Central Banks and of the European Central Bank (hereinafter the 'Statute of the ESCB'), and in particular Articles 12.1, 14.3 and 26.4 thereof,

Having regard to the contribution of the General Council of the European Central Bank (ECB) pursuant to the second and third indents of Article 47.2 of the Statute of the ESCB,

Whereas:

- (1) Decision ECB/2009/16 of 2 July 2009 on the implementation of the covered bond purchase programme⁽¹⁾ provides for the establishment of a programme for the purchase of covered bonds. The implementation of this programme requires further amendments to the accounting and financial reporting framework.
- (2) It is necessary to clarify that liabilities arising from monetary policy operations initiated by a national central bank prior to joining the Eurosystem are to be recorded under the item 'Other liabilities to euro area credit institutions denominated in euro'.
- (3) There is a need to specify the accounting treatment of outstanding claims arising from defaults by Eurosystem counterparties in the context of Eurosystem credit operations and of related assets, as well as the accounting treatment of provisions for counterparty risks arising from such operations.
- (4) Some further technical changes to Guideline ECB/2006/16 of 10 November 2006 on the legal framework for accounting and financial reporting in the European System of Central Banks⁽²⁾ are required.
- (5) Guideline ECB/2006/16 needs to be amended accordingly,

⁽¹⁾ OJ L 175, 4.7.2009, p. 18.

⁽²⁾ OJ L 348, 11.12.2006, p. 1.

Article 1

Amendments

Guideline ECB/2006/16 is amended as follows:

1. Article 7 is amended as follows:

(a) Paragraph 3 is replaced by the following:

'3. No distinction shall be made between price and currency revaluation differences for gold, but a single gold revaluation difference shall be accounted for, based on the euro price per defined unit of weight of gold derived from the euro/US dollar exchange rate on the quarterly revaluation date. Revaluation shall take place on a currency-by-currency basis for foreign exchange, including on-balance-sheet and off-balance-sheet transactions, and on a code-by-code basis i.e. same ISIN number/type for securities, except for those securities included in the items "Other financial assets" or "Sundry", or securities held for monetary policy purposes, which shall be treated as separate holdings.'

(b) Paragraph 5 is replaced by the following:

'5. Securities classified as held-to-maturity shall be treated as separate holdings, shall be valued at amortised costs and shall be subject to impairment. The same treatment shall apply to non-marketable securities. Securities classified as held-to-maturity may be sold before their maturity:

(i) if the quantity sold is considered not significant in comparison with the total amount of the held-to-maturity securities portfolio; or

(ii) if the securities are sold during the month of the maturity date; or

(iii) under exceptional circumstances, such as a significant deterioration of the issuer's creditworthiness, or following an explicit monetary policy decision of the Governing Council of the ECB.'

2. Article 11: In paragraph 1 the following point is added:

‘(f) at year-end impairment losses shall be taken to the profit and loss account and shall not be reversed in subsequent years unless the impairment decreases and the decrease can be related to an observable event that occurred after the impairment was first recorded.’

3. Annexes II, IV and IX to Guideline ECB/2006/16 are amended in accordance with the Annex to this Guideline.

Article 2

Entry into force

This Guideline shall enter into force on 31 December 2009.

Article 3

Addressees

This Guideline is addressed to all Eurosystem central banks.

Done at Frankfurt am Main, 14 December 2009.

For the Governing Council of the ECB

The President of the ECB

Jean-Claude TRICHET

ANNEX

Annexes II, IV and IX to Guideline ECB/2006/16 are amended as follows:

1. Annex II is amended as follows:

The following definition is inserted:

'*Appropriation*: the act of taking ownership of securities, loans or any assets which have been received by a central bank as collateral as a means of enforcing the original claim.'

2. The tables in Annex IV are replaced by the following:

'ASSETS

Balance sheet item ⁽¹⁾		Categorisation of contents of balance sheet items	Valuation principle	Scope of application ⁽²⁾	
1	1	Gold and gold receivables	Physical gold, i.e. bars, coins, plates, nuggets in storage or "under way". Non-physical gold, such as balances in gold sight accounts (unallocated accounts), term deposits and claims to receive gold arising from the following transactions: (i) upgrading or downgrading transactions; and (ii) gold location or purity swaps where there is a difference of more than one business day between release and receipt	Market value	Mandatory
2	2	Claims on non-euro area residents denominated in foreign currency	Claims on counterparties resident outside the euro area including international and supranational institutions and central banks outside the euro area denominated in foreign currency		
2.1	2.1	Receivables from the International Monetary Fund (IMF)	<p>(a) <i>Drawing rights within the reserve tranche (net)</i> National quota minus balances in euro at the disposal of the IMF. The No 2 account of the IMF (euro account for administrative expenses) may be included in this item or under the item "Liabilities to non-euro area residents denominated in euro"</p> <p>(b) <i>Special drawing rights</i> Holdings of special drawing rights (gross)</p> <p>(c) <i>Other claims</i> General arrangements to borrow, loans under special borrowing arrangements, deposits within the framework of the Poverty Reduction and Growth Facility</p>	<p>(a) <i>Drawing rights within the reserve tranche (net)</i> Nominal value, translation at the foreign exchange market rate</p> <p>(b) <i>Special drawing rights</i> Nominal value, translation at the foreign exchange market rate</p> <p>(c) <i>Other claims</i> Nominal value, translation at the foreign exchange market rate</p>	<p>Mandatory</p> <p>Mandatory</p> <p>Mandatory</p>

Balance sheet item ⁽¹⁾		Categorisation of contents of balance sheet items	Valuation principle	Scope of application ⁽²⁾	
2.2	2.2	Balances with banks and security investments, external loans and other external assets	(a) <i>Balances with banks outside the euro area other than those under asset item "Other financial assets"</i> Current accounts, fixed-term deposits, day-to-day money, reverse repo transactions	(a) <i>Balances with banks outside the euro area</i> Nominal value, translation at the foreign exchange market rate	Mandatory
	(b) <i>Security investments outside the euro area other than those under asset item "Other financial assets"</i> Notes and bonds, bills, zero bonds, money market paper, equity instruments held as part of the foreign reserves, all issued by non-euro area residents		(b)(i) <i>Marketable securities other than held-to-maturity</i> Market price and foreign exchange market rate Any premiums or discounts are amortised	Mandatory	
			(b)(ii) <i>Marketable securities classified as held-to-maturity</i> Cost subject to impairment and foreign exchange market rate Any premiums or discounts are amortised	Mandatory	
			(b)(iii) <i>Non-marketable securities</i> Cost subject to impairment and foreign exchange market rate Any premiums or discounts are amortised	Mandatory	
			(b)(iv) <i>Marketable equity instruments</i> Market price and foreign exchange market rate	Mandatory	
		(c) <i>External loans (deposits) outside the euro area other than those under asset item "Other financial assets"</i>	(c) <i>External loans</i> Deposits at nominal value translated at the foreign exchange market rate	Mandatory	

Balance sheet item ⁽¹⁾		Categorisation of contents of balance sheet items	Valuation principle	Scope of application ⁽²⁾
		(d) <i>Other external assets</i> Non-euro area banknotes and coins	(d) <i>Other external assets</i> Nominal value, translation at the foreign exchange market rate	Mandatory
3	3	Claims on euro area residents denominated in foreign currency	(a) <i>Security investments inside the euro area other than those under asset item "Other financial assets"</i> Notes and bonds, bills, zero bonds, money market paper, equity instruments held as part of the foreign reserves, all issued by euro area residents	
			(a)(i) <i>Marketable securities other than held-to-maturity</i> Market price and foreign exchange market rate Any premiums or discounts are amortised	Mandatory
			(a)(ii) <i>Marketable securities classified as held-to-maturity</i> Cost subject to impairment and foreign exchange market rate Any premiums or discounts are amortised	Mandatory
			(a)(iii) <i>Non-marketable securities</i> Cost subject to impairment and foreign exchange market rate Any premiums or discounts are amortised	Mandatory
			(a)(iv) <i>Marketable equity instruments</i> Market price and foreign exchange market rate	Mandatory
		(b) <i>Other claims on euro area residents other than those under asset item "Other financial assets"</i> Loans, deposits, reverse repo transactions, sundry lending	(b) <i>Other claims</i> Deposits and other lending at nominal value, translated at the foreign exchange market rate	Mandatory
4	4	Claims on non-euro area residents denominated in euro		

Balance sheet item ⁽¹⁾		Categorisation of contents of balance sheet items	Valuation principle	Scope of application ⁽²⁾	
4.1	4.1	Balances with banks, security investments and loans	(a) <i>Balances with banks outside the euro area other than those under asset item "Other financial assets"</i> Current accounts, fixed-term deposits, day-to-day money. Reverse repo transactions in connection with the management of securities denominated in euro	(a) <i>Balances with banks outside the euro area</i> Nominal value	Mandatory
			(b) <i>Security investments outside the euro area other than those under asset item "Other financial assets"</i> Equity instruments, notes and bonds, bills, zero bonds, money market paper, all issued by non-euro area residents	(b)(i) <i>Marketable securities other than held-to-maturity</i> <i>Market price</i> Any premiums or discounts are amortised	Mandatory
				(b)(ii) <i>Marketable securities classified as held-to-maturity</i> Cost subject to impairment Any premiums or discounts are amortised	Mandatory
				(b)(iii) <i>Non-marketable securities</i> Cost subject to impairment Any premiums or discounts are amortised	Mandatory
			(b)(iv) <i>Marketable equity instruments</i> Market price	Mandatory	
(c) <i>Loans outside the euro area other than those under asset item "Other financial assets"</i>	(c) <i>Loans outside the euro area</i> Deposits at nominal value	Mandatory			
(d) <i>Securities other than those under asset item "Other financial assets", issued by entities outside the euro area</i> Securities issued by supranational or international organisations e.g. the European Investment Bank, irrespective of their geographical location	(d)(i) <i>Marketable securities other than held-to-maturity</i> <i>Market price</i> Any premiums or discounts are amortised	Mandatory			

Balance sheet item ⁽¹⁾		Categorisation of contents of balance sheet items	Valuation principle	Scope of application ⁽²⁾	
			(d)(ii) <i>Marketable securities classified as held-to-maturity</i> Cost subject to impairment Any premiums or discounts are amortised	Mandatory	
			(d)(iii) <i>Non-marketable securities</i> Cost subject to impairment Any premiums or discounts are amortised	Mandatory	
4.2	4.2	Claims arising from the credit facility under ERM II	Lending according to the ERM II conditions	Nominal value	Mandatory
5	5	Lending to euro area credit institutions related to monetary policy operations denominated in euro	Items 5.1 to 5.5: transactions according to the respective monetary policy instruments described in Annex I to Guideline ECB/2000/7 of 31 August 2000 on monetary policy instruments and procedures of the Euro-system ⁽³⁾		
5.1	5.1	Main refinancing operations	Regular liquidity-providing reverse transactions with a weekly frequency and normally a maturity of one week	Nominal value or repo cost	Mandatory
5.2	5.2	Longer-term refinancing operations	Regular liquidity-providing reverse transactions with a monthly frequency and normally a maturity of three months	Nominal value or repo cost	Mandatory
5.3	5.3	Fine-tuning reverse operations	Reverse transactions, executed as ad hoc transactions for fine-tuning purposes	Nominal value or repo cost	Mandatory
5.4	5.4	Structural reverse operations	Reverse transactions adjusting the structural position of the Eurosystem vis-à-vis the financial sector	Nominal value or repo cost	Mandatory
5.5	5.5	Marginal lending facility	Overnight liquidity facility at a pre-specified interest rate against eligible assets (standing facility)	Nominal value or repo cost	Mandatory
5.6	5.6	Credits related to margin calls	Additional credit to credit institutions, arising from value increases of underlying assets regarding other credit to these credit institutions	Nominal value or cost	Mandatory

Balance sheet item ⁽¹⁾		Categorisation of contents of balance sheet items	Valuation principle	Scope of application ⁽²⁾	
6	6	Other claims on euro area credit institutions denominated in euro	Current accounts, fixed-term deposits, day-to-day money, reverse repo transactions in connection with the management of security portfolios under the asset item "Securities of euro area residents denominated in euro", including transactions resulting from the transformation of former foreign currency reserves of the euro area and other claims. Correspondent accounts with non-domestic euro area credit institutions. Other claims and operations unrelated to monetary policy operations of the Eurosystem. Any claims stemming from monetary policy operations initiated by an NCB prior to joining the Eurosystem	Nominal value or cost	Mandatory
7	7	Securities of euro area residents denominated in euro			
7.1	7.1	Securities held for monetary policy purposes	Securities issued in the euro area held for monetary policy purposes. ECB debt certificates purchased for fine-tuning purposes	(i) <i>Marketable securities other than held-to-maturity</i> Market price Any premiums or discounts are amortised (ii) <i>Marketable securities classified as held-to-maturity</i> Cost subject to impairment Any premiums or discounts are amortised (iii) <i>Non-marketable securities</i> Cost subject to impairment Any premiums or discounts are amortised	Mandatory Mandatory Mandatory
7.2	7.2	Other securities	Securities other than those under asset item 7.1 "Securities held for monetary policy purposes" and under asset item 11.3 "Other financial assets"; notes and bonds, bills, zero bonds, money market paper held outright, including government securities stemming from before EMU, denominated in euro. Equity instruments	(i) <i>Marketable securities other than held-to-maturity</i> Market price Any premiums or discounts are amortised	Mandatory

Balance sheet item ⁽¹⁾		Categorisation of contents of balance sheet items	Valuation principle	Scope of application ⁽²⁾	
			(ii) <i>Marketable securities classified as held-to-maturity</i> Cost subject to impairment Any premiums or discounts are amortised	Mandatory	
			(iii) <i>Non-marketable securities</i> Cost subject to impairment Any premiums or discounts are amortised	Mandatory	
			(iv) <i>Marketable equity instruments</i> Market price	Mandatory	
8	8	General government debt denominated in euro	Claims on government stemming from before EMU (non-marketable securities, loans)	Deposits/loans at nominal value, non-marketable securities at cost	Mandatory
—	9	Intra-Eurosystem claims ⁽⁺⁾			
—	9.1	Participating interest in ECB ⁽⁺⁾	Only an NCB balance sheet item The ECB capital share of each NCB according to the Treaty and the respective capital key and contributions according to Article 49.2 of the Statute of the ESCB	Cost	Mandatory
—	9.2	Claims equivalent to the transfer of foreign reserves ⁽⁺⁾	Only an NCB balance sheet item Euro-denominated claims on the ECB in respect of initial and additional transfers of foreign reserves under the Treaty provisions	Nominal value	Mandatory
—	9.3	Claims related to promissory notes backing the issuance of ECB debt certificates ⁽⁺⁾	Only an ECB balance sheet item. Promissory notes issued by NCBs, due to the back-to-back agreement in connection with ECB debt certificates	Nominal value	Mandatory

Balance sheet item ⁽¹⁾		Categorisation of contents of balance sheet items	Valuation principle	Scope of application ⁽²⁾	
—	9.4	Net claims related to the allocation of euro banknotes within the Eurosystem ^(†) ^(*)	For the NCBs: net claim related to the application of the banknote allocation key i.e. including the ECB's banknote issue related intra-Eurosystem balances, the compensatory amount and its balancing accounting entry as defined by Decision ECB/2001/16 on the allocation of monetary income of the national central banks of participating Member States from the financial year 2002 For the ECB: claims related to the ECB's banknote issue, according to Decision ECB/2001/15	Nominal value	Mandatory
—	9.5	Other claims within the Eurosystem (net) ^(†)	Net position of the following sub-items: (a) net claims arising from balances of TARGET2 accounts and correspondent accounts of NCBs i.e. the net figure of claims and liabilities – see also liability item “Other liabilities within the Eurosystem (net)” (b) claim due to the difference between monetary income to be pooled and redistributed. Only relevant for the period between booking of monetary income as part of the year-end procedures, and its settlement on the last working day in January each year (c) other intra-Eurosystem claims denominated in euro that may arise, including the interim distribution of ECB income on euro banknotes to NCBs ^(*)	(a) Nominal value (b) Nominal value (c) Nominal value	Mandatory Mandatory Mandatory
9	10	Items in the course of settlement	Settlement account balances (claims), including the float of cheques in collection	Nominal value	Mandatory
9	11	Other assets			
9	11.1	Coins of euro area	Euro coins if an NCB is not the legal issuer	Nominal value	Mandatory

Balance sheet item ⁽¹⁾		Categorisation of contents of balance sheet items	Valuation principle	Scope of application ⁽²⁾	
9	11.2	Tangible and intangible fixed assets	Land and buildings, furniture and equipment including computer equipment, software Cost less depreciation Depreciation rates: — computers and related hardware/software and motor vehicles: 4 years — equipment, furniture and plant in building: 10 years — building and capitalised major refurbishment expenditure: 25 years Capitalisation of expenditure: limit based (below EUR 10 000 excluding VAT: no capitalisation)	Recommended	
9	11.3	Other financial assets	— Participating interests and investments in subsidiaries; equities held for strategic/policy reasons, — Securities, including equities, and other financial instruments and balances (e.g. fixed term deposits and current accounts), held as an earmarked portfolio, — Reverse repo transactions with credit institutions in connection with the management of securities portfolios under this item,	(a) <i>Marketable equity instruments</i> Market price (b) <i>Participating interests and illiquid equity shares, and any other equity instruments held as permanent investments</i> Cost subject to impairment (c) <i>Investment in subsidiaries or significant interests</i> Net asset value (d) <i>Marketable securities other than held to maturity</i> Market price Any premiums or discounts are amortised (e) <i>Marketable securities classified as held-to-maturity or held as a permanent investment</i> Cost subject to impairment Any premiums or discounts are amortised	Recommended Recommended Recommended Recommended

Balance sheet item ⁽¹⁾		Categorisation of contents of balance sheet items	Valuation principle	Scope of application ⁽²⁾	
			(f) <i>Non-marketable securities</i> Cost subject to impairment Any premiums or discounts are amortised	Recommended	
			(g) <i>Balances with banks and loans</i> Nominal value, translated at the foreign exchange market rate if the balances or deposits are denominated in foreign currencies	Recommended	
9	11.4	Off-balance sheet instruments revaluation differences	Valuation results of foreign exchange forwards, foreign exchange swaps, interest rate swaps, forward rate agreements, forward transactions in securities, foreign exchange spot transactions from trade date to settlement date	Net position between forward and spot, at the foreign exchange market rate	Mandatory
9	11.5	Accruals and prepaid expenditure	Income not due in, but assignable to the reported period. Prepaid expenditure and accrued interest paid (i.e. accrued interest purchased with a security)	Nominal value, foreign exchange translated at market rate	Mandatory
9	11.6	Sundry	Advances, loans and other minor items. Revaluation suspense accounts (only balance sheet item during the year: unrealised losses at revaluation dates during the year, which are not covered by the respective revaluation accounts under the liability item "Revaluation accounts"). Loans on a trust basis. Investments related to customer gold deposits. Coins denominated in national euro area currency units. Current expense (net accumulated loss), loss of the previous year before coverage. Net pension assets Outstanding claims arising from the default of Euro-system counterparties in the context of Eurosystem credit operations	Nominal value or cost <i>Revaluation suspense accounts</i> Revaluation difference between average cost and market value, foreign exchange translated at market rate <i>Investments related to customer gold deposits</i> Market value <i>Outstanding claims (from defaults)</i> Nominal/recoverable value (before/after settlement of losses)	Recommended <i>Revaluation suspense accounts:</i> mandatory <i>Investments related to customer gold deposits:</i> mandatory <i>Outstanding claims (from defaults):</i> mandatory

Balance sheet item ⁽¹⁾		Categorisation of contents of balance sheet items	Valuation principle	Scope of application ⁽²⁾
		Assets or claims (vis-à-vis third parties) appropriated and/or acquired in the context of the realisation of collateral submitted by Eurosystem counterparties in default	Assets or claims (from defaults) Cost (converted at the foreign exchange market rate at the time of the acquisition if financial assets are denominated in foreign currencies)	Assets or claims (from defaults): mandatory
—	12	Loss for the year	Nominal value	Mandatory

(*) Items to be harmonised. See recital 4 of Guideline ECB/2006/16.

(1) The numbering in the first column relates to the balance sheet formats given in Annexes V, VI and VII (weekly financial statements and consolidated annual balance sheet of the Eurosystem). The numbering in the second column relates to the balance sheet format given in Annex VIII (annual balance sheet of a central bank). The items marked with a "(+)" are consolidated in the Eurosystem's weekly financial statements.

(2) The composition and valuation rules listed in this Annex are considered mandatory for the ECB's accounts and for all material assets and liabilities in NCBs' accounts for Eurosystem purposes, i.e. material to the Eurosystem's operation.

(3) OJ L 310, 11.12.2000, p. 1.'

LIABILITIES

Balance sheet item ⁽¹⁾		Categorisation of contents of balance sheet items	Valuation principle	Scope of application ⁽²⁾
1	1	Banknotes in circulation (*)	(a) Euro banknotes, plus/minus adjustments relating to the application of the banknote allocation key according to Guideline ECB/2001/15 and Decision ECB/2001/16	(a) Nominal value Mandatory
			(b) Banknotes denominated in national euro area currency units during the cash changeover year	(b) Nominal value Mandatory
2	2	Liabilities to euro area credit institutions related to monetary policy operations denominated in euro	Items 2.1, 2.2, 2.3 and 2.5: deposits in euro as described in Annex I to Guideline ECB/2000/7	
2.1	2.1	Current accounts (covering the minimum reserve system)	Euro accounts of credit institutions that are included in the list of financial institutions subject to minimum reserves according to the Statute. This item contains primarily accounts used in order to hold minimum reserves	Nominal value Mandatory

Balance sheet item (1)		Categorisation of contents of balance sheet items	Valuation principle	Scope of application (2)	
2.2	2.2	Deposit facility	Overnight deposits at a pre-specified interest rate (standing facility)	Nominal value	Mandatory
2.3	2.3	Fixed-term deposits	Collection for liquidity absorption purposes owing to fine-tuning operations	Nominal value	Mandatory
2.4	2.4	Fine-tuning reverse operations	Monetary policy-related transactions with the aim of liquidity absorption	Nominal value or repo cost	Mandatory
2.5	2.5	Deposits related to margin calls	Deposits of credit institutions, arising from value decreases of underlying assets regarding credits to these credit institutions	Nominal	Mandatory
3	3	Other liabilities to euro area credit institutions denominated in euro	Repo transactions in connection with simultaneous reverse repo transactions for the management of securities portfolios under asset item "Securities of euro area residents denominated in euro". Other operations unrelated to Eurosystem monetary policy operations. No current accounts of credit institutions. Any liabilities/deposits stemming from monetary policy operations initiated by an NCB prior to joining the Eurosystem	Nominal value or repo cost	Mandatory
4	4	Debt certificates issued	Only an ECB balance sheet item — for the NCBs a transitional balance sheet item. Debt certificates as described in Annex I to Guideline ECB/2000/7. Discount paper, issued with the aim of liquidity absorption	Nominal value	Mandatory
5	5	Liabilities to other euro area residents denominated in euro			
5.1	5.1	General government	Current accounts, fixed-term deposits, deposits repayable on demand	Nominal value	Mandatory
5.2	5.2	Other liabilities	Current accounts of staff, companies and clients including financial institutions listed as exempt from the obligation to hold minimum reserves — see liability item 2.1 etc.; fixed-term deposits, deposits repayable on demand	Nominal value	Mandatory

Balance sheet item ⁽¹⁾		Categorisation of contents of balance sheet items	Valuation principle	Scope of application ⁽²⁾	
6	6	Liabilities to non-euro area residents denominated in euro	Current accounts, fixed-term deposits, deposits repayable on demand including accounts held for payment purposes and accounts held for reserve management purposes: of other banks, central banks, international/supranational institutions including the Commission of the European Communities; current accounts of other depositors. Repo transactions in connection with simultaneous reverse repo transactions for the management of securities denominated in euro. Balances of TARGET2 accounts of central banks of non-participating Member States	Nominal value or repo cost	Mandatory
7	7	Liabilities to euro area residents denominated in foreign currency	Current accounts, liabilities under repo transactions; usually investment transactions using foreign currency assets or gold	Nominal value, translation at the foreign exchange market rate	Mandatory
8	8	Liabilities to non-euro area residents denominated in foreign currency			
8.1	8.1	Deposits, balances and other liabilities	Current accounts, liabilities under repo transactions; usually investment transactions using foreign currency assets or gold	Nominal value, translation at the foreign exchange market rate	Mandatory
8.2	8.2	Liabilities arising from the credit facility under ERM II	Borrowing according to the ERM II conditions	Nominal value, translation at the foreign exchange market rate	Mandatory
9	9	Counterpart of special drawing rights allocated by the IMF	SDR-denominated item which shows the amount of SDRs that were originally allocated to the respective country/NCB	Nominal value, translation at the market rate	Mandatory
—	10	Intra-Eurosystem liabilities ^(*)			
—	10.1	Liabilities equivalent to the transfer of foreign reserves ⁽⁺⁾	Only an ECB balance sheet item denominated in euro	Nominal value	Mandatory
—	10.2	Liabilities related to promissory notes backing the issuance of ECB debt certificates ⁽⁺⁾	Only an NCB balance sheet item Promissory notes issued to the ECB, due to the back-to-back-agreement in connection with ECB debt certificates	Nominal value	Mandatory

Balance sheet item ⁽¹⁾		Categorisation of contents of balance sheet items	Valuation principle	Scope of application ⁽²⁾
—	10.3	Net liabilities related to allocation of euro banknotes within the Euro-system ⁽⁺⁾ (*)	Only an NCB balance sheet item. For the NCBs: net liability related to the application of the banknote allocation key i.e. including the ECB's banknote issue related intra-Eurosystem balances, the compensatory amount and its balancing accounting entry as defined by Decision ECB/2001/16	Nominal value Mandatory
—	10.4	Other liabilities within the Euro-system (net) ⁽⁺⁾	Net position of the following sub-items: (a) net liabilities arising from balances of TARGET2 accounts and correspondent accounts of NCBs i.e. the net figure of claims and liabilities — see also asset item "Other claims within the Euro-system (net)" (b) liability due to the difference between monetary income to be pooled and redistributed. Only relevant for the period between booking of monetary income as part of the year-end procedures, and its settlement at the last working day in January each year (c) other intra-Eurosystem liabilities denominated in euro that may arise, including the interim distribution of ECB income on euro banknotes to NCBs (*)	(a) Nominal value Mandatory (b) Nominal value Mandatory (c) Nominal value Mandatory
10	11	Items in course of settlement	Settlement account balances (liabilities), including the float of giro transfers	Nominal value Mandatory
10	12	Other liabilities		
10	12.1	Off-balance sheet instruments revaluation differences	Valuation results of foreign exchange forwards, foreign exchange swaps, interest rate swaps, forward rate agreements, forward transactions in securities, foreign exchange spot transactions from trade date to settlement date	Net position between forward and spot, at the foreign exchange market rate Mandatory

Balance sheet item ⁽¹⁾		Categorisation of contents of balance sheet items	Valuation principle	Scope of application ⁽²⁾
10	12.2	Accruals and income collected in advance	Expenditure falling due in a future period but relating to the reporting period. Income received in the reported period but relating to a future period	Nominal value, foreign exchange translated at market rate Mandatory
10	12.3	Sundry	Taxation suspense accounts. Foreign currency credit or guarantee cover accounts. Repo transactions with credit institutions in connection with simultaneous reverse repo transactions for the management of securities portfolios under asset item "Other financial assets". Compulsory deposits other than reserve deposits. Other minor items. Current income (net accumulated profit), profit of the previous year before distribution. Liabilities on a trust basis. Customer gold deposits. Coins in circulation in the event that an NCB is the legal issuer. Banknotes in circulation denominated in national euro area currency units that have ceased to be legal tender but are still in circulation after the cash changeover year, if not shown under liability item Provisions. Net pension liabilities	Nominal value or (repo) cost <i>Customer gold deposits</i> Market value Recommended Customer gold deposits: mandatory
10	13	Provisions	(a) For pensions, for foreign exchange rate, interest rate, credit and gold price risks, and for other purposes e.g. expected future expenses, provisions for national euro area currency units that have ceased to be legal tender but are still in circulation after the cash changeover year if these banknotes are not shown under liability item "Other liabilities/Sundry" The contributions from NCBs to the ECB according to Article 49.2 of the Statute are consolidated with the respective amounts disclosed under asset item 9.1 ^(*)	(a) Cost/nominal value Recommended
			(b) For counterparty risks arising from monetary policy operations	(b) Nominal value (in proportion to the subscribed ECB capital key; based on a valuation at year-end by the Governing Council of the ECB) Mandatory

Balance sheet item ⁽¹⁾		Categorisation of contents of balance sheet items	Valuation principle	Scope of application ⁽²⁾	
11	14	Revaluation accounts	Revaluation accounts related to price movements for gold, for every type of euro-denominated securities, for every type of foreign currency-denominated securities, for options; market valuation differences related to interest rate risk derivatives; revaluation accounts related to foreign exchange rate movements for every currency net position held, including foreign exchange swaps/forwards and SDRs The contributions from NCBs according to Article 49.2 of the Statute to the ECB are consolidated with the respective amounts disclosed under asset item 9.1 ^(*)	Revaluation difference between average cost and market value, foreign exchange translated at market rate	Mandatory
12	15	Capital and reserves			
12	15.1	Capital	Paid-up capital — the ECB's capital is consolidated with the capital shares of the participating NCBs	Nominal value	Mandatory
12	15.2	Reserves	Legal reserves and other reserves. Retained earnings The contributions from NCBs to the ECB according to Article 49.2 of the Statute are consolidated with the respective amounts disclosed under asset item 9.1 ^(*)	Nominal value	Mandatory
10	16	Profit for the year		Nominal value	Mandatory

^(*) Items to be harmonised. See recital 4 of Guideline ECB/2006/16.

⁽¹⁾ The numbering in the first column relates to the balance sheet formats given in Annexes V, VI and VII (weekly financial statements and consolidated annual balance sheet of the Eurosystem). The numbering in the second column relates to the balance sheet format given in Annex VIII (annual balance sheet of a central bank). The items marked with a "+" are consolidated in the Eurosystem's weekly financial statements.

⁽²⁾ The composition and valuation rules listed in this Annex are considered mandatory for the ECB's accounts and for all material assets and liabilities in NCBs' accounts for Eurosystem purposes, i.e. material to the Eurosystem's operation.

3. Annex IX is replaced by the following:

‘ANNEX IX

Published profit and loss account of a central bank ⁽¹⁾ ⁽²⁾

(EUR million) ⁽³⁾

Profit and loss account for the year ending 31 December ...	Reporting year	Previous year
1.1. <i>Interest income</i> (*)		
1.2. <i>Interest expense</i> (*)		
1. Net interest income		
2.1. <i>Realised gains/losses arising from financial operations</i>		
2.2. <i>Write-downs on financial assets and positions</i>		
2.3. <i>Transfer to/from provisions for foreign exchange rate, interest rate, credit and gold price risks</i>		
2. Net result of financial operations, write-downs and risk provisions		
3.1. <i>Fees and commissions income</i>		
3.2. <i>Fees and commissions expense</i>		
3. Net income/expense from fees and commissions		
4. Income from equity shares and participating interests (*)		
5. Net result of pooling of monetary income (*)		
6. Other income		
Total net income		
7. Staff costs ⁽⁴⁾		
8. Administrative expenses ⁽⁴⁾		
9. Depreciation of tangible and intangible fixed assets		
10. Banknote production services ⁽⁵⁾		
11. Other expenses		
12. Income tax and other government charges on income		
(Loss)/profit for the year		

(*) Items to be harmonised. See recital 4 of Guideline ECB/2006/16.

(1) The profit and loss account of the ECB takes a slightly different format. See Annex III to Decision ECB/2006/17 of 10 November 2006.

(2) The disclosure relating to euro banknotes in circulation, remuneration of net intra-Eurosystem claims/liabilities resulting from the allocation of euro banknotes within the Eurosystem, and monetary income should be harmonised in NCBs' published annual financial statements. The items to be harmonised are indicated with an asterisk in Annexes IV, VIII and IX.

(3) Central banks may alternatively publish exact euro amounts, or amounts rounded in a different manner.

(4) Including administrative provisions.

(5) This item is used in case of outsourced banknote production (for the cost of the services provided by external companies in charge of the production of banknotes on behalf of the central banks). It is recommended that the costs incurred in connection with the issue of both national banknotes and euro banknotes should be taken to the profit and loss account as they are invoiced or otherwise incurred.'