

GUIDELINES

GUIDELINE (EU) 2015/426 OF THE EUROPEAN CENTRAL BANK

of 15 December 2014

amending Guideline ECB/2010/20 on the legal framework for accounting and financial reporting in the European System of Central Banks (ECB/2014/54)

THE GOVERNING COUNCIL OF THE EUROPEAN CENTRAL BANK,

Having regard to the Statute of the European System of Central Banks and of the European Central Bank, 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 pursuant to the second and third indents of Article 46.2 of the Statute of the European System of Central Banks and of the European Central Bank,

Whereas:

- (1) Guideline ECB/2010/20 ⁽¹⁾ lays down the rules for standardising the accounting and financial reporting of operations undertaken by the national central banks.
- (2) There is a need to further clarify the valuation approach of securities held for monetary policy purposes.
- (3) Technical clarifications need to be incorporated into Guideline ECB/2010/20 following Decision ECB/2014/40 ⁽²⁾ and Decision ECB/2014/45 ⁽³⁾.
- (4) Some further technical changes to Guideline ECB/2010/20 are also required.
- (5) Therefore, Guideline ECB/2010/20 should be amended accordingly,

HAS ADOPTED THIS GUIDELINE:

Article 1

Amendments

Guideline ECB/2010/20 is amended as follows:

1. Article 7 is replaced by the following:

'Article 7

Balance sheet valuation rules

1. Current market rates and prices shall be used for balance sheet valuation purposes unless specified otherwise in Annex IV.
2. The revaluation of gold, foreign currency instruments, securities (other than securities classified as held-to-maturity, non-marketable securities, and securities held for monetary policy purposes that are accounted for at amortised costs), as well as financial instruments, both on-balance-sheet and off-balance-sheet, shall be performed as at the quarterly revaluation date at mid-market rates and prices. This shall not preclude reporting entities from revaluing their portfolios on a more frequent basis for internal purposes, provided that they report items in their balance sheets only at transaction value during the quarter.

⁽¹⁾ Guideline ECB/2010/20 of 11 November 2010 on the legal framework for accounting and financial reporting in the European System of Central Banks (OJ L 35, 9.2.2011, p. 31).

⁽²⁾ Decision ECB/2014/40 of 15 October 2014 on the implementation of the third covered bond purchase programme (OJ L 335, 22.11.2014, p. 22).

⁽³⁾ Decision (EU) 2015/5 of the European Central Bank of 19 November 2014 on the implementation of the asset-backed securities purchase programme (ECB/2014/45) (OJ L 1, 6.1.2015, p. 4).

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. For foreign exchange, including on-balance-sheet and off-balance-sheet transactions, revaluation shall take place on a currency-by-currency basis. For the purpose of this Article, holdings of SDRs, including designated individual foreign exchange holdings underlying the SDR basket, shall be treated as one holding. For securities, revaluation shall take place on a code-by-code basis, i.e. same ISIN number/type, while any embedded options will not be separated for valuation purposes. Securities held for monetary policy purposes or included in the items "Other financial assets" or "Sundry" shall be treated as separate holdings.
 4. Revaluation bookings shall be reversed at the end of the next quarter, except for unrealised losses taken to the profit and loss account at the end of the year; any transactions during the quarter shall be reported at transaction prices and rates.
 5. Securities classified as held-to-maturity shall be treated as separate holdings, valued at amortised costs and be subject to impairment. The same treatment shall apply to non-marketable securities and securities held for monetary policy purposes that are accounted for at amortised costs. Securities classified as held-to-maturity may be sold before their maturity in any of the following circumstances:
 - (a) if the quantity sold is considered not significant in comparison with the total amount of the held-to-maturity securities portfolio;
 - (b) if the securities are sold during one month before maturity date;
 - (c) under exceptional circumstances, such as a significant deterioration of the issuer's creditworthiness.;
2. in Article 13, paragraph 2 is replaced by the following:
- '2. Premiums or discounts arising on issued and purchased securities shall be calculated and presented as part of interest income and shall be amortised over the remaining contractual life of the securities, either according to the straight-line method or the internal rate of return (IRR) method. The IRR method shall, however, be mandatory for discount securities with a remaining maturity of more than one year at the time of acquisition.;
3. in Article 15, paragraph 2 is replaced by the following:
- '2. Interest rate swaps, futures, forward rate agreements, other interest rate instruments and options, with the exception of options embedded in securities, shall be accounted for and revalued on an item-by-item basis. These instruments shall be treated separately from on-balance-sheet items.;
4. Article 19 is amended as follows:
- (a) paragraph 3 is replaced by the following:

'3. Fees shall be taken to the profit and loss account.;
 - (b) paragraph 4 is replaced by the following:

'4. Interest rate swaps that are not cleared through a central clearing counterparty shall be individually revalued and, if necessary, translated into euro at the currency spot rate. It is recommended that unrealised losses taken to the profit and loss account at the year-end should be amortised in subsequent years, that in the case of forward interest rate swaps the amortisation should begin from the value date of the transaction and that the amortisation should be linear. Unrealised revaluation gains shall be credited to a revaluation account.;
 - (c) the following paragraph 5 is added:

'5. For interest rate swaps that are cleared through a central clearing counterparty:

 - (a) the initial margin shall be recorded as a separate asset if deposited in cash. If deposited in the form of securities it shall remain unchanged in the balance sheet;
 - (b) daily changes in the variation margins shall be taken to the profit and loss account and shall affect the currency position;
 - (c) the interest accrual component shall be separated from the realised result and recorded on a gross basis in the profit and loss account.;

5. in Article 22, paragraph 6 is replaced by the following:

‘6. With the exception of options embedded in securities, every option contract shall be individually revalued. Unrealised losses taken to the profit and loss account shall not be reversed in subsequent years against unrealised gains. Unrealised revaluation gains shall be credited to a revaluation account. There shall be no netting of unrealised losses in any one option against unrealised gains in any other option.’;

6. in Annex II, the following definition is added:

‘— *Central clearing counterparty (CCP)*: a legal person that interposes itself between the counterparties to the contracts traded on one or more financial markets, becoming the buyer to every seller and the seller to every buyer.’;

7. in Annex III, point 2.2 is replaced by the following:

‘2.2. Coupon accruals and amortisation of premium or discount are calculated and booked from the settlement date of the purchase of the security until the settlement date of sale, or until the contractual maturity date.’;

8. Annex IV is replaced by the text set out in the Annex to this Guideline.

Article 2

Entry into force

1. This Guideline shall take effect on the day of its notification to the national central banks of the Member States whose currency is the euro.
2. The Eurosystem central banks shall comply with this Guideline from 31 December 2014.

Article 3

Addressees

This Guideline is addressed to all Eurosystem central banks.

Done at Frankfurt am Main, 15 December 2014.

For the Governing Council of the ECB
The President of the ECB
Mario DRAGHI

ANNEX

ANNEX IV

COMPOSITION AND VALUATION RULES FOR THE BALANCE SHEET ⁽¹⁾

ASSETS

Balance sheet item ⁽²⁾		Categorisation of contents of balance sheet items	Valuation principle	Scope of application ⁽³⁾	
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: (a) upgrading or downgrading transactions; and (b) 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) Drawing rights within the reserve tranche (net) 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) SDRs Holdings of SDRs (gross)</p> <p>(c) Other claims General arrangements to borrow, loans under special borrowing arrangements, deposits made to trusts under the management of the IMF</p>	<p>(a) Drawing rights within the reserve tranche (net) Nominal value, translation at the foreign exchange market rate</p> <p>(b) SDRs Nominal value, translation at the foreign exchange market rate</p> <p>(c) Other claims Nominal value, translation at the foreign exchange market rate</p>	<p>Mandatory</p> <p>Mandatory</p> <p>Mandatory</p>

Balance sheet item ⁽²⁾		Categorisation of contents of balance sheet items	Valuation principle	Scope of application ⁽³⁾
2.2	2.2	Balances with banks and security investments, external loans and other external assets	<p>(a) Balances with banks outside the euro area Nominal value, translation at the foreign exchange market rate</p> <p>(b) (i) Marketable securities other than held-to-maturity Market price and foreign exchange market rate Any premiums or discounts are amortised</p> <p>(ii) Marketable securities classified as held-to-maturity Cost subject to impairment and foreign exchange market rate Any premiums or discounts are amortised</p> <p>(iii) Non-marketable securities Cost subject to impairment and foreign exchange market rate Any premiums or discounts are amortised</p> <p>(iv) Marketable equity instruments Market price and foreign exchange market rate</p> <p>(c) External loans Deposits at nominal value translated at the foreign exchange market rate</p> <p>(d) Other external assets Nominal value, translation at the foreign exchange market rate</p>	<p>Mandatory</p> <p>Mandatory</p> <p>Mandatory</p> <p>Mandatory</p> <p>Mandatory</p> <p>Mandatory</p>
		<p>(a) Balances with banks outside the euro area other than those under asset item 11.3 "Other financial assets" Current accounts, fixed-term deposits, day-to-day money, reverse repo transactions</p> <p>(b) Security investments outside the euro area other than those under asset item 11.3 "Other financial assets" 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</p> <p>(c) External loans (deposits) outside the euro area other than those under asset item 11.3 "Other financial assets"</p> <p>(d) Other external assets Non-euro area banknotes and coins</p>		

Balance sheet item ⁽²⁾		Categorisation of contents of balance sheet items	Valuation principle	Scope of application ⁽³⁾	
3	3	Claims on euro area residents denominated in foreign currency	(a) Security investments inside the euro area other than those under asset item 11.3 "Other financial assets" 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) Marketable securities other than held-to-maturity Market price and foreign exchange market rate Any premiums or discounts are amortised	Mandatory
			(ii) Marketable securities classified as held-to-maturity Cost subject to impairment and foreign exchange market rate Any premiums or discounts are amortised	Mandatory	
			(iii) Non-marketable securities Cost subject to impairment and foreign exchange market rate Any premiums or discounts are amortised	Mandatory	
			(iv) Marketable equity instruments Market price and foreign exchange market rate	Mandatory	
		(b) Other claims on euro area residents other than those under asset item 11.3 "Other financial assets" Loans, deposits, reverse repo transactions, sundry lending	(b) Other claims 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			
4.1	4.1	Balances with banks, security investments and loans	(a) Balances with banks outside the euro area other than those under asset item 11.3 "Other financial assets" Current accounts, fixed-term deposits, day-to-day money. Reverse repo transactions in connection with the management of securities denominated in euro	(a) Balances with banks outside the euro area Nominal value	Mandatory

Balance sheet item ⁽²⁾		Categorisation of contents of balance sheet items	Valuation principle	Scope of application ⁽³⁾	
		<p>(b) Security investments outside the euro area other than those under asset item 11.3 "Other financial assets"</p> <p>Equity instruments, notes and bonds, bills, zero bonds, money market paper, all issued by non-euro area residents</p> <p>(c) Loans outside the euro area other than those under asset item 11.3 "Other financial assets"</p> <p>(d) Securities other than those under asset item 11.3 "Other financial assets", issued by entities outside the euro area</p> <p>Securities issued by supranational or international organisations, e.g. the European Investment Bank, irrespective of their geographical location</p>	<p>(b) (i) Marketable securities other than held-to-maturity</p> <p>Market price</p> <p>Any premiums or discounts are amortised</p> <p>(ii) Marketable securities classified as held-to-maturity</p> <p>Cost subject to impairment</p> <p>Any premiums or discounts are amortised</p> <p>(iii) Non-marketable securities</p> <p>Cost subject to impairment</p> <p>Any premiums or discounts are amortised</p> <p>(iv) Marketable equity instruments</p> <p>Market price</p> <p>(c) Loans outside the euro area</p> <p>Deposits at nominal value</p> <p>(d) (i) Marketable securities other than held-to-maturity</p> <p>Market price</p> <p>Any premiums or discounts are amortised</p> <p>(ii) Marketable securities classified as held-to-maturity</p> <p>Cost subject to impairment</p> <p>Any premiums or discounts are amortised</p> <p>(iii) Non-marketable securities</p> <p>Cost subject to impairment</p> <p>Any premiums or discounts are amortised</p>	<p>Mandatory</p> <p>Mandatory</p> <p>Mandatory</p> <p>Mandatory</p> <p>Mandatory</p> <p>Mandatory</p> <p>Mandatory</p> <p>Mandatory</p> <p>Mandatory</p>	
4.2	4.2	Claims arising from the credit facility under ERM II	Lending according to the ERM II conditions	Nominal value	Mandatory

Balance sheet item ⁽²⁾		Categorisation of contents of balance sheet items	Valuation principle	Scope of application ⁽³⁾
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/2011/14 of the European Central Bank ⁽⁴⁾	
5.1	5.1	Main refinancing operations	Regular liquidity-providing reverse transactions with a weekly frequency and normally a maturity of one week	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	Mandatory
5.3	5.3	Fine-tuning reverse operations	Reverse transactions, executed as ad hoc transactions for fine-tuning purposes	Mandatory
5.4	5.4	Structural reverse operations	Reverse transactions adjusting the structural position of the Eurosystem vis-à-vis the financial sector	Mandatory
5.5	5.5	Marginal lending facility	Overnight liquidity facility at a pre-specified interest rate against eligible assets (standing facility)	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	Mandatory
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 7 "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	Mandatory

Balance sheet item ⁽²⁾		Categorisation of contents of balance sheet items	Valuation principle	Scope of application ⁽³⁾	
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	<p>(a) Marketable securities Accounted for depending on monetary policy considerations:</p> <p>(i) Market price Any premiums or discounts are amortised</p> <p>(ii) Cost subject to impairment (cost when the impairment is covered by a provision under liability item 13(b) "Provisions") Any premiums or discounts are amortised</p> <p>(b) Non-marketable securities Cost subject to impairment Any premiums or discounts are amortised</p>	<p>Mandatory</p> <p>Mandatory</p>
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	<p>(a) Marketable securities other than held-to-maturity Market price Any premiums or discounts are amortised</p> <p>(b) Marketable securities classified as held-to-maturity Cost subject to impairment Any premiums or discounts are amortised</p> <p>(c) Non-marketable securities Cost subject to impairment Any premiums or discounts are amortised</p> <p>(d) Marketable equity instruments Market price</p>	<p>Mandatory</p> <p>Mandatory</p> <p>Mandatory</p> <p>Mandatory</p>
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⁽⁴⁾			

Balance sheet item ⁽²⁾		Categorisation of contents of balance sheet items	Valuation principle	Scope of application ⁽³⁾	
—	9.1	Participating interest in ECB⁺⁾	Only an NCB balance sheet item The ECB capital share of each NCB in accordance with the Treaty and the respective capital key and contributions in accordance with Article 48.2 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 Article 30 of the Statute of the ESCB	Nominal value	Mandatory
—	9.3	Claims related to the issuance of ECB debt certificates⁺⁾	Only an ECB balance sheet item Intra-Eurosystem claims vis-à-vis NCBs, arising from the issuance of ECB debt certificates	Cost	Mandatory
—	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/2010/23 ⁽⁵⁾ . For the ECB: claims related to the ECB's banknote issue, in accordance with Decision ECB/2010/29	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 10.4 "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 (*)	(a) Nominal value (b) Nominal value (c) Nominal value	Mandatory Mandatory Mandatory

Balance sheet item ⁽²⁾		Categorisation of contents of balance sheet items	Valuation principle	Scope of application ⁽³⁾	
			(g) Balances with banks and loans 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 (unless daily variation margin applies), 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	Nominal value or cost	Recommended
			Revaluation suspense accounts Revaluation difference between average cost and market value, foreign exchange translated at market rate	Mandatory	
			Investments related to customer gold deposits Market value	Mandatory	
		Outstanding claims arising from the default of Eurosystem counterparties in the context of Eurosystem credit operations	Outstanding claims (from defaults) Nominal/recoverable value (before/after settlement of losses)	Mandatory	
		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)	Mandatory	

Balance sheet item ⁽²⁾		Categorisation of contents of balance sheet items	Valuation principle	Scope of application ⁽³⁾
—	12	Loss for the year	Nominal value	Mandatory

(*) Items to be harmonised. See recital 5 of this Guideline.

(1) 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.

(2) 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.

(3) 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.

(4) Guideline ECB/2011/14 of 20 September 2011 on monetary policy instruments and procedures of the Eurosystem (OJ L 331, 14.12.2011, p. 1).

(5) Decision ECB/2010/23 of 25 November 2010 on the allocation of monetary income of the national central banks of Member States whose currency is the euro (OJ L 35, 9.2.2011, p. 17).

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 in accordance with Decision ECB/2010/23 and Decision ECB/2010/29	(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/2011/14	
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 in accordance with the Statute of the ESCB. 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 value	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 7 "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 a central bank 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/2011/14. Discount paper, issued with the aim of liquidity absorption	Cost Any discounts are amortised	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

Balance sheet item (1)		Categorisation of contents of balance sheet items	Valuation principle	Scope of application (2)	
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 "Current accounts"); fixed-term deposits, deposits repayable on demand	Nominal value	Mandatory
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 European Commission; 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 Member States whose currency is not the euro	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 in accordance with 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

Balance sheet item ⁽¹⁾		Categorisation of contents of balance sheet items	Valuation principle	Scope of application ⁽²⁾	
—	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 the issuance of ECB debt certificates⁺	Only an NCB balance sheet item Intra-Eurosystem liability vis-à-vis the ECB, arising from the issuance of ECB debt certificates	Cost	Mandatory
—	10.3	Net liabilities related to allocation of euro banknotes within the Eurosystem⁺ (*)	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/2010/23	Nominal value	Mandatory
—	10.4	Other liabilities within the Eurosystem (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 9.5 "Other claims within the Eurosystem (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 (*)	(a) Nominal value (b) Nominal value (c) Nominal value	Mandatory Mandatory Mandatory

Balance sheet item ⁽¹⁾		Categorisation of contents of balance sheet items	Valuation principle	Scope of application ⁽²⁾	
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 (unless daily variation margin applies), 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
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 11.3 "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 Customer gold deposits Market value	Recommended Customer gold deposits: mandatory

Balance sheet item (1)		Categorisation of contents of balance sheet items	Valuation principle	Scope of application (2)	
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 12.3 "Other liabilities/Sundry" The contributions from NCBs to the ECB in accordance with Article 48.2 of the Statute of the ESCB are consolidated with the respective amounts disclosed under asset item 9.1 "Participating interest in the ECB" ^(*)	(a) Cost/nominal value	Recommended
			(b) For counterparty or credit 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
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 in accordance with Article 48.2 of the Statute of the ESCB to the ECB are consolidated with the respective amounts disclosed under asset item 9.1 "Participating interest in the ECB" ^(*)	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 NCBs	Nominal value	Mandatory

Balance sheet item ⁽¹⁾			Categorisation of contents of balance sheet items	Valuation principle	Scope of application ⁽²⁾
12	15.2	Reserves	Legal reserves and other reserves. Retained earnings The contributions from NCBs to the ECB in accordance with Article 48.2 of the Statute of the ESCB are consolidated with the respective amounts disclosed under asset item 9.1 "Participating interest in the ECB" ^{*)}	Nominal value	Mandatory
10	16	Profit for the year		Nominal value	Mandatory

(*) Items to be harmonised. See recital 5 of this Guideline.

(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.'