

Box 1

Currency composition of certain assets and liabilities of euro area MFIs

Detailed data for the currency composition of certain assets and liabilities of Monetary Financial Institutions (MFIs) in the euro area are collected by the Eurosystem on a quarterly basis. The first such data have recently become available for December 1998 and March 1999. They are reported in Table 2.6 in the “Euro area statistics” section in this Monthly Bulletin.

The data show that MFI positions vis-à-vis *non-MFI euro area residents* (see item 1 (a) in the table below) are denominated almost completely in euro (including its national denominations). The share of euro-denominated deposits of non-MFI euro area residents was 97.0%. The euro accounted for similar percentages of loans granted to non-MFI euro area residents and of MFI holdings of securities other than shares. As regards other currencies, 1.8% of deposits, 1.6% of loans and 1.3% of MFI holdings of securities other than shares were denominated in US dollars. The positions in other currencies were below 1%.

With regard to the denomination of MFI assets and liabilities vis-à-vis *non-bank non-euro area residents* (see item 2 (a) in the table below), foreign currencies assume greater importance, particularly the US dollar. In March 1999 the euro accounted for 42.0% of deposits placed by non-bank non-euro area residents, while the share of the US dollar was 35.7%. Around 9% of the deposits placed by non-residents were denominated in non-euro area EU currencies. The share of the Japanese yen was 6.9%. Of the outstanding loans granted to non-bank non-euro area residents, 48.9% were denominated in US dollars, while the euro accounted for 35.9%. The share of loans granted to non-euro area residents denominated in non-euro area EU currencies was 7.9%. The corresponding figure for the Swiss franc was 3.8%, which was about twice as high as that for the Japanese yen. Finally, in March 1999 63.3% of MFI holdings of securities issued by non-bank non-euro area residents were denominated in US dollars, while only 13.0% were denominated in euro. Non-euro area EU currencies accounted for 8.5% of these securities, while the share of yen-denominated securities was 7.7%.

A similar picture can be seen with regard to the positions of MFIs in the euro area vis-à-vis other euro area MFIs (see item 1 (b) in the table below) and vis-à-vis non-resident banks (see item 2 (b) in the table). The euro accounts for a very large share of intra-euro area MFI positions, whereas, in the case of positions vis-à-vis non-resident banks, other currencies also play an important role.

For the outstanding stock of debt securities and of money market paper issued by euro area MFIs, a breakdown between amounts held by residents and non-residents is not available (see item 3 in the table below). The share of the euro in these financial instruments was 90.8%, while the share of the US dollar was 5.0% and those of both the Japanese yen and the Swiss franc were equal to 1.2%.

Table 2.6 in the “Euro area statistics” section of this Monthly Bulletin also shows a currency breakdown for December 1998. However, a comparison between data for December 1998 and March 1999 needs to be interpreted with great caution, as the difference between these two months may reflect the effects of, in particular, exchange rate variations and other changes which do not result from transactions.

Currency composition of certain assets and liabilities of MFIs in the euro area

(as a percentage of the total; March 1999)

	Euro ¹⁾	Other EU currencies	Other currencies				
			USD	JPY	CHF	Other	
1. MFI positions vis-à-vis euro area residents							
(a) Non-MFIs							
Deposits placed by euro area residents	97.0	0.5	2.6	1.8	0.3	0.3	0.2
Loans granted to euro area residents	96.6	0.5	2.9	1.6	0.3	0.9	0.1
Holdings of securities other than shares issued by euro area residents	97.0	0.7	2.3	1.3	0.8	0.2	0.1
(b) MFIs							
Deposits placed by euro area MFIs	87.8	1.3	10.9	7.7	0.8	1.4	1.0
Holdings of securities other than shares issued by euro area MFIs	95.7	0.8	3.4	2.5	0.5	0.2	0.3
2. MFI positions vis-à-vis non-euro area residents							
(a) Non-banks							
Deposits placed by non-residents	42.0	9.0	49.0	35.7	6.9	3.0	3.4
Loans granted to non-residents	35.9	7.9	56.2	48.9	2.0	3.8	1.4
Holdings of securities other than shares issued by non-residents	13.0	8.5	78.6	63.3	7.7	1.1	6.5
(b) Banks ²⁾							
Deposits placed by non-resident banks	43.1	10.5	46.3	36.0	3.7	4.2	2.4
Loans granted to non-resident banks	44.2	8.9	46.8	33.7	6.2	2.7	4.2
Holdings of securities other than shares issued by non-resident banks	23.4	18.8	57.7	40.8	6.2	1.1	9.7
3. MFI positions not allocated							
Debt securities and money market paper issued by MFIs	90.8	1.1	8.0	5.0	1.2	1.2	0.6

1) Including items expressed in the national denominations of the euro.

2) The term "banks" includes MFIs resident in the European Economic Area non-euro area countries and "depository corporations", as defined in accordance with the United Nations System of National Accounts 1993 (SNA 93), resident in the rest of the world.