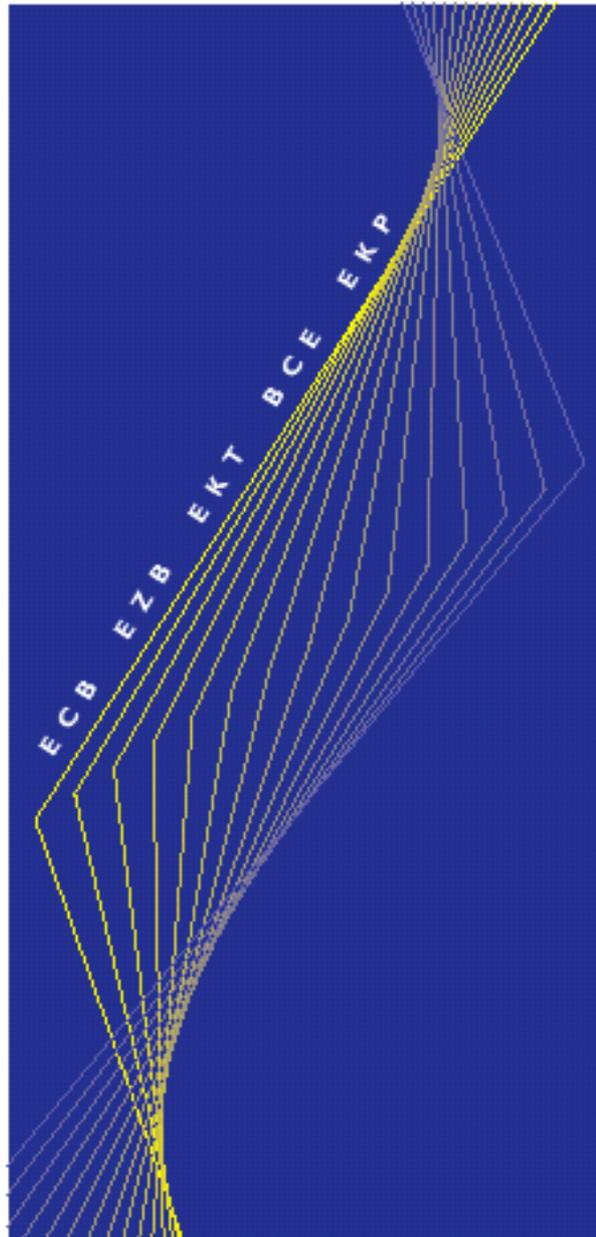




EUROPEAN CENTRAL BANK



**STATISTICAL INFORMATION  
COLLECTED AND COMPILED  
BY THE ESCB**

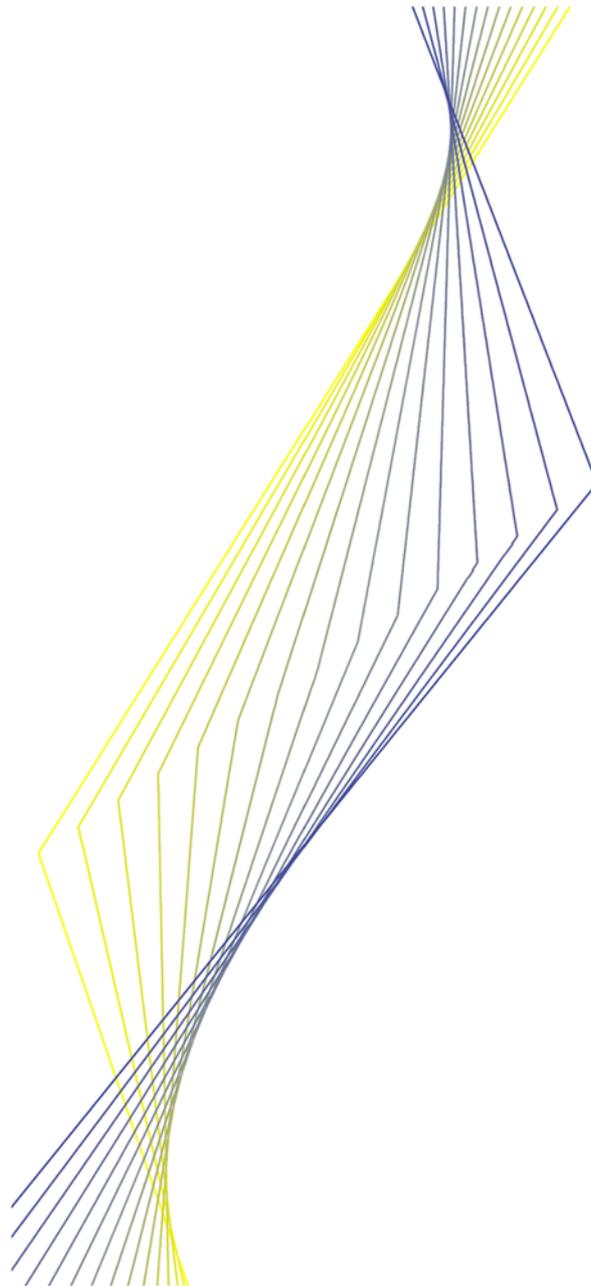
**May 2000**







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<b>Address</b>	<b>Kaiserstrasse 29 D-60311 Frankfurt am Main Germany</b>
<b>Postal address</b>	<b>Postfach 16 03 19 D-60066 Frankfurt am Main Germany</b>
<b>Telephone</b>	<b>+49 69 1344 0</b>
<b>Internet</b>	<b><a href="http://www.ecb.int">http://www.ecb.int</a></b>
<b>Fax</b>	<b>+49 69 1344 6000</b>
<b>Telex</b>	<b>411 144 ecb d</b>

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## I Executive summary

### I.1 Introduction

The primary objective of the European System of Central Banks (ESCB) is to maintain price stability within the euro area.<sup>1</sup> Without prejudice to the objective of price stability, it must support the general economic policies in the Community. With these objectives in view, the Eurosystem has the task of defining and conducting the monetary policy in the euro area and carrying out foreign exchange operations.

The Treaty on European Union gave the European Monetary Institute (EMI) the task of undertaking statistical preparations for Stage Three of Economic and Monetary Union (EMU) and, specifically, for promoting the harmonisation of statistics so far as necessary. The EMI first released a statement of statistical requirements in July 1996. The present document brings the report of July 1996 up to date, describing the provision of statistical data as it stands today. It indicates where the provision of statistical data is already the subject of ECB legal instruments. The document also points to possible further developments in areas where the present availability of statistics seems incomplete or inadequate. These indications (in paragraphs 14, 55, 56, 61, 65-66, 67 and 70) should be regarded as tentative. While the 1996 statement of statistical requirements covered also the field of general economic statistics, these requirements will be dealt with in a separate document. The main purpose of the document is to provide a single, accessible source of information to suppliers and compilers of statistics, and to the interested public.

In Stage Three of EMU the ECB, assisted by the EU national central banks, has a continuing

responsibility to collect statistics to enable the tasks of the ESCB to be carried out and, in doing so, must contribute, within its fields of competence, to harmonisation where necessary. Within the ESCB, statistical work is to be carried out, wherever possible, by the national central banks. Broadly speaking, the national central banks (and, in some cases, other national authorities) collect data from reporting institutions and other national sources, compile aggregates at the national level and transmit these to the ECB, which compiles the euro area aggregates. Both the national central banks (and other national authorities) and the ECB participate in conceptual and development work, and also in the preparation of ECB legal acts in the field of statistics within the framework of EU Council Regulation (EC) No. 2533/98 concerning ECB statistics. The Statute requires the ECB to co-operate with Community institutions and with international organisations. Responsibility at the European level is assumed by the ECB and the Commission along the following lines: the ECB is solely responsible for money and banking and related statistics; responsibility is shared in the areas of balance of payments (b.o.p.) statistics, the international investment position (i.i.p.) and financial accounts, and the Commission is primarily responsible for other areas of statistics, with the ECB taking a keen interest in their development as an active user. The ECB maintains a close relationship with international organisations in statistical matters. Wherever relevant and possible, ECB statistics conform to European and international standards. Subject to meeting its statistical requirements, the ECB seeks to minimise the reporting burden involved, and uses existing statistics wherever possible.

Where the development of statistics to meet the ECB's requirements has reached a settled state, the requirements are often formalised in a legal instrument adopted by the ECB's Governing Council. A list of these published instruments is to be found on page 32; they are likely, in future, to cover wider areas of the provision of statistical data to the ECB, within

<sup>1</sup> The ESCB comprises the European Central Bank and the national central banks of the 15 Member States of the European Union. In this report the term Eurosystem is used to designate the ECB and the national central banks of the 11 EU Member States forming the euro area. The Statute means the Statute of the European System of Central Banks and of the European Central Bank.

the scope set out in Community legislation, as statistical needs mature. ECB legal instruments may not specify all the data needed to support that provision (as intermediate input, for further analysis and checking purposes, etc.) which may vary from one Member State to another, reflecting the features of different national statistical systems developed in the past. To this extent, and also where statistics to meet the ECB's requirements have not yet settled down, the ECB, in effect, relies on legal powers to collect statistics available to national central banks (and other national authorities).

Article 5 ("Collection of statistical information") of the Statute applies to all EU Member States. EU Council Regulation (EC) No. 2533 of November 1998 concerning ECB statistics recognises that – while legal instruments adopted by the ECB do not bind non-participating Member States – the ECB may seek information from them, though it may not be the same as that required of Member States in the euro area. In practice, the ECB receives a fairly full set of data from non-participating Member States, which are used to monitor economic and financial developments there.

The reference reporting population set out in the EU Council Regulation concerning ECB statistics includes Monetary Financial Institutions (MFIs), other financial intermediaries, except insurance corporations and pension funds, economic agents undertaking cross-border transactions and holding cross-border positions (where, for most purposes, cross-border means outside the euro area) and issuers of securities and electronic money. The actual reporting population is drawn from the reference population, as needed for the fulfilment of the ECB's statistical requirements, and is confined to entities located in the euro area.

## 1.2 Main features of ECB statistics

Since the objectives of the Eurosystem are similar to those of many central banks, the statistical requirements for Stage Three of EMU resemble the national statistics commonly available to central banks, namely data on

money and banking and related activity, the balance of payments, national economic and financial accounts, costs and prices, government accounts and economic activity in general.

The focus of the Eurosystem's policy responsibility, however, is the euro area. To be useful, statistics must be aggregated to cover the euro area. This requirement raises questions of harmonisation (since the data must be sufficiently alike to permit meaningful aggregation) and, especially in the areas of money and banking statistics and b.o.p. statistics (and the financial accounts derived partly from them), the need for sufficient information, in the form of a distinction between transactions and positions within and outside the euro area, to carry out a proper consolidation at the level of the euro area. National contributions to the euro area aggregates may nevertheless provide an important ingredient in the analysis of developments, including the transmission mechanism of monetary policy and the degree of market integration.

This document covers money and banking and related statistics, the b.o.p. and financial accounts, which are areas in which the ECB has sole statistical responsibility at the EU level, or shares responsibility with the Commission, and for which the national central banks are primarily responsible, or share responsibility, at the national level. Consistency across these different but related areas of statistics is important. In these areas the ESCB is a producer of statistics. Other areas of statistics are also important for the conduct of monetary policy and foreign exchange operations, notably prices and costs, the accounts of general government, national accounts, labour market statistics and a range of other general statistics. The ECB works closely with the Commission to seek fulfilment of requirements in these areas. In many cases they are covered by EU Council and Commission Regulations within the framework set by EU Council Regulation (EC) No. 322/97 on Community statistics. They are not discussed further in this document. The ECB publishes a wide range of euro area statistics in the ECB Monthly Bulletin and on its Web site (<http://www.ecb.int>).

Frequency, timeliness and quality are an integral part of the requirements and are specified at each point. In money and banking statistics and in b.o.p. statistics, the need is for monthly data to be available within about three and six weeks, respectively, of the end of the month to which they relate. In each case more detailed data are required quarterly, to a somewhat slower timetable.

### **1.3 Money and banking and related statistics**

The monetary policy strategy of the Eurosystem gives a prominent role to money (first pillar), as signalled by the announcement of a reference value for the growth of a broad monetary aggregate. Money consists largely of certain liabilities of Monetary Financial Institutions (MFIs) which constitute the reporting population. The criterion for including an institution in the MFI sector is, put briefly, that the institution concerned takes deposits (other than from MFIs) or issues liabilities which are close substitutes for deposits and extends credit or makes investments in securities. The national central banks provide lists of financial institutions meeting this definition, which go beyond credit institutions as defined in Community Law.

This definition of a homogeneous money-creating sector is the first step. The second step is to specify the items for inclusion in the consolidated balance sheet of that sector. The consolidated MFI balance sheet provides the framework for the compilation of monetary aggregates in Stage Three, and also permits compilation of the counterparts to money (for more details of the monetary aggregates, see Section 11 entitled "Monetary aggregates published by the ECB").

Given the agreed definition of MFIs (and also of "central government", and "non-resident", since central government and counterparties resident outside the euro area are excluded from the money-holding sector), the consolidated MFI balance sheet provides a source of monetary data which is conceptually equivalent to the national banking sector

balance sheets on which national monetary statistics are usually based. The definitions of government, of residence and, indeed, of the sub-sectors comprising the money-holding sector are applied consistently in all Member States, following the European System of Accounts 1995 (ESA 95), implementation of which started in 1999.

Data are already provided, or under consideration, in other areas related to monetary statistics (e.g. non-monetary financial intermediaries, interest rates, securities issues, and financial derivatives). A requirement will arise for data concerning financial institutions outside the MFI sector, including collective investment institutions other than money-market funds. Interest rate data are needed to monitor the transmission of monetary policy, to understand better the structure of financial markets and to assess financial conditions in different sectors of the euro area economy. Securities issues and loans granted by non-Monetary Financial Institutions are, for borrowers, an alternative to bank finance and, for lenders, a substitute for certain claims on banks, some of which may be included in the monetary aggregate M3. Financial derivatives offer a means of changing the form of financial instruments or redistributing risk. Data needs in these areas are under consideration (non-monetary financial intermediaries, financial derivatives), or temporary arrangements for data provision are likely to be strengthened or replaced in due course (retail interest rates, securities issues); no decisions on further requirements have been taken.

### **1.4 Balance of payments and related statistics**

In the area of balance of payments (b.o.p.) statistics, the requirement for monetary policy purposes is monthly statistics showing the main items affecting monetary developments and exchange markets, supplemented by more detailed quarterly and annual statistics. A consistent methodological framework enables monetary and b.o.p. statistics for the euro area to be linked. There is also a requirement for

monthly statistics on the Eurosystem's international reserves and for annual statistics on the international investment position (i.i.p.), which provides a comprehensive statement of the euro area's claims on and liabilities to the rest of the world.

The aggregates covering the euro area include credits and debits and assets and liabilities separately. To this end, the countries forming the euro area generally have to split all transactions with non-residents into transactions within the euro area and transactions with the rest of the world.

While the requirements conform as far as possible to the standards set in the Balance of Payments Manual (fifth edition) of the International Monetary Fund (IMF), the ECB has also adopted some harmonisation proposals specific to European needs.

In the field of b.o.p. and i.i.p. statistics, the ECB and the European Commission (Eurostat) work closely together. Concerning the methodological framework, the ECB focuses on the financial account and related income, and Eurostat on the remaining current account and capital account. The ECB compiles aggregates for the euro area, while Eurostat compiles statistics for the EU as a whole.

The ECB also compiles effective exchange rate indices for the euro, in nominal and real terms, using various deflators.

### 1.5 Financial accounts

Quarterly Monetary Union financial accounts (MUFAs) follow closely an integrated approach as outlined in the European system of national and regional accounts in the Community (ESA 95).<sup>2</sup> Drawing on relevant euro area statistics – money and banking, balance of payments, securities issues – and, so far as

possible, on national financial accounts data, including data of general government, the ECB is preparing to compile quarterly financial accounts covering the euro area, to complement monetary analysis and economic research.

The time series derived from this framework provide a consistent system for recording financial relationships among institutional sectors. It will be linked to non-financial accounts and will present a comprehensive picture of financial flows within the euro area, and a frequent snapshot of outstanding amounts of borrowing and lending, enabling monetary developments to be seen within a broad framework of financial developments.

Based on accounting principles, quarterly MUFAs are a powerful instrument for achieving consistency in high-frequency data provided by money and banking, balance of payments, capital market, and government finance statistics.

### 1.6 The exchange of statistical information

Good data exchange systems contribute to efficiency, timeliness and quality. The ESCB's data interchange system works smoothly and largely automatically. It responds easily to new statistical requirements and accommodates new data in an efficient and consistent manner.

The ESCB's system is based on a special telecommunication network and a standardised statistical message format (GESMES/CB). The message format has been accepted by the international banking community as the standard for the exchange of statistical data and metadata. Moreover, the use of GESMES/CB is expanding rapidly as more institutions in the statistical community realise the benefits of standardisation in the exchange of statistics.

<sup>2</sup> Council Regulation (EC) No 2223/96 of June 1996 on the European system of national and regional accounts in the Community (ESA95).

## 2 Statistics based on MFI balance sheets

### 2.1 Introduction

The statistical requirement is to produce a properly articulated consolidated balance sheet of the money-creating financial intermediaries for the euro area on a monthly basis, seen as one economic territory, based on a complete and homogeneous monetary sector and reporting population. The Regulation of 1 December 1998 concerning the consolidated balance sheet of the Monetary Financial Institutions sector (ECB/1998/16) provides the legal basis for the provision of such data. These data provide the main ingredients for the compilation of monetary aggregates and counterparts for the euro area. MFI balance sheets also provide the statistical basis for the minimum reserves which credit institutions are obliged to hold.

The statistical system for the euro area covering the consolidated balance sheet of the MFI sector therefore comprises the following two main elements:

- a list of MFIs for statistical purposes; and
- a specification of the statistical information reported by these MFIs at monthly and quarterly intervals.

This statistical information under the Regulation is collected by the national central banks from the MFIs, according to local accounting rules and procedures relying on harmonised definitions and classifications.

### 2.2 Monetary Financial Institutions

The ECB, assisted by the national central banks, establishes and updates on a regular basis the list of MFIs for statistical purposes in accordance with the classification principles outlined below. Procedures for monitoring and continuous checking ensure that the list of MFIs remains up-to-date, accurate, as homogeneous as possible and sufficiently stable for statistical purposes, and reflects financial innovation which may affect the characteristics

of financial instruments and induce financial institutions to change the focus of their business. The list of MFIs for statistical purposes and the list of counterparties for monetary policy purposes are directly linked, which is particularly important when updating in respect of credit institutions, which are legally subject to, or exempt from, the ESCB's minimum reserves system.

Article 2.1 of Regulation ECB/1998/16 defines MFIs as follows: "MFIs comprise resident credit institutions, as defined in Community law, and all other resident financial institutions whose business is to receive deposits and/or close substitutes for deposits from entities other than MFIs and, for their own account (at least in economic terms), to grant credits and/or make investments in securities." The MFI sector thus comprises, in addition to central banks, two broad groups of resident financial institutions. These are credit institutions as defined in Community law ("an undertaking whose business is to receive deposits or other repayable funds from the public (including the proceeds arising from the sales of bank bonds to the public) and to grant credit for its own account")<sup>3</sup> and other MFIs, i.e. other resident financial institutions, mostly money market funds (MMFs) in practice, which fulfil the MFI definition. The degree of substitutability between the instruments issued by the latter and the deposits placed with credit institutions determines their classification, provided that they meet the MFI definition in other respects.

Substitutability for deposits in relation to financial instruments issued by financial intermediaries other than credit institutions is determined by their liquidity, combining characteristics of transferability, convertibility, certainty and marketability, and having regard, where appropriate, to their term of issue.

For the purpose of defining substitutability for deposits in the previous paragraph:

<sup>3</sup> *Banking Co-ordination Directives (77/1780/EEC and 89/646/EEC).*

- *transferability* refers to the possibility of mobilising funds placed in a financial instrument by using payment facilities, such as cheques, transfer orders, direct debits or similar means;
- *convertibility* refers to the possibility and the cost of converting financial instruments into currency or transferable deposits; the loss of fiscal advantages in such conversion may be considered a kind of penalty that reduces the degree of liquidity;
- *certainty* means knowing precisely in advance the liquidation value of a financial instrument in terms of the national currency; and
- securities quoted and traded regularly on an organised market are considered to be *marketable*. For shares in open-ended collective investment undertakings, there is no market in the usual sense. Nevertheless, investors know daily the quotation of the shares and can withdraw funds at this price.

In the case of collective investment undertakings (CIUs), money market funds (MMFs) fulfil the agreed conditions for liquidity and are therefore included in the MFI sector. MMFs are defined as those CIUs, the units of which are, in terms of liquidity, close substitutes for deposits and which primarily invest in money market instruments and/or other transferable debt instruments with residual maturities of up to and including one year and/or in bank deposits, and/or which pursue a rate of return that approaches the interest rates on money market instruments. The criteria identifying MMFs, specifically set out in Regulation ECB/1998/16, may be derived from the public prospectus, fund rules, instruments of incorporation, established statutes or by-laws, subscription documents or investment contracts, marketing documents, or any other statement of similar import, of the CIUs.

In the European System of Accounts (ESA 95), financial institutions classified as MFIs are categorised in two sub-sectors, namely central banks (S.121) and other MFIs (S.122). At the end of 1999, the MFI sector in the euro area comprised the ECB and 11 national central

banks, 7,906 credit institutions, 1,517 MMFs and 8 other financial institutions.

### 2.3 The consolidated balance sheet on a monthly basis

The objective is to supply monthly data on the business of MFIs in sufficient detail to provide the ECB with a comprehensive statistical picture of monetary developments in the euro area, seen as one economic territory, and to permit the calculation of monetary aggregates and counterparts covering the euro area. The monetary statistics compiled by the ECB from these data are listed in Section II entitled “Monetary aggregates published by the ECB”. Moreover, the monthly individual data reported by credit institutions subject to the ESCB minimum reserves system are used for the calculation of their reserve base in accordance with the ECB Regulation on the application of minimum reserves (ECB/1998/15).

The money stock comprises banknotes and coins in circulation and other monetary liabilities (deposits and other financial instruments which are close substitutes for deposits) of MFIs as well as any monetary liabilities of the central government agencies such as Post Office and Treasury. The counterparts to money include all other items in the MFI balance sheet. The ECB compiles these aggregates for the euro area both as amounts outstanding (stocks) and as adjusted flows based on the stocks.

The ECB requires statistical information in terms of the MFIs’ instrument/maturity categories, currencies and counterparties. As separate requirements apply to liabilities and assets, the two sides of the balance sheet are considered in turn. They are shown in Annex I, Table A.

(i) Instrument and maturity categories

(a) Liabilities

The compilation of monetary aggregates for the euro area requires relevant instrument categories. These are: currency in circulation; deposit liabilities, including balances on pre-paid

cards; liabilities of MMFs; debt securities issued; money market paper issued; capital and reserves; and remaining liabilities. In order to allow for a more detailed analysis, deposit liabilities are also broken down into overnight deposits, deposits with an agreed maturity, deposits redeemable at notice and repurchase agreements (repos), in such a way as to separate monetary and non-monetary liabilities.

Original maturity cut-offs were a feature of monetary statistics in several Member States and may also provide a substitute for instrument detail wherever financial instruments are not fully comparable across markets. The cut-off points for the maturity bands (or for the periods of notice) are: for deposits with an agreed maturity, one and two years' maturity at issue; and, for deposits redeemable at notice, three months' notice and (on a voluntary basis) two years' notice. Non-transferable sight deposits (sight savings deposits) are included in the up to three months band. Repos are not broken down by maturity as these are usually very short-term instruments (usually less than three months' maturity at issue). The maturity breakdown for debt securities issued by MFIs (excluding money market paper) is also one and two years. No maturity breakdown is required for money market paper issued by MFIs or for units issued by MMFs.

#### (b) Assets

MFI holdings of assets are broken down into: cash; loans; securities other than shares; money market paper; shares and other equities; fixed assets; and remaining assets. A maturity breakdown by maturity at issue is required for MFI holdings of debt securities issued by other MFIs located in the euro area. These holdings must be broken down into maturity bands of one and two years to enable the inter-MFI holdings of this instrument to be netted off and to permit the estimation by residual of non-MFI holdings which are included in euro area monetary aggregates.

#### (ii) Currencies

The ECB must have the possibility of defining monetary aggregates in such a way that

balances denominated in any currency or in euro alone (including amounts expressed in the currencies of Member States participating in the euro area) can be included. Balances in euro are therefore identified separately in the reporting scheme in respect of those balance sheet items that are used in the compilation of euro area monetary aggregates.

#### (iii) Counterparties

The compilation of monetary aggregates and counterparts for the euro area requires the identification of those counterparties located in the area which form the money-holding sector. Counterparties located in the domestic territory and elsewhere in the euro area are identified separately and treated in exactly the same way in all statistical breakdowns. There is no geographical breakdown of counterparties located outside the euro area in monthly data.

Counterparties in the euro area are identified according to their domestic sector or institutional classification in accordance with the List of MFIs for statistical purposes and the guidance for the statistical classification of customers provided in the Money and Banking Statistics Sector Manual ("Guidance for the statistical classification of customers"), which follows classification principles that are consistent with the ESA 95, to the extent that this is appropriate. In order to permit the identification of the money-holding sector, non-MFI counterparties are divided into general government, with central government identified separately, and other residents. With respect to total deposits, the deposit categories with over two years' agreed maturity and redeemable at over two years' notice as well as repos, an additional distinction is made, for the purposes of the minimum reserve system, between credit institutions, other MFI counterparties and central government.

#### (iv) Cross-relating instrument and maturity categories with currencies and counterparties

The compilation of monetary statistics for the euro area and the data needed for the

calculation of the reserve base of credit institutions subject to the Eurosystem's minimum reserve system necessitates the identification of certain cross-relationships between instrument / maturity / currency and counterparties in the balance sheet. These are most detailed where the counterparties are part of the money-holding sector. Breakdowns of the positions vis-à-vis other MFIs are identified only insofar as this is necessary to allow the netting of inter-MFI balances or to calculate the reserve base. Positions vis-à-vis the Rest of the World (non-residents of the euro area) are required only for deposits with over two years' agreed maturity, deposits redeemable at over two years' notice and repos (in order to calculate the reserve base) and for total deposits (in order to compile the external counterparts).

(v) **Compilation of flows statistics**

The ECB compiles flows statistics for the monetary aggregates and counterparts, measuring the financial transactions which occur during the calendar month, and calculates the rate of growth of aggregates from these. The consolidated balance sheet provides information on outstanding assets and liabilities and additional statistical information relating to valuation changes and certain other adjustments such as write-offs of loans. Financial transactions are identified as the difference between stock positions at end-month reporting dates, excluding the effect of changes in these differences which arise due to influences other than transactions. For this purpose, the ECB requires statistical information on these influences relating to almost all items of the MFI balance sheet. This information takes the form of adjustments which cover "reclassifications and other adjustments" and "revaluations and loan write-offs/write-downs". In addition, the ECB requires explanatory information on the adjustments in "reclassifications and other adjustments". Separate statistical information for national central banks and other MFIs is required.

(vi) **Timeliness**

The ECB receives an aggregated monthly balance sheet covering the positions of MFIs in

each country participating in the euro area by the close of business on the fifteenth working day following the end of the month to which the data relate, taking into account public holidays. The national central banks decide when they need to receive data from reporting institutions in order to meet this deadline, also taking account of the required timeliness for the ESCB's minimum reserve system.

## 2.4 **Balance sheet statistics at quarterly frequency**

Certain data requirements are not essential for the compilation of monetary aggregates for the euro area, but are needed for the further analysis of monetary developments or to serve other statistical purposes such as the financial accounts. The objective is to provide further detail on certain items of the balance sheet for these purposes.

The quarterly breakdowns are provided only in respect of key items of the aggregated balance sheet. (The main items are shown in the left-hand column of Annex I, Table 2). Furthermore, the ECB may allow some flexibility in calculating aggregates where it can be shown from figures collected at a higher level of aggregation that the data involved are unlikely to be significant.

(a) **Maturity breakdown of lending to non-MFIs in the euro area**

In order to enable the maturity structure of MFIs' overall credit financing (loans and securities) to be monitored, loans to non-MFIs are broken down quarterly into loans at one and five years' original maturity and holdings of securities issued by non-MFIs at one year's original maturity.

(b) **Sector breakdowns in the consolidated balance sheet**

The quarterly split by sector of liability and asset positions vis-à-vis non-MFIs in the euro area is broken down (where applicable) into the general government sector (central

government (S.1311), state government (S.1312), local government (S.1313), social security funds (S.1314)) and other resident sectors (other financial intermediaries (S.123), insurance corporations and pension funds (S.125), non-financial corporations (S.11), households and non-profit institutions serving households (S.14 and S.15 combined)). In order to identify the sub-sector components of the monetary aggregates, it would, in theory, be necessary to combine the sub-sector breakdown with a detailed breakdown of deposit liabilities (by instrument and maturity, with a split between the euro and other currencies). In view of the burden that would arise, the data requirement is limited to certain main balance sheet items (i.e. deposit liabilities to non-MFIs; loans to non-MFIs; and holdings of securities issued by non-MFIs).

- (c) Breakdown of loans to non-MFIs by activity of the borrower

This breakdown of loans to non-MFIs located in the euro area is confined to the sub-sectors “non-financial corporations and households” and “non-profit institutions serving households”. It identifies loans to enterprises; to households (broken down into consumer credit, lending for house purchase and other lending (residual)); and to non-profit institutions serving households.

- (d) Country breakdown

Counterparties inside and outside the euro area are identified, inter alia, for the purposes of the transitional requirements (Annex I, Table 4)

- (e) Currency breakdown

Some breakdowns of MFIs' positions in the major non-EU currencies are required to permit the calculation of flows statistics for money and credit adjusted for exchange rate changes where these aggregates are defined in such a way as to include all currencies combined. The key balance sheet items only are broken down into the major international currencies (the US dollar, the Japanese yen and the Swiss franc – Annex I, Table 5).

- (f) Sector breakdowns of positions with counterparties outside the euro area (other EU Member States and the rest of the world)

For MFIs' positions vis-à-vis counterparties located outside the euro area, positions with banks (or MFIs in EU countries outside the area) and non-banks need to be distinguished; as regards non-banks, a distinction is needed between general government and other residents. Sector classification according to the System of National Accounts 1993 (SNA 93) applies where the ESA 95 is not in force.

- (g) Timeliness

Quarterly statistics are transmitted by national central banks to the ECB by close of business on the twenty-eighth working day following the end of the month to which they relate. The national central banks decide when they need to receive data from reporting institutions in order to meet this deadline.

## 2.5 Macro-prudential indicators based on MFI balance sheet data and statistics on the international role of the euro

Article 3.3 of the Statute requires the ESCB to contribute to the stability of the financial system. Money and banking statistics (including financial market data) will represent a major source of data for this purpose. Wherever available, aggregated supervisory data provided by national supervisory authorities (profit and loss data, solvency data, etc.) will also be used, together with financial accounts data (in particular balance sheet information). (Also relevant will be certain b.o.p. data, and economic statistics more generally.) For macro-prudential purposes certain separate balance sheet data on credit institutions are used when a material difference exists between the MFI sector as a whole and the credit institutions sub-sector.

With regard to statistics on the international role of the euro, a statistical database is being

developed, using a number of sources: Databank Services of the Bank for International Settlements (BIS) (international banking data, international swap markets data, foreign reserve data and financial derivative data) and the MFI balance sheet data.

## 2.6 Financial derivative business

Some data on financial derivatives are already available within the ECB and the Eurosystem more generally. At present, derivatives are to be recorded in the MFI balance sheet – in principle on a gross basis at market value (unless national accounting rules require off-balance-sheet recording) – classified under “remaining assets” or “remaining liabilities” (with no further detail) and are hence included on a net basis within “other counterparts of M3 (residual)”. (In so far as they reflect positions with non-residents of the euro area, they are also recorded in the

b.o.p. and the international investment position (i.i.p.), with no further detail.) More work may be warranted in order to make these data useful for monetary policy and financial stability analysis purposes. The ECB has therefore started an assessment of the possible impact of derivatives on monetary policy and, in particular, on the monetary transmission mechanism in the euro area. The studies are also investigating the different sources of data on financial derivatives, focusing on any gaps in data needs, including those relating to prudential supervision, and data availability within the Eurosystem.

The ECB also has a keen interest in both derivative price indicators and global derivative market statistics. With regard to the latter, the ECB already makes extensive use of BIS data as well as from private sources but further extension of the set of available information may be required.

## 3 Other statistics related to financial intermediation

In addition to the consolidated MFI balance sheet and statistics drawn from it, a range of other statistics relating to financial intermediation are of great interest for monetary policy purposes. The statistics discussed in the following sections have not yet been harmonised and are not so far covered by ECB Regulations. In the meantime, the ECB continues to rely on statistics collected in accordance with the legal powers of the national institutions.

### 3.1 Other (non-monetary) financial intermediaries, except insurance corporations and pension funds

The sub-sector “other (non-monetary) financial intermediaries, except insurance corporations and pension funds” (OFIs), consists of all

financial corporations and quasi-corporations which are principally engaged in financial intermediation by incurring liabilities in forms other than currency, deposits and/or close substitutes for deposits from institutional units other than MFIs. In the ESA 95, they are classified as “other financial intermediaries, except insurance corporations and pension funds” (S. 123).

Interest in statistics on OFIs is twofold. First, data on OFIs are needed to monitor their role in financial intermediation and – together with the MFI statistics – to provide a comprehensive picture of financial intermediation in the euro area. As their activities are complementary to the business reflected in the MFI balance sheet statistics and, in particular, in view of the fact that, for the ECB’s statistical purposes, OFIs which are wholly or partially owned by MFIs

are not consolidated in the MFI balance sheet, it is necessary to collect statistical data relating to OFIs in order to complete the financial picture of the euro area. Since OFIs are sometimes MFI subsidiaries or closely linked to MFIs, information may be lost as a result of the transfer of assets and liabilities from the MFI sector to the OFI sector. Second, the ECB needs to monitor OFIs in order to ensure that the list of MFIs remains up-to-date, accurate and as homogeneous as possible. As is mentioned in Regulation ECB/1998/16 (Annex I, Part I.I), financial innovation could affect the characteristics of financial instruments and cause financial corporations to shift the focus of their business, leading them to issue instruments which are close substitutes for deposits. This work is carried out regularly within the scope of the maintenance of the MFI list.

During 2000, the ECB began to identify more precise user requirements in this area and to assess the extent to which current data availability at the national level may fulfil these requirements. Users seek statistical information in terms of separately identified sub-categories of the financial corporations included in the OFI sub-sector. The interest in data by sub-category reflects the fact that the financial corporations included in the OFI sub-sector comprise a heterogeneous group of intermediaries. The objective would be, primarily, to receive balance sheet statistics similar in nature to the data received on MFIs, but with due allowance for differences in the nature of the business.

### 3.2 Interest rates

Data on interest rates are needed to monitor the transmission of monetary policy – the process by which ECB interest rates and changes in ECB interest rates influence the economy. They also shed light on the changing structure of the financial system, and on sectoral financial positions.

Interest rates can be classified in three categories:

- (a) ECB interest rates set by the Governing Council which define the rates charged or paid by the Eurosystem;
- (b) Money market rates in the euro area and interest rates on other marketable securities ; and
- (c) rates charged and paid by MFIs on other business in the euro area.

Interest rates in categories (a) and (b) above do not present data problems. With regard to category (c), a set of ten euro area retail interest rates has been published in the ECB Monthly Bulletin each month since January 1999. The set comprises six deposit rates (on overnight deposits, on deposits with agreed maturities of up to one, up to two and over two years and on deposits redeemable at notice of up to three and over three months) and four lending rates (on loans to enterprises for up to one and over one year, on consumer loans and on housing loans to households). These data are based on existing national interest rate statistics. There are limitations to this approach: since the underlying data are not harmonised, the results should be used with caution and for statistical purposes only, focusing on changes in rates rather than on their levels. In addition, the currently available data have few breakdowns and do not distinguish between rates on new and outstanding business, which limits the usefulness of these data for the analysis of monetary transmission and for other purposes.

The Eurosystem has, therefore, started work in 2000 on a superior approach with a view to the long term. The aim is to compile a set of euro area interest rates on retail deposit and lending business which is harmonised, complete, detailed and capable of coping with financial innovation. It should at least allow proper use in combination with other money and banking statistics and with both ECB and market interest rates. Euro area retail interest rate statistics should provide a good picture of developments in the interest rates on standard retail business of MFIs.

The time frame for setting up a harmonised methodology depends, to a large extent, on the

complexity of user needs. Data following the long-term approach, collected under a new ECB Regulation, are unlikely to be available before early 2002. The ECB will meanwhile continue to rely on national data collected in accordance with the legal powers conferred upon the national central banks.

### 3.3 Mortgage lending statistics

Since lending developments in the commercial and residential property markets are often important in the context of monetary policy

(and also in terms of financial stability), lending secured by mortgages on property (residential and/or commercial property) is closely monitored. Data on mortgage lending provided within the framework of Regulation ECB/1998/16, namely loans granted to households for house purchase, cover only a proportion of residential real estate lending and do not cover commercial property loans. Work is underway to identify user requirements for a wider range of mortgage lending statistics. These requirements would expect to be met largely through the provision of available national data.

## 4 Statistics on securities (including shares)

Information on issues and holdings of securities is an important element of monetary and financial analysis. For borrowers, securities issues are an alternative to bank financing. Holders of financial assets may view bank deposits, negotiable instruments issued by banks (included in M3 if issued for two years or less) and other securities as partial substitutes. Statistics on securities therefore complement monetary and financial data. Over time, any shifts in financing between the banking system and the securities markets may affect the transmission of monetary policy. Data on outstanding amounts of securities issued indicate the depth of capital markets, while issues in euro by non-residents of the euro area may be used to assess the international role of the euro.

The ECB currently produces main aggregates and sector analyses covering (i) issues by euro area residents, in any currency, and (ii) issues in euro and in the national denominations of Member States participating in the euro area, regardless of who issues them. The data on issues by euro area residents are provided on a monthly basis and those on issues by non-

residents on a quarterly basis, beginning with the amounts outstanding at end-December 1998. (Earlier data will be made available shortly.) The statistics cover securities other than shares (debt securities) and are provided with a breakdown by original maturity, residency of the issuer, currency of denomination and, for euro-denominated issues, also by issuing sector. Data are available on the amounts outstanding, gross issues, redemptions and net issues. The Eurosystem, in co-operation with the BIS (for euro denominated issues by non-residents of the euro area), compiles the data, wherever possible and appropriate, in accordance with the ESA 95.

Statistics on quoted shares are also due to be made available. Consideration will also be given to the implementation of a steady-state approach, which will cover not only securities issues, but also, as far as possible, the identity of the holders of securities. Meanwhile, the ECB will continue to rely on national data collected in accordance with national legal powers and on data published by other sources.

## 5 Balance of payments and international investment position statistics

### 5.1 Introduction

In order to support the conduct of monetary policy and foreign exchange operations, the ECB collects monthly, quarterly and annual data on the b.o.p. and i.i.p. of the euro area. The scope, underlying concepts and the implementation timetables for the different b.o.p. statistics of the euro area are laid down in Guideline ECB/1998/17. Data on the b.o.p. for the euro area as a whole are required; the ECB does not use or require data on cross-border transactions within the euro area, with the important exception of portfolio investment and portfolio investment income accounts, where the liabilities side of the euro area portfolio investment aggregate must be computed indirectly by subtracting transactions/positions of Member States in euro area securities from the total sum of the sales/issuance of securities by all residents of the euro area. This is because reporting agents in the euro area often cannot identify the residency of the buyer/holder of securities issued in the euro area.

The ECB requirements conform as far as possible to the standards laid down in the IMF Balance of Payments Manual (fifth edition), which is consistent with the new (1993) world System of National Accounts (SNA 93) and with the ESA 95. However, the ECB has adopted some harmonisation proposals specific to b.o.p. and i.i.p. aggregates of the European Union and the euro area (e.g. the consistent application of the definition of MFIs).

### 5.2 Monthly key items of the balance of payments

The aim of the monthly key items is to enable users to monitor the current and financial account flows affecting monetary conditions in the euro area and the exchange rate. For this, the ECB's requirement for monthly b.o.p. statistics is confined to broad categories of

transactions. The current and capital accounts are highly aggregated. There is rather more detail in the financial account, where large and variable flows affecting monetary conditions in the euro area are likely to be found. The monthly key items are listed in Annex 2, Table 1. In each case, credit and debit/net assets and liabilities flows representing transactions with non-residents of the euro area are required separately.

Monthly key items must be transmitted to the ECB by the thirtieth working day following the end of the month to which the data relate.

The short deadline for the provision of the monthly key items, their highly aggregated nature and their use for monetary policy allow a departure from international guidelines where this is unavoidable. Recording data on a full accruals or transactions basis is not required. Member States may provide data on the current and financial accounts on a settlement basis. Where necessary to meet the deadline, estimates or preliminary data are accepted. Some data items, e.g. reinvested direct investment earnings, may need to be estimated. The monthly data are revised each quarter, in the light of fuller quarterly information.

### 5.3 Quarterly and annual balance of payments

The quarterly and annual b.o.p. statistics provide more detailed information permitting a deeper analysis of external transactions. The detail is confined, first, to the income account within current transactions, in which there is a split between compensation of employees and investment income, with further detail on the latter; and, second, to the financial account, which provides quarterly detail on instruments and sectors compatible but not identical with the IMF Standard Components. The quarterly and annual b.o.p. are presented in Annex 2, Table 2.

In line with the SNA 93, the IMF Balance of Payments Manual (fifth edition) recommends that interest be recorded on an accruals basis. This recommendation affects the current account (investment income), with a complementary effect on the financial account. For the b.o.p. statistics of the euro area, accrued investment income is required only on a quarterly basis.

The quarterly detailed b.o.p. data must be made available to the ECB within three months of the end of the quarter to which the data relate. The annual data on the aggregated b.o.p. of the euro area must be made available to the ECB within three months of the end of the year to which the data relate.

#### **5.4 Monetary presentation of the balance of payments**

External transactions of the euro area MFI sector reflect the external transactions of euro area non-MFI residents on current, capital and financial account. These transactions are also reflected in changes in external assets and liabilities in the consolidated balance sheet of the euro area MFIs compiled within the euro area money and banking statistics. The net external assets (i.e. external assets less external liabilities) in the MFI consolidated balance sheet constitute the external counterpart of M3.

As both b.o.p. and money and banking statistics are derived from a consistent methodological framework, the transactions of non-MFIs with non-euro area residents as identified in the balance of payments should reflect the change in the net external position of the euro area MFI sector in the money and banking statistics. Thus a presentation of the balance of payments where

transactions by non-MFIs and MFIs are separately identified (a “monetary presentation”) would shed light on monetary trends in the euro area and would link b.o.p. and monetary developments. In particular, it should be possible to identify the contributions of external transactions of euro area non-MFIs (in the current, capital and financial accounts) to the total change in the net external position of the MFI sector.

#### **5.5 International investment position**

The ECB compiles the international investment position (i.i.p.) for the euro area as a whole on an annual basis. This annual statement of the external assets and liabilities of the euro area reveals the structure of the euro area’s external financial position and complements the b.o.p. data for monetary policy and exchange market analysis. Periodic stock data also provide a check on the plausibility of b.o.p. flows.

The required breakdown is based on the standard components of the i.i.p., as presented in the fifth edition of the IMF Balance of Payments Manual and the breakdown for the quarterly and annual b.o.p. set out in Annex 2, Table 4. Concepts and definitions are consistent with the b.o.p. flow statistics.

Showing assets and liabilities separately in the i.i.p. requires participating Member States to distinguish between positions with residents of other euro area countries and positions with non-residents of the euro area. At present this is not possible for all items, and the i.i.p. is accordingly published on a net basis.

The data on the i.i.p. must be made available to the ECB within nine months of the year-end to which the data relate.

## 6 Eurosystem's reserve assets

The reserve assets of the euro area are highly liquid, marketable and creditworthy claims held by the ECB (“pooled reserve assets”) and the participating national central banks (“unpooled reserve assets”) on non-residents of the euro area and denominated in foreign currency (i.e. in currencies other than the euro). They also include gold, special drawing rights (SDRs) and the reserve position in the IMF. Reserve assets are compiled on a gross basis without any netting-off of reserve-related liabilities (exception being made for the financial derivatives category under the foreign exchange sub-item).

Changes in international reserves arising from transactions are recorded in the b.o.p. of the euro area. The Eurosystem's reserve assets are also published monthly, as amounts outstanding.

Related assets of the Eurosystem which do not meet this definition, namely euro-denominated claims on non-residents (e.g. TARGET balances) and foreign currency-denominated claims on

residents of the euro area, e.g. deposits denominated in foreign currency placed with banking institutions resident in the euro area, are not treated as reserve assets of the euro area in the b.o.p. and i.i.p..

However, foreign currency-denominated claims on residents of the euro area are compiled monthly in the “IMF/BIS template on international reserves and foreign currency liquidity”. The latter also covers data on reserve-related liabilities of the Eurosystem. In addition it includes a split between the Eurosystem's reserve assets denominated in currencies in the SDR basket (in total) and those denominated in other currencies (in total), with a quarter's lag (for the breakdowns, see Annex 2, Table 3).

The detailed information needed to meet the international reserve template is available to the ECB within three weeks of the month-end to which the data relate.

## 7 Effective exchange rates of the euro

The nominal effective exchange rate (EER) is a summary measure of the external value of a currency vis-à-vis the currencies of the most important trading partners of the euro area, while the real EER – obtained by deflating the nominal rate with appropriate price or cost indices – is the most commonly used indicator of international price and cost competitiveness.

The ECB calculates and publishes a set of EERs for the euro. The nominal EERs are defined as geometric weighted averages of the bilateral exchange rates of the euro against the currencies of the partner countries. The real EERs are defined as geometric weighted averages of relative prices (costs) between the

euro area and each trading partner, expressed in a common currency.

The weights assigned to the trading partners are derived from shares in trade in manufactured goods. The weights use information on both exports and imports, excluding trade within the euro area. The import weights are the simple shares of each partner country in total euro area imports from the partner countries. Exports are double-weighted in order to account for “third-market effects”, i.e. to capture the competition faced by euro area exporters in foreign markets from both domestic producers and exporters from third countries.

## 8 Monetary Union financial accounts

### 8.1 Introduction

Monetary Union financial accounts (MUFAs) will offer a wide range of financial information for monetary policy analysis. For that purpose, two sets of data are being designed on a quarterly basis, namely euro area sectoral balance sheets and financial transaction accounts, with a reconciliation between the two to which data on asset prices will contribute.

MUFAs will broaden the analysis of the transmission mechanism of monetary policy. They will also assist the conjunctural assessment and forecasting procedures related to households, enterprises and other economic agents, and, in addition, support the review of financial developments within the government sector and in relation to the external sector. They will provide a framework within which higher frequency data, notably monetary, b.o.p., securities issues and government finance statistics, may be assessed. In order to serve this purpose, MUFAs will need to be compiled on a quarterly basis.

MUFAs may also be used to analyse financial stability issues, for which information on the transactions and balance sheet positions for all economic sectors may be relevant.

### 8.2 The legal requirements under the ESA 95 – annual frequency of compilation

The Regulation implementing the ESA 95 requires all EU Member States to prepare financial accounts at least annually and in a prescribed format. The requirements comprise a detailed statement of financial transactions, a statement of financial assets and liabilities outstanding at market value, and a reconciliation of the two in the “revaluation account” and the “other changes in the volume of assets account” (see Annex 3, Tables 1-5).

The ESA 95 requires data on a national basis; data on external transactions and positions are

not available in sufficient detail to permit properly consolidated financial accounts for the euro area to be derived. Nevertheless, the ESA 95 offers an instrument for achieving consistency in definitions and compilation practices.

### 8.3 Statistical sources for quarterly Monetary Union financial accounts

In addition to the annual national financial accounts shortly to be available under the ESA 95, most Member States also compile quarterly financial accounts. The ECB regards these quarterly data as an important input in the compilation of financial accounts for the euro area and will use them – together with money and banking, b.o.p. and securities issues statistics – to compile a relatively broad, although incomplete, set of quarterly accounts with the proper aggregation and consolidation for the euro area.

### 8.4 Table on financing and investment of euro area non-financial sectors

As a first step towards the compilation of quarterly MUFAs, a table on financing and investment (TFI) is in preparation (see Annex 3, Table 6). The TFI presents the financing and (financial) investment of euro area non-financial sectors vis-à-vis euro area financial corporations and vis-à-vis the rest of the world. Short-term financial investment relates predominantly to broad money (M3) holdings of the euro area non-financial sectors, supplemented by certain claims on other euro area financial intermediaries.

Long-term investment comprises long-term deposits and securities, insurance technical reserves, and shares. Deposits that are part of long-term financial investment are those with an agreed maturity of over two years and those redeemable at over three months' notice. Insurance technical reserves are mainly held with life insurance corporations and pension funds. Together with quoted shares and mutual fund shares, they

constitute an important component of the long-term financial investments of households.

The major components of financing granted to non-financial sectors are securities, loans and quoted shares. Non-financial sectors' net financial investment (stocks or transactions) may be derived by subtracting financing (liabilities or transactions in liabilities) from total financial investment (financial assets or transactions in them).

### 8.5 Quarterly Monetary Union financial accounts by sector

A second step involves the development of a broader set of quarterly MUFAs, using the euro area statistics described elsewhere in this document and other available sources. For this purpose, the euro area economy will be divided into six resident sectors and sub-sectors, three non-financial sectors (non-financial corporations, general government and households including non-profit institutions serving households) and three financial sectors (MFIs, other financial intermediaries including financial auxiliaries, and insurance corporations including pension funds), with links between the various sectors of the euro area and the rest of the world (see Annex 3, Table 7).

The accounts will consist of two matrices (one for the balance sheet and one for the financial transaction accounts) that show financial assets and liabilities by sector and instrument. The columns for each sector or sub-sector show financial assets held or liabilities incurred as well as the net financial assets of the sector or sub-sector. An entry represents (for stocks) an asset or a liability of the sector at the end of a quarter or (for financial transactions) the net purchases – a negative entry represents net sales – of the sector during the quarter. The data in the respective cells of the table will add up to instrument and sector totals. This feature ensures consistency within the table and helps to minimise errors in the data.

Net financial assets will be the difference between stocks of financial assets and liabilities, while net

lending (or net borrowing) will be the difference between transactions in financial assets and liabilities. The financial transaction accounts may be extended by the capital accounts of the respective sectors where appropriate.

To implement the sectoral approach, available "counterpart" information for non-financial corporations and insurance corporations and pension funds will be supplemented by balance sheet data collected by national balance sheet offices, supervisory agencies, or other national and international institutions.

### 8.6 Government finance statistics

The sectoral approach for Monetary Union financial accounts also requires the compilation of quarterly financial accounts for the general government, relying partly on counterpart information from euro area statistics on deposits, loans, and issues of short and long-term securities, and on data on other financial instruments to be provided by the Member States.

Initially, available high-frequency data on central government liabilities will be collected, taking into account the IMF's Special Data Dissemination Standard (SDDS) specification of central government debt data and the ECB's annual statistics on the stock of government debt (see Annex 3, Table 8). Subsequently, quarterly data will be collected on central government financial transactions in and stocks of financial assets, followed by data on social security funds and then by data on the remaining sub-sectors of general government. 108. The full coverage of data will make it possible to perform the reconciliation between annual and quarterly stock and financial transaction data. Annex 3, Table 9, describes the statistics on the adjustment between deficit and the change in debt.

Work on quarterly non-financial accounts for the general government sector is also under way in order to complement the quarterly financial accounts.

## 9 Transitional data

The previous chapters describe ECB statistics as if the adoption of the euro is complete and the euro area has a fixed composition. However, there are special requirements in Stage Three, arising from the continued existence of national currencies in the area prior to the completion of the changeover to the single currency, and also from the subsequent participation of countries that have not been part of the euro area from the start.

First, the national currencies of countries in the euro area will continue to exist as national denominations of the euro until the completion of the changeover to the single currency, and are likely to be represented in the balance sheets of reporting institutions. For the purpose of monetary statistics, MFIs add balances expressed in these national denominations to balances denominated in euro (the combined total being distinguished from balances denominated in all other currencies). For b.o.p. and i.i.p. statistics, all euro area currencies are converted into euro and reported as such.

The second transitional feature arises from the probable participation of further EU countries in the euro area after the start of Stage Three. MFIs need to take account of this by retaining the ability to include in their monetary statistics by country all positions with residents of the EU countries which remained outside the area at the start of Stage Three. It would, in principle, also be necessary to break down those balances by currency. In order to reduce the potentially heavy reporting burden, any back data covering the period before a change in the composition of the euro area will be produced with some scope for flexibility.<sup>4</sup>

For b.o.p. and i.i.p. statistics, if a non-participating Member State joins at a later stage, back series may be sought by the ECB. These back series would be necessary for the construction of MU aggregates on the basis of the “new” composition of the euro area. Such historical data may be relevant for monetary policy purposes, and should preferably go back at least as far as January 1999. Some flexibility in the provision of back data (before the time of entry) would be unavoidable.

## 10 The exchange of statistical information

The exchange of statistical information within the ESCB and with international institutions requires an efficient, robust and secure data exchange system. The ESCB has created appropriate mechanisms to ensure the delivery of data files both for data reporting by NCBs to the ECB and for the return of data from the ECB to the NCBs. The efficiency of the data exchange system derives from a dedicated telecommunications network and the use of an agreed message format (GESMES/CB) for the statistical data files. GESMES/CB is based on international standards (EDIFACT, GESMES) and has become widely accepted in the international statistical community for data

exchange and dissemination. The functionality of GESMES/CB provides a means to exchange data and metadata, including statistical structures, definitions and code lists. It also allows statistical databases to be easily integrated into both networks and data file reception and delivery systems. The whole system is flexible in responding to new statistical requirements and it easily accommodates new datasets in an efficient and

<sup>4</sup> This requirement applies to reporting by MFIs in EU countries outside the euro area, as well as those inside it. The former should also be able to report positions vis-à-vis counterparties in the euro area as a whole, as well as in other individual EU countries outside the euro area.

consistent manner. The same format is increasingly being used by the ECB in its exchanges of statistical information with

Eurostat and with other international organisations (BIS, IMF, etc.).

## 11 Monetary aggregates published by the ECB

The ECB publishes monetary statistics on a monthly basis broken down as follows:

Currency in circulation; Overnight deposits (M1); Deposits with agreed maturity up to two years; Deposits redeemable at notice up to three months (M2); Repurchase agreements; Money market fund shares/units and money market paper; Debt securities up to two years (M3).

The main counterparts of M3 – broken down into longer-term MFI liabilities, credit and net

external assets – are also published. The data are available for levels and flows. The main aggregates are also available on a seasonally adjusted basis (levels and flows). In addition, the ECB publishes on a quarterly basis outstanding MFI loans by counterpart, type and original maturity; outstanding deposits held with MFIs, by counterpart and instrument; and main outstanding MFI claims on and liabilities to non-residents of the euro area.

For further details please refer to the ECB Monthly Bulletin (<http://www.ecb.int>).

## 12 Published legal instruments (adopted by the ECB's Governing Council)

Regulation (EC) No. 2819/98 of the European Central Bank of 1 December 1998 concerning the consolidated balance sheet of the Monetary Financial Institutions sector (ECB/1998/16).

Guideline of the European Central Bank of 1 December 1998 concerning the statistical reporting requirements of the European Central Bank in the field of balance of payments and international investment position statistics (ECB/1998/17).

Regulation (EC) No. 2818/98 of the European Central Bank of 1 December 1998 on the

application of minimum reserves (ECB/1998/15).

Recommendation of the European Central Bank for a Council Regulation (EC) concerning the powers of the European Central Bank to impose sanctions (ECB/1998/9) (Submitted by the European Central Bank on 7 July 1998).



## Annex I: Money and banking statistics

### REQUIRED BREAKDOWNS

Table A

Survey of breakdowns for the purposes of the aggregated balance sheet of the MFI sector instrument/maturity categories, counterparties and currencies

(Monthly data' breakdowns are indicated in bold with a \*)

#### INSTRUMENT AND MATURITY CATEGORIES

Assets	Liabilities
1. Cash *	8. Currency in circulation
2. Loans *	9. Deposits
up to 1 year (*)	9.1. Overnight deposits (*) *
over 1 year and up to 5 years (*)	9.2. Deposits with agreed maturity *
over 5 years (*)	up to 1 year *
3. Securities other than shares (*) (*) *	over 1 year and up to 2 years *
up to 1 year (*) *	over 2 years (*) *
over 1 year and up to 2 years (*) *	9.3. Deposits redeemable at notice *
over 2 years (*) *	up to 3 months (*) *
4. Money market paper (*) *	over 3 months *
5. Shares and other equity *	o/w over 2 years (*) *
6. Fixed assets *	9.4. Repurchase agreements *
7. Remaining assets *	10. Money market fund shares/units *
	11. Debt securities issued (*) *
	up to 1 year *
	over 1 year and up to 2 years *
	over 2 years *
	12. Money market paper (*) *
	13. Capital and reserves *
	14. Remaining liabilities *

COUNTERPARTIES

Assets	Liabilities
<p><b>A. Domestic residents*</b></p> <p>Monetary financial institutions (MFIs)*</p> <p>Non-MFIs*</p> <p>General government*</p> <p>central government</p> <p>State government</p> <p>local government</p> <p>social security funds</p> <p>Other residents*</p> <p>other financial intermediaries (S.123)</p> <p>insurance corporations and pension funds (S.125)</p> <p>non-financial corporations (S.11)</p> <p>households, etc. (S.14 + S.15)<sup>(7)</sup></p> <p><b>B. Residents of the other MUMS<sup>(10)</sup>*</b></p> <p>MFIs*</p> <p>Non-MFIs*</p> <p>General government*</p> <p>central government</p> <p>State government</p> <p>local government</p> <p>social security funds</p> <p>Other residents*</p> <p>other financial intermediaries (S.123)</p> <p>insurance corporations and pension funds (S.125)</p> <p>non-financial corporations (S.11)</p> <p>households, etc. (S.14 + S.15)<sup>(7)</sup></p> <p><b>C. Residents of the rest of the world*</b></p> <p>Banks</p> <p>Non-banks</p> <p>general government</p> <p>other residents</p> <p><b>D. Not allocated</b></p>	<p><b>A. Domestic residents*</b></p> <p>MFIs*</p> <p>Of which: credit institutions*</p> <p>Non-MFIs*</p> <p>General government*</p> <p>central government*</p> <p>State government</p> <p>local government</p> <p>social security funds</p> <p>Other residents*</p> <p>other financial intermediaries (S.123)</p> <p>insurance corporations and pension funds (S.125)</p> <p>non-financial corporations (S.11)</p> <p>households, etc. (S.14 + S.15)<sup>(7)</sup></p> <p><b>B. Residents of the other MUMS<sup>(10)</sup>*</b></p> <p>MFIs*</p> <p>Of which: credit institutions*</p> <p>Non-MFIs*</p> <p>General government*</p> <p>central government*</p> <p>State government</p> <p>local government</p> <p>social security funds</p> <p>Other residents*</p> <p>other financial intermediaries (S.123)</p> <p>insurance corporations and pension funds (S.125)</p> <p>non-financial corporations (S.11)</p> <p>households, etc. (S.14 + S.15)<sup>(7)</sup></p> <p><b>C. Residents of the rest of the world*</b></p> <p>Banks</p> <p>Non-banks</p> <p>general government</p> <p>other residents</p> <p><b>D. Not allocated</b></p>

CURRENCIES

e	euro	euro denomination (including national currency denominations of the participating Member States prior to the completion of changeover to the euro)
x	Non-MU currencies	other currencies (other EU currencies, USD, JPY, CHF, remaining)

Notes

- (1) Maturity breakdown applicable only for loans to non-MFIs.
- (2) Monthly data requirement relates only to holdings of securities issued by MFIs located in the euro area. As quarterly data, holdings of securities issued by non-MFIs in the euro area are split into 'up to 1 year' and 'over 1 year'.
- (3) Excluding money market paper.
- (4) Defined as holdings of money market paper issued by MFIs. Here, money market paper includes shares/units issued by MMFs. Holdings of marketable instruments which may have the same characteristics as money market paper but which are issued by non-MFIs should be reported as 'securities other than shares'.
- (5) Including suspense balances representing amounts stored on prepaid cards issued in the name of MFIs.
- (6) Including administratively regulated deposits.
- (7) Including non-transferable sight deposits.
- (8) Defined as money market paper issued by MFIs.
- (9) Households (S.14) and non-profit institutions serving households (S.15).
- (10) Monetary Union Member States, meaning the territory of the participating Member States.
- (11) The reporting of the item 'deposits redeemable at notice over 2 years' is voluntary until further notice.

Table 1  
Data required to be provided at monthly frequency  
Cells in thin print are reported solely by credit institutions subject to reserve requirements (RRs) (1)

	A. Domestic				B. Other MUMS				C. Rest of the world	D. Not allocated
	MFIs (2)		Non-MFIs		MFIs (2)		Non-MFIs			
	of which subject to RR, ECB and NCBs	(b)	General government	Other residents	of which subject to RR, ECB and NCBs	(g)	Central government	Other general government		
	(a)	(c)	(d)	(e)	(f)	(h)	(i)	(j)	(k)	(l)
<b>LIABILITIES</b>										
8. Currency in circulation	*	*	*	*	*	*	*	*	*	*
9. Deposits (all currencies)	*	*	*	*	*	*	*	*	*	*
9e. Euro	*	*	*	*	*	*	*	*	*	*
9.1e. Overnight										
9.2e. With agreed maturity										
up to 1 year										
over 1 and up to 2 years										
over 2 years (1)										
9.3e. Redeemable at notice										
up to 3 months (2)										
over 3 months										
of which over 2 years (6)										
9.4e. Repos										
9x. Non-MU currencies										
9.1x. Overnight										
9.2x. With agreed maturity										
up to 1 year										
over 1 and up to 2 years										
over 2 years (1)										

	A. Domestic					B. Other MUMS					C. Rest of the world	D. Not allocated		
	MFIs (1)		Non-MFIs			MFIs (2)	Non-MFIs			(k)				
	(a)	(b)	General government	Other residents	(c)		(d)	(e)	(f)				(g)	(h)
	of which CIs subject to RRs, ECB and NCBs					of which CIs subject to RRs, ECB and NCBs				Central government	Other general government	Other residents		
93x. Redeemable at notice														
up to 3 months (3)														
over 3 months														
of which over 2 years (4)														
94x. Repos														
10. Money market fund shares/units														
11. Debt securities issued														
11e. Euro														
up to 1 year														
over 1 and up to 2 years														
over 2 years														
11x. Non-MU currencies														
up to 1 year														
over 1 and up to 2 years														
over 2 years														
12. Money market paper (5)														
Euro														
Non-MU currencies														
13. Capital and reserves														
14. Remaining liabilities														



General note: Cells marked with an \* are used in the calculation of the reserve base. With respect to debt securities and money market paper, CIs will either present proof of liabilities to be excluded from the reserve base or apply a standardised deduction of a fixed percentage specified by the ECB.

- (1) Including administratively regulated deposits.  
 (2) Including non-transferable sight savings deposits.  
 (3) Defined as money market paper issued by MFIs.  
 (4) Defined as holdings of money market paper (MMP) issued by MFIs. Here, money market paper includes shares/units issued by MMFs. Holdings of marketable instruments which may have the same characteristics as MMP issued by non-MFIs should be reported as 'securities other than shares'.  
 (5) Credit institutions may report positions vis-à-vis 'MFIs other than CIs subject to minimum reserves, ECB and NCBs' rather than vis-à-vis 'MFIs' and 'CIs subject to minimum reserves, ECB and NCBs', provided that no loss of detail is implied and no bold printed positions are affected.  
 (6) The reporting of this item is voluntary until further notice.  
 (7) Depending on the national collection systems and without prejudice to full compliance with the definitions and classification principles of the MFI balance sheet set out in this Regulation, credit institutions subject to reserve requirements may alternatively report the data necessary to calculate the reserve base (cells marked with an \*), except those on negotiable instruments, in accordance with the table below, provided that no bold printed positions are affected. In this table, strict correspondence with Table 1 should be ensured as described below.

	Reserve base (excluding negotiable instruments), calculated as the sum of the following columns in Table 1: (a) - (b) + (c) + (d) + (e) + (f) - (g) + (h) + (i) + (j) + (k)
<b>LIABILITIES</b> (Euro and non-MU currencies combined)	
<b>TOTAL DEPOSITS</b>	
9.1e + 9.1x	
9.2e + 9.2x	
9.3e + 9.3x	
9.4e + 9.4x	
of which:	
9.2e + 9.2x With agreed maturity over 2 years	
of which:	
9.3e + 9.3x Redeemable at notice over 2 years	Voluntary reporting
of which:	
9.4e + 9.4x Repos	

**Table 2**  
Sector breakdown ('quarterly data')  
Data to be provided at quarterly frequency

	A. Domestic										B. Other MUMS										C. Rest of the world		
	General government					Non-MFIs					General government					Non-MFIs					Total	Banks	Non-banks
	Central government		Other general government			Other residents					Central government		Other general government			Other residents					Total	Banks	Non-banks
	Total	State government	Local authorities	Social security funds	Total	Other financial intermediaries	Insurance corps and pension funds	Non-financial corps.	Households, etc. (1)	Total	State government	Local authorities	Social security funds	Total	Other financial intermediaries	Insurance corps and pension funds	Non-financial corps.	Households, etc. (1)	Total	Banks	Non-banks		
					(S.123) (S.125)	(S.125) (S.11)								(S.123) (S.125)	(S.125) (S.11)								
<b>LIABILITIES</b>																							
8. Currency in circulation																							
9. Deposits (all currencies)																							
9.1. Overnight																							
9.2. With agreed maturity (1)																							
9.3. Redeemable at notice (2)																							
9.4. Repos																							
10. Money market fund shares/units																							
11. Debt securities issued																							
12. Money market paper																							
13. Capital and reserves																							
14. Remaining liabilities																							

	A. Domestic										B. Other MUMS										C. Rest of the world					
	General government					Other residents					General government					Other residents					Total	Banks	Non-banks			
	Non-MPIs					Non-MPIs					Non-MPIs					Non-MPIs										
	Total	Central government	Total	State government	Local government authorities	Total	Other financial intermediaries	Insurance corps. and pension funds	Non-financial corps.	Households, etc. (?)	Total	Central government	Total	State government	Local government authorities	Total	Other financial intermediaries	Insurance corps. and pension funds	Non-financial corps.	Households, etc. (?)	Total	Banks	Non-banks			
						(\$.123)	(\$.125)	(\$.11)								(\$.123)	(\$.125)	(\$.11)								
<b>ASSETS</b>																										
1. Cash																										
2. Loans																										
up to 1 year																										
over 1 year and up to 5 years																										
over 5 years																										
3. Securities other than shares																										
up to 1 year																										
over 1 year																										
4. Money market paper																										
5. Shares and other equity																										
6. Fixed assets																										
7. Remaining assets																										

Monthly data requirements, see Table 1.

(1) Including administratively regulated deposits.

(2) Including non-transferable sight deposits.

(3) Comprises households (S.14) and non-profit institutions serving households (S.15).

Table 3  
Sector breakdown of loans to non-MFIs by type ('quarterly data')  
Data to be provided at quarterly frequency

	A. Domestic						B. Other MUMS					
	Non-financial corporations (S.11) and households, etc. (S.14 + S.15)			Non-profit institutions serving households			Non-financial corporations (S.11) and households, etc. (S.14 + S.15)			Non-profit institutions serving households		
	Total	Non-financial enterprises (S.11)	Households, etc. (S.14)	Consumer credit	Lending for house purchase	Other (residual)	Total	Non-financial enterprises (S.11)	Households, etc. (S.14)	Consumer credit	Lending for house purchase	Other (residual)
ASSETS (all currencies)												
2. Loans												
up to 1 year												
over 1 year and up to 5 years												
over 5 years												

Table 4

## Country breakdown ('quarterly data')

Data to be provided at quarterly frequency

	B. + part of C. Other MUMS (i.e. excluding domestic sector) and other EU countries (°)												Part of C. Rest of the world (i.e. excluding EU countries)				
	BE	DK	DE	GR	ES	FR	IE	IT	LU	NL	AT	PT	FI	SE	UK	Total (°)	
<b>LIABILITIES</b>																	
8. Currency in circulation																	
9. Deposits (all currencies)																	
a. MFIs																	
b. non-MFIs																	
10. Money market fund shares/units																	
11. Debt securities issued																	
12. Money market paper																	
13. Capital and reserves																	
14. Remaining liabilities																	
<b>ASSETS</b>																	
1. Cash																	
2. Loans (all currencies)																	
a. to MFIs																	
b. to non-MFIs																	
3. Securities other than shares (all currencies)																	
a. issued by MFIs																	
b. issued by non-MFIs																	
4. Money market paper (°)																	
a. issued by MFIs																	
5. Shares and other equity																	
6. Fixed assets																	
7. Remaining assets																	

(°) Defined as holdings of money market paper issued by MFIs. Here, money market paper includes shares/units issued by MMFs.

(°) For the calculation of the consolidated balance sheet aggregates, a differentiation of the country of residence of MFI counterparties by each potential participating Member State would be required.

(°) An individual country breakdown of the 'rest of the world' (excluding EU countries) may be of interest, but is considered to be beyond the scope of this exercise. For 'MFIs' read SNA 93 sectors S.121 plus S.122.

Table 5  
Currency breakdown ('quarterly data')  
Data to be provided at quarterly frequency

	All currencies combined	Euro & MU national currencies (*)	Other EU currencies (*)	Other currencies				Remaining currencies combined
				Total	USD	JPY	CHF	
<b>LIABILITIES</b>								
9. Deposits								
A. Domestic								
a. MFIs	M	M						
b. non-MFIs	M							
B. Other MUMS								
a. MFIs	M	M						
b. non-MFIs	M							
C. Rest of the world								
a. banks			(*)					
b. non-banks			(*)					
10. Money market fund shares/units								
11. Debt securities issued								
12. Money market paper (*)	M	M						
13.+14. Remaining liabilities	M	M						

	All currencies combined	Euro & MU national currencies (*)	Other EU currencies (*)	Other currencies				Remaining currencies combined
				Total	USD	JPY	CHF	
<b>ASSETS</b>								
<b>2. Loans</b>								
<b>A. Domestic</b>								
a. to MFIs	M							
b. to non-MFIs	M	M						
<b>B. Other MUMS</b>								
a. to MFIs	M							
b. to non-MFIs	M	M						
<b>C. Rest of the world</b>								
a. to banks			(*)					
b. to non-banks			(*)					
<b>3. Securities other than shares</b>								
<b>A. Domestic</b>								
a. issued by MFIs	M	M						
b. issued by non-MFIs	M	M						
<b>B. Other MUMS</b>								
a. issued by MFIs	M	M						
b. issued by non-MFIs	M	M						
<b>C. Rest of the world</b>								
a. issued by banks			(*)					
b. issued by non-banks			(*)					
<b>4. Money market paper (2)</b>								
<b>A. Domestic</b>								
a. issued by MFIs	M	M						
<b>B. Other MUMS</b>								
a. issued by MFIs	M	M						
<b>5.+6.+7. Remaining assets</b>								
	M							

(\*) 'Monthly data' requirements, see Table 1.

(1) Defined as money market paper issued by MFIs.

(2) Defined as holdings of money market paper issued by MFIs. Here, money market paper includes shares/units issued by MMFs. Holdings of marketable instruments which may have the same characteristics as money market paper but are issued by non-MFIs should be reported as 'securities other than shares'.

(3) For the calculation of the consolidated balance sheet aggregates, a differentiation of the currency denomination of MFI accounts by each potential MUMS currency would be required.

(4) Data in respect of these items should be supplied for quality control purposes. As these items are not included in the official implementation package tables, it is expected that data will only be provided where already collected from MFI reporting agents.

Table 5  
Currency breakdown ('quarterly data')  
Data to be provided at quarterly frequency

	All currencies combined	Euro & MU national currencies (')	Other EU currencies (')	Other currencies				Remaining currencies combined
				Total	USD	JPY	CHP	
<b>LIABILITIES</b>								
9. Deposits								
A. Domestic								
a. MFIs	M	M						
b. non-MFIs	M							
B. Other MUMS								
a. MFIs	M	M						
b. non-MFIs	M							
C. Rest of the world								
a. banks			(')					
b. non-banks			(')					
10. Money market fund shares/units								
11. Debt securities issued								
12. Money market paper (')								
13.+14. Remaining liabilities								
	M	M						
	M	M						
	M							

## Annex 2: Balance of payments statistics

**Table I**

### Monthly key items for the balance of payments of the euro area

	<u>credit</u>	<u>debit</u>	<u>net</u>
<b>I. <u>Current account</u></b>			
<u>Goods</u>	<i>extra</i>	<i>extra</i>	<i>extra</i>
<u>Services</u>	<i>extra</i>	<i>extra</i>	<i>extra</i>
<u>Income</u>			
Compensation of employees	<i>extra</i>	<i>extra</i>	<i>extra</i>
Investment income			
- direct investment	<i>extra</i>	<i>extra</i>	<i>extra</i>
- portfolio investment	<i>extra</i>		<i>national</i>
- other investment	<i>extra</i>	<i>extra</i>	<i>extra</i>
<u>Current transfers</u>	<i>extra</i>	<i>extra</i>	<i>extra</i>
<b>II. <u>Capital account</u></b>	<i>extra</i>	<i>extra</i>	<i>extra</i>
	<u>net assets</u>	<u>net liabilities</u>	<u>net</u>
<b>III. <u>Financial account</u></b>			
<u>Direct investment</u>			<i>extra</i>
Abroad			<i>extra</i>
- equity			<i>extra</i>
- reinvested earnings			<i>extra</i>
- other capital			<i>extra</i>
In the reporting economy			<i>extra</i>
- equity			<i>extra</i>
- reinvested earnings			<i>extra</i>
- other capital			<i>extra</i>
<u>Portfolio investment</u>	<i>extra/intra</i>	<i>national</i>	
Equity securities	<i>extra/intra</i>	<i>national</i>	
Debt securities	<i>extra/intra</i>	<i>national</i>	
- bonds and notes	<i>extra intra</i>	<i>national</i>	
- money market instruments	<i>extra/intra</i>	<i>national</i>	
<u>Financial derivatives</u>			<i>national</i>
<u>Other investment</u>	<i>extra</i>	<i>extra</i>	<i>extra</i>
MFIs (excluding central banks)	<i>extra</i>	<i>extra</i>	<i>extra</i>
- long-term	<i>extra</i>	<i>extra</i>	<i>extra</i>
- short-term	<i>extra</i>	<i>extra</i>	<i>extra</i>
General government	<i>extra</i>	<i>extra</i>	<i>extra</i>
Monetary authorities	<i>extra</i>		<i>extra</i>
Other sectors	<i>extra</i>	<i>extra</i>	<i>extra</i>
<u>Reserve assets</u>	<i>extra</i>		<i>extra</i>

“extra” means transactions/positions with non-residents of the euro area (for portfolio investment assets and related income, it refers to the residency of the issuers).

“intra” means cross-border transactions/positions within the euro area.

“national” means the amount of all cross-border transactions and positions by residents of a Member State (used only in connection with liabilities on the portfolio investment account and the net balance of the financial derivatives account).

**Table 2****Quarterly and annual balance of payments of the euro area**

	<u>credit</u>	<u>debit</u>	<u>net</u>
<b>I. <u>Current account</u></b>			
<u>Goods</u>	<i>extra</i>	<i>extra</i>	<i>extra</i>
<u>Services</u>	<i>extra</i>	<i>extra</i>	<i>extra</i>
<u>Income</u>			
Compensation of employees	<i>extra</i>	<i>extra</i>	<i>extra</i>
Investment income			
– direct investment	<i>extra</i>	<i>extra</i>	<i>extra</i>
– income on equity	<i>extra</i>	<i>extra</i>	<i>extra</i>
– income on debt (interest)	<i>extra</i>	<i>extra</i>	<i>extra</i>
– portfolio investment	<i>extra</i>		<i>national</i>
– income on equity (dividends)	<i>extra</i>		<i>national</i>
– income on debt (interest)	<i>extra</i>		<i>national</i>
bonds and notes	<i>extra</i>		<i>national</i>
money market instruments	<i>extra</i>		<i>national</i>
– other investment	<i>extra</i>	<i>extra</i>	<i>extra</i>
<u>Current transfers</u>	<i>extra</i>	<i>extra</i>	<i>extra</i>
<b>II. <u>Capital account</u></b>	<i>extra</i>	<i>extra</i>	<i>extra</i>
	<u>net assets</u>	<u>net liabilities</u>	<u>net</u>
<b>III. <u>Financial account</u></b>			
<u>Direct investment</u>			<i>extra</i>
Abroad			<i>extra</i>
– equity			<i>extra</i>
(i) MFIs (excluding central banks)			<i>extra</i>
(ii) other sectors			<i>extra</i>
– reinvested earnings			<i>extra</i>
(i) MFIs (excluding central banks)			<i>extra</i>
(ii) other sectors			<i>extra</i>
– other capital			<i>extra</i>
(i) MFIs (excluding central banks)			<i>extra</i>
(ii) other sectors			<i>extra</i>
In the reporting economy			<i>extra</i>
– equity			<i>extra</i>
(i) MFIs (excluding central banks)			<i>extra</i>
(ii) other sectors			<i>extra</i>
– reinvested earnings			<i>extra</i>
(i) MFIs (excluding central banks)			<i>extra</i>
(ii) other sectors			<i>extra</i>
– other capital			<i>extra</i>
(i) MFIs (excluding central banks)			<i>extra</i>
(ii) other sectors			<i>extra</i>
<u>Portfolio investment</u>	<i>extra/intra</i>	<i>national</i>	
Equity securities	<i>extra/intra</i>	<i>national</i>	
(i) monetary authorities	<i>extra/intra</i>	-	
(ii) general government	<i>extra/intra</i>	-	
(iii) MFIs (excluding central banks)	<i>extra/intra</i>	<i>national</i>	
(iv) other sectors	<i>extra/intra</i>	<i>national</i>	
Debt securities	<i>extra/intra</i>	<i>national</i>	
– bonds and notes	<i>extra/intra</i>	<i>national</i>	
(i) monetary authorities	<i>extra/intra</i>	<i>national</i>	

**Table 2 (continued)**

(ii) general government	<i>extra/intra</i>	<i>national</i>	
(iii) MFIs (excluding central banks)	<i>extra/intra</i>	<i>national</i>	
(iv) other sectors	<i>extra/intra</i>	<i>national</i>	
– money market instruments	<i>extra/intra</i>	<i>national</i>	
(i) monetary authorities	<i>extra/intra</i>	<i>national</i>	
(ii) general government	<i>extra/intra</i>	<i>national</i>	
(iii) MFIs (excluding central banks)	<i>extra/intra</i>	<i>national</i>	
(iv) other sectors	<i>extra/intra</i>	<i>national</i>	
<u>Financial derivatives</u>			<i>national</i>
(i) monetary authorities			<i>national</i>
(ii) general government			<i>national</i>
(iii) MFIs (excluding central banks)			<i>national</i>
(iv) other sectors			<i>national</i>
<u>Other investment</u>	<i>extra</i>	<i>extra</i>	<i>extra</i>
(i) monetary authorities	<i>extra</i>	<i>extra</i>	<i>extra</i>
– loans/currency and deposits	<i>extra</i>	<i>extra</i>	<i>extra</i>
– other assets/liabilities	<i>extra</i>	<i>extra</i>	<i>extra</i>
(ii) general government	<i>extra</i>	<i>extra</i>	<i>extra</i>
– trade credits	<i>extra</i>	<i>extra</i>	<i>extra</i>
– loans/currency and deposits	<i>extra</i>	<i>extra</i>	<i>extra</i>
– other assets/liabilities	<i>extra</i>	<i>extra</i>	<i>extra</i>
(iii) MFIs (excluding central banks)	<i>extra</i>	<i>extra</i>	<i>extra</i>
– loans/currency and deposits	<i>extra</i>	<i>extra</i>	<i>extra</i>
– other assets/liabilities	<i>extra</i>	<i>extra</i>	<i>extra</i>
(iv) other sectors	<i>extra</i>	<i>extra</i>	<i>extra</i>
– trade credits	<i>extra</i>	<i>extra</i>	<i>extra</i>
– loans/currency and deposits	<i>extra</i>	<i>extra</i>	<i>extra</i>
– other assets/liabilities	<i>extra</i>	<i>extra</i>	<i>extra</i>
<u>Reserve assets</u>	<i>extra</i>		
Monetary gold	<i>extra</i>		
Special drawing rights	<i>extra</i>		
Reserve position in the IMF	<i>extra</i>		
Foreign exchange	<i>extra</i>		
– currency and deposits	<i>extra</i>		
– with monetary authorities	<i>extra</i>		
– with MFIs (excluding central banks)	<i>extra</i>		
– securities	<i>extra</i>		
– equities	<i>extra</i>		
– bonds and notes	<i>extra</i>		
– money market instruments	<i>extra</i>		
– financial derivatives	<i>extra</i>		
Other claims	<i>extra</i>		

**Table 3****Monthly international reserves of the eurosystem: reserve-related liabilities of the euro area****I. Official reserve assets and other foreign currency assets (approximate market value)**

<b>A</b>	<b>Official reserve assets</b>
(1)	foreign currency reserves (in convertible foreign currencies)
(a)	securities, of which:
	- issuer headquartered in the euro area
(b)	total currency and deposits with
(i)	other national central banks, BIS and IMF
(ii)	banks headquartered in the euro area and located abroad
(iii)	banks headquartered and located outside the euro area
(2)	IMF reserve position
(3)	SDRs
(4)	gold (including gold deposits and gold swaps)
(5)	other reserve assets
(a)	financial derivatives
(b)	loans to non-bank non-residents
(c)	other
<b>B</b>	<b>Other foreign currency assets</b>
(a)	securities not included in official reserve assets
(b)	deposits not included in official reserve assets
(c)	loans not included in official reserve assets
(d)	financial derivatives not included in official reserve assets
(e)	gold not included in official reserve assets
(f)	other

**II. Predetermined short-term net drains on foreign currency assets (nominal value)**

	Total	Maturity breakdown (residual maturity, where applicable)		
		Up to 1 month	More than 1 month and up to 3 months	More than 3 months and up to 1 year
<b>1 Foreign currency loans, securities and deposits</b>				
- outflows (-) principal				
interest				
- inflows (+) principal				
interest				
<b>2 Aggregate short and long positions in forwards and futures in foreign currencies vis-à-vis the domestic currency (including the forward leg of currency swaps)</b>				
(a) short positions (-)				
(b) long positions (+)				
<b>3 Other (specify)</b>				
- outflows related to repos (-)				
- inflows related to reverse repos (+)				
- trade credits (-)				
- trade credits (+)				
- other accounts payable (-)				
- other accounts receivable (+)				

**Table 3 (continued)****III. Contingent short-term net drains on foreign currency assets (nominal value)**

	Total	Maturity breakdown (residual maturity, where applicable)		
		Up to 1 month	More than 1 month and up to 3 months	More than 3 months and up to 1 year
1 contingent liabilities in foreign currency				
(a) collateral guarantees on debt falling due within 1 year				
(b) other contingent liabilities				
2 foreign currency securities issued with embedded options (puttable bonds)				
3 undrawn, unconditional credit lines provided by:				
(a) other national monetary authorities, BIS, IMF and other international organisations				
- other national monetary authorities (+)				
- BIS (+)				
- IMF (+)				
(b) banks and other financial institutions headquartered in the reporting country (+)				
(c) banks and other financial institutions headquartered outside the reporting country (+)				
3 undrawn, unconditional credit lines provided to:				
(a) other national monetary authorities, BIS, IMF and other international organisations				
- other national monetary authorities (-)				
- BIS (-)				
- IMF (-)				
(b) banks and other financial institutions headquartered in the reporting country (-)				
(c) banks and other financial institutions headquartered outside the reporting country (-)				
4 Aggregate short and long positions of options in foreign currencies vis-à-vis the domestic currency				
(a) short positions				
(i) bought puts				
(ii) written calls				
(b) long positions				
(i) bought calls				
(ii) written puts				
PRO MEMORIA: in-the-money options				
(1) at current exchange rates				
(a) short position				
(b) long position				
(2) +5% (depreciation of 5%)				
(a) short position				
(b) long position				

**Table 3 (continued)**

- (3) -5% (appreciation of 5%)
  - (a) short position
  - (b) long position
- (4) +10% (depreciation of 10%)
  - (a) short position
  - (b) long position
- (5) -10% (appreciation of 10%)
  - (a) short position
  - (b) long position
- (6) other (specify)
  - (a) short position
  - (b) long position

#### IV. Memo items

- (1) to be reported with standard periodicity and timeliness:
  - (a) short-term domestic currency debt indexed to foreign exchange rates
  - (b) financial instruments denominated in foreign currency and settled by other means (e.g. in domestic currency)
    - non-deliverable forwards
      - (i) short positions
      - (ii) long positions
    - other instruments
  - (c) pledged assets
    - included in reserve assets
    - included in other foreign currency assets
  - (d) securities lent and on repo
    - lent or repoed and included in Section I
    - lent or repoed but not included in Section I
    - borrowed or acquired and included in Section I
    - borrowed or acquired but not included in Section I
  - (e) financial derivative assets (net, marked to market)
    - forwards
    - futures
    - swaps
    - options
    - other
  - (f) derivatives (forward, futures or options contracts) which have a residual maturity greater than one year, which are subject to margin calls.
    - aggregate short and long positions in forwards and futures in foreign currencies vis-à-vis the domestic currency (including the forward leg of currency swaps)
      - (i) short positions
      - (ii) long positions
    - aggregate short and long positions of options in foreign currencies vis-à-vis the domestic currency
      - (i) short positions
        - bought puts
        - written calls
      - (ii) long positions
        - bought calls
        - written puts
- (2) to be disclosed less frequently (e.g. once a year):
  - (a) currency composition of reserves (by groups of currencies)
    - currencies in SDR basket
    - currencies not included in SDR basket

**Table 4:****Annual international investment position of the euro area**

	<u>net assets</u>	<u>net liabilities</u>	<u>net</u>
<b>I. <u>Direct investment</u></b>			
<u>Abroad</u>			
– equity and reinvested earnings			
(i) MFIs (excluding central banks)			
(ii) other sectors			
– other capital			
(i) MFIs (excluding central banks)			
(ii) other sectors			
<u>In the reporting economy</u>			
– equity and reinvested earnings			
(i) MFIs (excluding central banks)			
(ii) other sectors			
– other capital			
(i) MFIs (excluding central banks)			
(ii) other sectors			
<b>II. <u>Portfolio investment</u></b>			
<u>Equity securities</u>			
(i) monetary authorities			
(ii) general government			
(iii) MFIs (excluding central banks)			
(iv) other sectors			
<u>Debt securities</u>			
– bonds and notes			
(i) monetary authorities			
(ii) general government			
(iii) MFIs (excluding central banks)			
(iv) other sectors			
– money market instruments			
(i) monetary authorities			
(ii) general government			
(iii) MFIs (excluding central banks)			
(iv) other sectors			
<b>III. <u>Financial derivatives</u></b>			
(i) monetary authorities			
(ii) general government			
(iii) MFIs (excluding central banks)			
(iv) other sectors			
<b>IV. <u>Other investment</u></b>			
(i) monetary authorities			
– loans/currency and deposits			
– other assets/liabilities			
(ii) general government			
– trade credits			
– loans/currency and deposits			
– other assets/liabilities			
(iii) MFIs (excluding central banks)			
– loans/currency and deposits			
– other assets/liabilities			

## Table 4 (continued)

- (iv) other sectors
  - trade credits
  - loans/currency and deposits
  - other assets/liabilities

### V. **Reserve assets**

#### Monetary gold

#### Special drawing rights

#### Reserve position in the IMF

#### Foreign exchange

- currency and deposits
  - with monetary authorities
  - with MFIs (excluding central banks)
- securities
  - equities
  - bonds and notes
  - money market instruments
- financial derivatives

#### Other claims

INTERNATIONAL INVESTMENT POSITIONS FOR END-1999 AND END-2000 SHOULD REFER TO "NATIONAL" DATA.

## Annex 3: Monetary Union financial accounts

**Table 1:**

### Balance sheet statement of values of assets and liabilities

Assets	Liabilities
<i>Produced assets</i>	Currency and deposits
– capital goods	Securities other than shares
– stocks	Loans
– valuables	Shares and other equity
<i>Non-produced assets</i>	Insurance technical reserves
– non-produced tangible assets	Other accounts payable
– non-produced intangible assets	
<i>Financial assets</i>	
– monetary gold and special drawing rights	
– <small>CURRENCY AND DEPOSITS</small>	
– securities other than shares	
– loans	
– shares and other equity	
– insurance technical reserves	
– other accounts receivable	
	Net worth

**Table 2:**

### Financial assets, liabilities and net financial assets

Financial assets	Liabilities
Monetary gold and special drawing rights	Currency and deposits
Currency and deposits	Securities other than shares
Securities other than shares	Loans
Loans	Shares and other equity
Shares and other equity	Insurance technical reserves
Insurance technical reserves	Other accounts payable
Other accounts receivable	
<b>Net financial assets</b>	

**Table 3:**

### System of accounts according to the ESA 95

<i>Flows</i> (Changes in assets and liabilities owing to transactions and other flows)
Transactions
Other changes in the volume of assets
Revaluations
<i>Stocks</i> (Outstanding amounts of assets and liabilities in balance sheets)

**Table 4:****Classification by institutional sector**

<b>ESA 95</b>
<b>Non-financial corporations (S.11)</b>
<b>Financial corporations (S.12)</b>
• the central bank (S.121)
– other monetary financial institutions (S.122)
1. other financial institutions (except insurance corporations and pension funds) (S.123)
1. financial auxiliaries (S.124)
insurance corporations and pension funds (S.125)
<b>General government (S.13)</b>
1. central government (S.1311)
• state government (S.1312)
▪ local government (S.1313)
⇒ social security funds (S.1314)
<b>Households (including non-corporations) (S.14)</b>
<b>Non-profit-making institutions serving households (S.15)</b>
<b>Rest of the world (S.2)</b>
⇒ European Union (S.21)
? third countries and international organisations (S.22)

The abbreviations given in brackets are the sectors as they are numbered in the ESA 95.

**Table 5:****Simplified balance sheet and financial transaction accounts**

(financial assets/transactions in financial assets/liabilities/transactions in liabilities)

Total	Rest of the world	Total economy	Households including non-profit institutions serving households	General government	Insurance corporations and pension funds	Other financial intermediaries including financial auxiliaries	MFIs	Non-financial corporations	Balance sheet items, financial transactions, and balancing items	Non-financial corporations	MFIs	Other financial intermediaries including financial auxiliaries	Insurance corporations and pension funds	General government	Households including non-profit institutions serving households	Total economy	Rest of the world	Total
									Monetary gold and SDRs									
									Currency and deposits									
									Securities other than shares									
									Loans									
									Shares and other equity									
									Insurance technical reserves									
									Other accounts receivable/payable									
									<b>Total</b>									
									<i>Net financial assets/net lending/net borrowing</i>									

Shaded areas indicate cells which are not applicable.

**Table 6:****Table on financing and investment of MU non-financial sectors (TFI)***(By instrument, balance sheet items and financial transactions, EUR millions)*

<p><b>1) Short-term financial investment related to monetary liabilities</b></p> <p><b>Currency</b></p> <p><b>Deposits</b></p> <ul style="list-style-type: none"> <li>overnight deposits</li> <li>deposits with an agreed maturity of up to two years</li> <li>deposits redeemable at notice (of up to three months)</li> <li>repurchase agreements</li> </ul> <p><b>Securities other than shares</b></p> <ul style="list-style-type: none"> <li>money market paper</li> <li>debt securities</li> </ul> <p><b>Shares and other equity</b></p> <ul style="list-style-type: none"> <li>MMF shares/units</li> </ul> <p>Memo items: Monetary aggregates</p> <ul style="list-style-type: none"> <li>currency in circulation</li> <li>+ overnight deposits</li> <li>= <b>M1</b></li> <li>+ deposits with an agreed maturity of up to two years</li> <li>+ deposits redeemable at notice (of up to three months)</li> <li>= <b>M2</b></li> <li>+ repurchase agreements and money market paper</li> <li>+ MMF shares/units</li> <li>+ debt securities with a maturity of up to two years</li> <li>= <b>M3</b></li> </ul>
<p><b>2) Short-term financial investment vis-à-vis other MU financial intermediaries</b></p> <p><b>Deposits</b></p> <p><b>Securities other than shares</b></p> <p><b>Prepayments of insurance premiums and reserves for outstanding claims</b></p>
<p><b>3) Long-term financial investment</b></p> <p><b>Deposits related to monetary liabilities</b></p> <ul style="list-style-type: none"> <li>deposits with an agreed maturity over to two years</li> <li>deposits redeemable at notice (over three months)</li> </ul> <p><b>Deposits vis-à-vis other MU financial intermediaries</b></p> <p><b>Securities other than shares</b></p> <p><b>Quoted shares</b></p> <p><b>Mutual funds shares</b></p> <p><b>Insurance technical reserves</b> (net equity of households in life insurance and pension fund reserves)</p>
<p><b>4) Financing</b></p> <p><b>Securities</b></p> <ul style="list-style-type: none"> <li>short-term</li> <li>long-term</li> </ul> <p><b>Loans</b></p> <ul style="list-style-type: none"> <li>short-term</li> <li>of which: consumer credit</li> <li>long-term</li> <li>of which: consumer credit</li> <li>lending for house purchases</li> </ul> <p><b>Quoted shares</b></p>
<p><b>5) Net financial investment</b></p>

*Note: The above items will be shown as financial assets/liabilities of the following sectors: non-financial sectors in the euro area, financial sectors in the euro area and the rest of the world.*

**Table 7:****National financial accounts' statistics by financial instrument as supplementary data sources for the compilation of quarterly MUFAs**

<b>Deposits (incurred by non-MFIs)</b>
By debtor sector
other financial intermediaries
insurance corporations
By creditor sector
non-financial corporations
general government
households including non-profit institutions serving households
<b>Securities other than shares (excluding financial derivatives)</b>
By (original) maturity
short-term
long-term
By issuing sector
non-financial corporations
general government
By holding sector
non-financial corporations
general government
households including non-profit institutions serving households
<b>Quoted shares</b>
By issuing sector
non-financial corporations
By holding sector
non-financial corporations
general government
households including non-profit institutions serving households
<b>Mutual funds shares</b>
By holding sector
non-financial corporations
general government
households including non-profit institutions serving households
<b>Insurance technical reserves</b>
By instrument
net equity of households in life insurance and pension funds reserves
prepayments of insurance premiums and reserves for outstanding claims
By creditor sector
non-financial corporations
general government
households including non-profit institutions serving households
<b>Loans (provided by non-MFIs)</b>
By (original) maturity
short-term
long-term
By creditor sector
other financial intermediaries
insurance corporations
By debtor sector
non-financial corporations
general government
households including non-profit institutions serving households

**Table 8:**  
**Government debt <sup>1)</sup>**

	item no.
Currency and deposits	1
Short-term securities	2
Long-term securities	3
Loans from central bank	4
Other loans	5
<b>Government gross consolidated debt</b>	<b>6= 1+2+3+4+5= 7+12</b> <b>6= 21+22+23= 27+28+30</b> <b>6= 17+18+19+20</b>
Domestic holders	7= 8+9+10+11
Central bank	8
Other monetary financial institutions	9
Other financial institutions	10
Other residents	11
Non-resident holders	12= 13+14
MU non-residents	13
Non-MU non-residents	14
Gross debt non-consolidated	15= 6+16
Consolidating elements	16
Central government debt component	17
State government debt component	18
Local government debt component	19
Social security funds debt component	20
Domestic currency denominated	21
Participating foreign currency denominated	22
Non-participating foreign currency denominated	23
<b>Medium and long-term government debt :</b>	
Initial maturity (more than 1 year)	24
Residual maturity (more than 1 year)	25= 28+31
Residual maturity below one year and other variable interest rate instruments	26= 27+29+30
Residual maturity below 1 year	27
Residual maturity between 1 and 5 years	28
<i>Of which: variable interest rate</i>	29
Residual maturity over 5 years	30
<i>Of which: variable interest rate</i>	31
Average maturity	32
Zero coupon (redemption value)	33

1) Government debt is the sum of the outstanding gross liabilities as classified in the ESA 95 categories currency and deposits, securities other than shares excluding financial derivatives, and loans. It is consolidated between and within the general government sub-sectors and measured at the end of the reporting period.

**Table 9:****Adjustment between deficit and change in debt**

	item no.
<b>Deficit (-) or surplus (+)</b>	<b>1</b>
Adjustment between financial and non-financial accounts	2 = 1-3
<b>Net transactions in financial assets and liabilities</b>	<b>3 = 4+13-17</b>
<b>Transactions in assets (consolidated)</b>	<b>4= 5+6+8+9</b>
Currency and deposits (including repos)	5
Securities (short and long-term)	6
memo: Securities (short and long-term) non-consolidated	7
Loans	8
Shares and other equity	9= 10+11+12
Privatisations	10
Equity injections	11
Others	12
<b>Net transactions in other assets and liabilities</b>	<b>13= 15-16</b>
<i>Of which: net transactions in financial derivatives</i>	<b>14</b>
Transactions in other assets (consolidated)	15
Transactions in other liabilities (consolidated)	16
<b>Transactions in government debt (consolidated)</b>	<b>17=22+23+25+27+28</b>
<b>= General Government Borrowing Requirement (GGBR)</b>	<b>17= 19+20+21</b>
Of which: medium-term and long-term	<b>18</b>
Domestic currency denominated	<b>19</b>
Participating foreign currency denominated	<b>20</b>
Non-participating foreign currency denominated	<b>21</b>
Currency and deposits	22
Short-term securities	23
memo: Short-term securities non-consolidated	24
Long-term securities	25
memo: Long-term securities non-consolidated	26
Loans from central bank	27
Other loans	28
<b>Valuation effects in government debt</b>	<b>29= 30+31</b>
Foreign exchange holding gains and losses/ESA 95	30
Other valuation effects - face value	31
<b>Other changes in volume in government debt</b>	<b>32</b>
<b>Change in government debt</b>	<b>33= 17+29+32</b>
	<b>33=2-1+4+13+29+32</b>