



EUROPEAN CENTRAL BANK

Explanatory notes on statistics on the Monetary Financial Institutions sector

In accordance with Council Regulation (EC) No 2533/98 of 23 November 1998, and Regulation of the European Central Bank of 22 November 2001 concerning the collection of statistical information by the European Central Bank (ECB/2001/13), the European Central Bank (ECB) establishes and updates on a regular basis the List of Monetary Financial Institutions (MFIs) for statistical purposes.

Procedures for monitoring and continuous checking ensure that the List of MFIs remains up-to-date, accurate, as homogenous as possible and sufficiently stable for statistical purposes. The List of MFIs, in addition, indicates whether credit institutions are subject to – or exempt from – minimum reserve requirements. This List of MFIs is released and updated monthly on the ECB's Web site (<http://www.ecb.int>; see the item “MFIs and Eligible assets”).

For the purpose of the production of the consolidated balance sheet of the MFI sector, the reporting MFIs supply the national central banks (NCBs) with balance sheet reports relating to the previous month. The main objective of the balance sheet reporting 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 and enable it to calculate monetary aggregates and counterparts covering the euro area. Moreover, the monthly individual data reported by the credit institutions subject to the minimum reserves system are used for the calculation of the reserve base in accordance with the Council Regulation (EC) No 2531/98 of 23 November 1998 concerning the application of minimum reserves by the European Central Bank [Regulation of the ECB on the application of minimum reserves, as amended on 31 August 2000 (ECB/1998/15) amended by Regulation ECB/2000/8].

The table headed “Total number of MFIs and updates”, which is available as a downloadable file under the item “Statistics on Monetary Financial Institutions sector” on the ECB's Web site, shows the absolute number of MFIs and of updates, i.e. joiners, leavers and changes in attributes, broken down by country and by category, i.e. “central bank”, “credit institution”, “money market fund” and “other institution”. The column headed “MFIs” presents the absolute number of MFIs at the end of the month, whereas the other three columns present the absolute number of changes which occurred during the month.



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Definitions on specific terms used

Monetary Financial Institution	“Monetary Financial Institutions” (MFIs) comprise resident credit institutions as defined in Community Law and other resident financial institutions the business of which 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.
Credit institution	“Credit institutions” are defined as any institution falling under the definition contained in the Banking Co-ordination Directive 2000/12/EC of 20 March 2000, as amended by Directive 2000/28/EC of 18 September 2000 (including the exempt credit institutions), whereby credit institution shall mean “(a) an undertaking whose business is to receive deposits or other repayable funds from the public and to grant credits for its own account; or (b) an electronic money institution within the meaning of Directive 2000/46/EC of the European Parliament and of the Council of 18 September 2000 on the taking up, pursuit and prudential supervision of the business of electronic money institutions”.
Central bank	The central banks comprise the national central banks of the EU Member States and the European Central Bank.
Money market funds	Money market funds are defined as those collective investment undertakings of which the units are, in terms of liquidity, close substitutes for deposits and which primarily invest in money market instruments and/or in other transferable debt instruments with a residual maturity 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.
Other institutions	“Other institutions” comprise other resident financial institutions which fulfil the MFI definition, irrespective of the nature of their business.



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Foreign Branch	<p>This refers to an institution falling under the definition contained in the Banking Co-ordination Directive 2000/12/EC of 20 March 2000, i.e. “a place of business which forms a legally dependent part of a credit institution and which carries out directly all or some of the transactions inherent in the business of credit institutions; any number of places of business set up in the same Member State by a credit institution with headquarters in another Member State shall be regarded as a single branch”.</p>
Joiners	<p>There are four events that could result in a financial institution joining the MFI sector: a) the establishment of an MFI as a result of a merger; b) the establishment of new legal entities as a result of the division of an existing MFI; c) the establishment of a new MFI; or d) a change in the status of a previous non-MFI, such that it becomes an MFI.</p>
Leavers	<p>There are five events that could result in a financial institution leaving the MFI sector: a) the involvement of an MFI in an merger; b) the purchase of an MFI by another institution; c) the division of an MFI into separate legal entities; d) a change in the status of an MFI, such that it becomes a non-MFI; or e) the liquidation of an MFI.</p>
Changes in attributes	<p>A change in the record of an MFI which does not affect its allocation to the MFI sector is registered as a change in attributes, e.g. a change of address, a change in category within the MFI definition.</p>