



EUROPEAN CENTRAL BANK

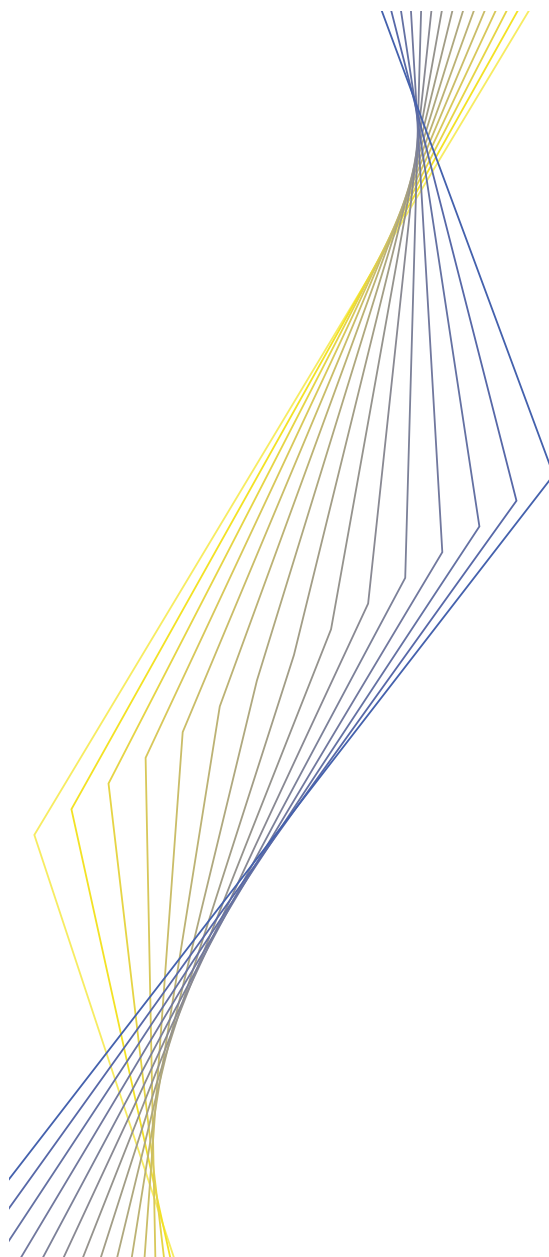


**MONEY AND  
BANKING STATISTICS  
IN THE ACCESSION COUNTRIES:  
METHODOLOGICAL  
MANUAL**

April 2001



EUROPEAN CENTRAL BANK



**THE CURRENT DEFINITION  
AND STRUCTURE OF MONEY  
AND BANKING STATISTICS  
IN THE ACCESSION COUNTRIES:  
METHODOLOGICAL  
MANUAL**

April 2001

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# Contents

Preface .....	9	<b>Cyprus</b> .....	35
Foreword .....	11	List of abbreviations .....	36
Introduction .....	13	1 Legal and institutional background .....	37
<b>Bulgaria</b> .....	17	1.1 Organisational structure .....	37
List of abbreviations .....	18	1.2 Legal background .....	38
1 Legal and institutional background .....	19	1.3 Institutional aspects .....	40
1.1 Organisational structure .....	19	2 Monetary statistics .....	46
1.2 Legal background .....	19	2.1 Legal background and statistical standards .....	46
1.3 Institutional aspects .....	19	2.2 Concepts and definitions .....	46
2 Monetary statistics .....	22	2.3 Population of monetary institutions .....	49
2.1 Legal background and statistical standards .....	22	2.4 Banking business: general deposits/other products .....	50
2.2 Concepts and definitions .....	23	2.5 Statistical balance sheets of the monetary institutions .....	50
2.3 Population of monetary institutions .....	24	2.6 Measure(s) of money: definitions and remarks .....	52
2.4 Banking business: general deposits/other products .....	26	2.7 Counterparts of money .....	53
2.5 Statistical balance sheets of the monetary institutions .....	26	2.8 Reserve money .....	54
2.6 Measure(s) of money: definitions and remarks .....	27	2.9 Reporting procedures .....	55
2.7 Counterparts of money .....	28	2.10 Data processing and compilation methods .....	56
2.8 Reserve money .....	28	2.11 Publications .....	56
2.9 Reporting procedures .....	29	<b>Annexes</b> .....	58
2.10 Data processing and compilation methods .....	30	1 Organisation chart of the Central Bank of Cyprus (CBC) .....	58
2.11 Publications .....	31	2 Organisation chart of the Statistical Department of the Central Bank of Cyprus (CBC) .....	59
<b>Annexes:</b> .....	33		
1 Organisation chart of the Bulgarian National bank (BNB) .....	33		
2 Statistics Directorate .....	34		

<b>Czech Republic</b> .....	61	1.3 Institutional aspects .....	88
List of abbreviations .....	62	<b>2 Monetary statistics</b> .....	93
1 Legal and institutional background .....	63	2.1 Legal background and statistical standards .....	93
1.1 Organisational structure .....	63	2.2 Concepts and definitions .....	93
1.2 Legal background .....	63	2.3 Population of monetary institutions .....	93
1.3 Institutional aspects .....	64	2.4 Banking business: general deposits/other products .....	97
<b>2 Monetary statistics</b> .....	68	2.5 Statistical balance sheets of the monetary institutions .....	97
2.1 Legal background and statistical standards .....	68	2.6 Measure(s) of money: definitions and remarks .....	99
2.2 Concepts and definitions .....	70	2.7 Counterparts of money .....	100
2.3 Population of monetary institutions .....	72	2.8 Reserve money .....	100
2.4 Banking business: general deposits/other products .....	73	2.9 Reporting procedures .....	101
2.5 Statistical balance sheets of the monetary institutions .....	73	2.10 Data processing and compilation methods .....	103
2.6 Measure(s) of money: definitions and remarks .....	76	2.11 Publications .....	103
2.7 Counterparts of money .....	77	<b>Annexes</b> .....	105
2.8 Reserve money .....	78	1 Organisation chart of the Bank of Estonia .....	105
2.9 Reporting procedures .....	78	2 Organisation chart of the Statistics Department of the Bank of Estonia .....	106
2.10 Data processing and compilation methods .....	80		
2.11 Publications .....	81		
<b>Annex:</b> .....	83	<b>Hungary</b> .....	107
Organisation chart of the Czech National Bank (CNB) .....	83	List of abbreviations .....	108
<b>Estonia</b> .....	85	1 Legal and institutional background .....	109
List of abbreviations .....	86	1.1 Organisational structure .....	109
1 Legal and institutional background .....	87	1.2 Legal background .....	109
1.1 Organisational structure .....	87	1.3 Institutional aspects .....	109
1.2 Legal background .....	87	<b>2 Monetary statistics</b> .....	114
		2.1 Legal background and statistical standards .....	114

2.2	Concepts and definitions .....	114	2.4	Banking business: general deposits/other products .....	136
2.3	Population of monetary financial institutions .....	117	2.5	Statistical balance sheets of the monetary institutions .....	137
2.4	Banking business: general deposits/other products .....	118	2.6	Measure(s) of money: definitions and remarks .....	140
2.5	Statistical balance sheets of the monetary institutions .....	118	2.7	Counterparts of money .....	140
2.6	Measure(s) money: definitions and remarks .....	120	2.8	Reserve money .....	141
2.7	Counterparts of money .....	121	2.9	Reporting procedures .....	141
2.8	Reserve money .....	121	2.10	Data processing and compilation methods .....	143
2.9	Reporting procedures .....	122	2.11	Publications .....	144
2.10	Data processing and compilation methods .....	123	<b>Annexes:</b> .....	145	
2.11	Publications .....	124	1	The structure of the Bank of Latvia .....	145
<b>Annexes</b> .....	125		2	Structure of the Statistics Department at the Bank of Latvia .....	146
1	Organisation chart of the National Bank of Hungary (NBH) .....	125	<b>Lithuania</b> .....	147	
2	Organisation chart of the Statistics Department of the NBH .....	126	<b>List of abbreviations</b> .....	148	
<b>Latvia</b> .....	127		1	Legal and institutional background .....	149
<b>List of abbreviations</b> .....	128		1.1	Organisational structure .....	149
1	Legal and institutional background .....	129	1.2	Legal background .....	150
1.1	Organisational structure .....	129	1.3	Institutional aspects .....	150
1.2	Legal background .....	129	2	<b>Monetary statistics</b> .....	155
1.3	Institutional aspects .....	129	2.1	Legal background and statistical standards .....	155
2	<b>Monetary statistics</b> .....	133	2.2	Concepts and definitions .....	155
2.1	Legal background and statistical standards .....	133	2.3	Population of monetary institutions .....	156
2.2	Concepts and definitions .....	133	2.4	Banking business: general deposits/other products .....	158
2.3	Population of monetary institutions .....	136	2.5	Statistical balance sheets of the monetary institutions .....	158

2.6 Measure(s) of money: definitions and remarks .....	159	2.10 Data processing and compilation methods .....	182
2.7 Counterparts of money .....	159	2.11 Publications .....	183
2.8 Reserve money .....	160	<b>Annexes:</b> .....	185
2.9 Reporting procedures .....	160	1 Organisation chart of the Central Bank of Malta (CBM) .....	185
2.10 Data processing and compilation methods .....	161	2 Organisation chart of the Statistics Section (within the Economics Department) of the Central Bank of Malta .....	186
2.11 Publications .....	162		
<b>Annex</b> .....	163		
Organisation chart of the Bank of Lithuania (BoL) .....	163	<b>Poland</b> .....	187
		<b>List of abbreviations</b> .....	188
<b>Malta</b> .....	165	1 Legal and institutional background .....	189
<b>List of abbreviations</b> .....	166	1.1 Organisational structure .....	189
1 Legal and institutional background .....	167	1.2 Legal background .....	190
1.1 Organisational structure .....	167	1.3 Institutional aspects .....	190
1.2 Legal background .....	168	2 Monetary statistics .....	193
1.3 Institutional aspects .....	168	2.1 Legal background and statistical standards .....	193
2 Monetary statistics .....	172	2.2 Concepts and definitions .....	194
2.1 Legal background and statistical standards .....	172	2.3 Population of monetary institutions .....	198
2.2 Concepts and definitions .....	173	2.4 Banking business: general deposits/other products .....	198
2.3 Population of monetary institutions .....	174	2.5 Statistical balance sheets of the monetary institutions .....	199
2.4 Banking business: general deposits/other products .....	177	2.6 Measure(s) of money: definitions and remarks .....	200
2.5 Statistical balance sheets of the monetary institutions .....	177	2.7 Counterparts of money .....	201
2.6 Measure(s) of money: definitions and remarks .....	178	2.8 Reserve money .....	202
2.7 Counterparts of money .....	178	2.9 Reporting procedures .....	202
2.8 Reserve money .....	179	2.10 Data processing and compilation methods .....	204
2.9 Reporting procedures .....	179	2.11 Publications .....	205

Annexes: .....	207
----------------	-----

1 Organisation chart of the National Bank of Poland (NBP) .....	207
2 Organisation chart of the Statistics Department of the NBP .....	208

<b>Romania</b> .....	209
----------------------	-----

List of abbreviations .....	210
-----------------------------	-----

1 Legal and institutional background .....	211
1.1 Organisational structure .....	211
1.3 Institutional aspects .....	211
2 Monetary statistics .....	215
2.1 Legal background and statistical standards .....	215
2.2 Concepts and definitions .....	215
2.3 Population of monetary institutions .....	219
2.4 Banking business: general deposits/other products .....	219
2.5 Statistical balance sheets of the monetary institutions .....	219
2.6 Measure(s) of money: definitions and remarks .....	220
2.7 Counterparts of money .....	220
2.8 Reserve money .....	220
2.9 Reporting procedures .....	221
2.10 Data processing and compilation methods .....	222
2.11 Publications .....	222

Annex: .....	223
--------------	-----

Organisation chart of the National Bank of Romania (NBR) .....	223
---	-----

<b>Slovakia</b> .....	225
-----------------------	-----

List of abbreviations .....	226
-----------------------------	-----

1 Legal and institutional background .....	227
1.1 Organisational structure .....	227
1.2 Legal background .....	227
1.3 Institutional aspects .....	228
2 Monetary statistics .....	236
2.1 Legal background and statistical standards .....	236
2.2 Concepts and definitions .....	237
2.3 Population of monetary institutions .....	240
2.4 Banking business: general deposits/other products .....	241
2.5 Statistical balance sheets of the monetary institutions .....	242
2.6 Measure(s) of money: definitions and remarks .....	244
2.7 Counterparts of money .....	244
2.8 Reserve money .....	244
2.9 Reporting procedures .....	245
2.10 Data processing and compilation methods .....	247
2.11 Publications .....	248

Annexes: .....	250
----------------	-----

1 Organisation chart of the National Bank of Slovakia (NBS) .....	250
2 Organisation chart of the Monetary Division of the NBS .....	251

<b>Slovenia</b> .....	253
-----------------------	-----

List of abbreviations .....	254
-----------------------------	-----

1 Legal and institutional background .....	255
---	-----



1.1	Organisational structure .....	255	2.7	Counterparts of money .....	266
1.2	Legal background .....	255	2.8	Reserve money .....	266
1.3	Institutional aspects .....	255	2.9	Reporting procedures .....	267
<b>2</b>	<b>Monetary statistics .....</b>	<b>257</b>	2.10	Data processing and compilation methods .....	268
2.1	Legal background and statistical standards .....	257	2.11	Publications .....	269
2.2	Concepts and definitions .....	260	<b>Annexes: .....</b>	<b>271</b>	
2.3	Population of monetary institutions .....	261	1	Organisation chart of the Bank of Slovenia (BS) .....	271
2.4	Banking business: general deposits/other products .....	264	2	Organisation chart of the Statistics Department of the Bank of Slovenia .....	272
2.5	Statistical balance sheets of the monetary institutions .....	264			

# Preface

The Treaty on European Union requires the European Central Bank (ECB), assisted by the national central banks, to collect the statistical information necessary in order to undertake the tasks of the ESCB. In this context, the ECB has assigned a prominent role to money, as signalled by the announcement of a quantitative reference value for the growth rate of a broad monetary aggregate, in the first pillar of its monetary policy strategy. This implies that statistical information on monetary developments is important for deciding what monetary policy actions to take, for assessing their effects after the event and for explaining these actions to the public. Monetary developments in the individual Member States forming the euro area are not the focus of interest for the ECB, but rather developments in the euro area as a whole. These requirements imply the collection of harmonised statistical information of a high and homogeneous quality.

When countries enter the European Union, the Treaty requires them to undertake the necessary statistical preparations in order to be able to contribute to the euro area statistics as soon as they join Monetary Union. In this context, the ECB is responsible for promoting the harmonisation of statistics where necessary. This harmonisation work takes into account the many differences in national financial systems, which should be accommodated by the harmonised statistical definitions and classifications.

The publication of *The current definition and structure of money and banking statistics in the accession countries: methodological manual* represents an important step in the work towards statistical harmonisation during the process of enlargement of the European

Union, in the light of the long lead time associated with any statistical preparations. This Manual provides the ECB and, depending on their needs, other organisations with a better understanding of the statistical information collected and compiled by the accession countries. It permits an accurate assessment of the conceptual and practical harmonisation work already undertaken by the accession countries and the further statistical work necessary to prepare for membership of the European Union and the euro area. It should be noted that such work towards statistical harmonisation is carried out without prejudice to the current monetary policy strategy of the accession countries, which remains a national competence prior to entry into the euro area. Finally, this Manual may also help the increasing number of users of the statistics produced by accession countries better to understand the published figures.

This Manual involved close co-operation with the national central banks of the accession countries. I should like to thank the national central banks concerned for their efforts in preparing this publication. I strongly encourage the accession countries to continue their harmonisation work in close co-operation with the ECB and the national central banks of the European System of Central Banks (ESCB).

A similar Manual covering balance of payments and related statistics is in preparation and is expected to be published in 2002.

Frankfurt am Main,  
April 2001

Eugenio Domingo Solans  
Member of the Governing Council  
and of the Executive Board  
of the European Central Bank



# Foreword

## Background

The initiative to compile *The current definition and structure of money and banking statistics in the accession countries: methodological manual* (the “Methodological Manual”) was agreed at the inaugural money and banking statistics seminar with the national central banks (NCBs) of the 12 accession countries held at the European Central Bank (ECB) in Frankfurt am Main on 15 and 16 December 1999. The Methodological Manual presents the current framework for the collection and compilation of money and banking statistics and provides information on the legal and institutional background to the compilation of these statistics.

The legal framework for the provision of statistics on the balance sheets of monetary financial institutions (MFIs) in the euro area is set out in the Regulation ECB/1998/16 concerning the consolidated balance sheet of the MFI sector, as amended, and in the Guideline ECB/2000/13 of 13 November 2000 concerning certain statistical reporting requirements of the ECB and the procedures for reporting by the NCBs of statistical information in the field of money and banking statistics. The Regulation addresses the reporting agents located in the euro area and sets out in detail the statistical information they are required to submit to the NCB of their country of residence regarding MFI balance sheet statistics in order to meet the ECB’s requirements for money and banking statistics. The Guideline addresses the NCBs located in the euro area (“participating NCBs”) and specifies the information (on both MFI balance sheet statistics and other

money and banking statistics) which must be submitted to the ECB and the technical procedures to be followed in the data submissions.

Although the ECB’s main tasks relate to the euro area, the ECB also has responsibilities under the Treaty towards Member States of the European Union (EU) which are not yet participating in the euro area. It is acknowledged that, on average under “fast track” conditions, it takes two years to implement statistical changes in reporting systems from the time the Member States start discussing them with reporting institutions to full implementation. Therefore, the work on the changes in the statistical systems needed to meet the requirements for euro area money and banking statistics should begin well in advance, in order to ensure that statistics are available at the time Member States join the euro area.

The provision of harmonised money and banking statistics to the ECB will require the accession countries<sup>1</sup> to modify, to varying degrees, the structure of the statistics they currently collect from reporting institutions and to extend their coverage to other financial institutions falling under the MFI definition.

It is in this connection that the compilation of a methodological manual on money and banking statistics in the accession countries is seen as a particularly important initial task for the work necessary to prepare countries for the accession to the EU and eventual membership of the euro area.

## Aim

The aim of the Methodological Manual is to assess the current statistical framework for the collection and compilation of money and banking statistics in the accession countries and thereby to support the conceptual and practical harmonisation work necessary to

prepare these countries for membership of the EU and, eventually, the euro area. The

<sup>1</sup> Bulgaria, Cyprus, the Czech Republic, Estonia, Hungary, Latvia, Lithuania, Malta, Poland, Romania, the Slovak Republic and Slovenia.

present edition contains information as at end-May 2000, although changes occurring up to the end of the first quarter of 2001 are

mentioned. The Manual will be updated on an annual basis until the moment the accession countries join the euro area.

## Structure

The Methodological Manual is divided into 12 chapters, one chapter per country. Each chapter consists of two parts: Part I deals with the legal and institutional background and Part II with monetary statistics.

*Part I* briefly describes the legal and institutional structure of the NCBs of the accession countries and their statistical department/work. This overview refers to further sources of information available at the national level, namely the websites where the basic text of the laws and regulations mentioned can be found.

*Part II* presents the current framework for the collection and compilation of monetary

statistics in the accession countries, describing in detail the collection of balance sheet data of monetary institutions and the compilation of the national monetary aggregates and counterparts.

The Methodological Manual is being published in two volumes. This first volume covers Parts I and II of the Manual. The second volume (covering the current framework for the collection and compilation of certain related statistics in the accession countries, such as interest rate statistics, securities statistics and statistics on other financial intermediaries) is to be published in the course of 2001.

## Status of the Manual

The Methodological Manual is available to the general public in the accession countries from the NCB of the country concerned. Other interested parties in the EU Member States may request copies from the ECB, at the following address:

European Central Bank  
Press Division  
Kaiserstrasse 29, D-60311 Frankfurt am Main  
Fax: + 49 (69) 13 44 7404

The Methodological Manual is also available on the ECB's website ([www.ecb.int](http://www.ecb.int)). The Methodological Manual is available only in English, with translations into national languages being left to the discretion of the NCBs of the accession countries.

# Introduction

## I Legal and institutional background

This part provides a short overview of the legal and institutional structure of the national central banks (NCBs) of the accession countries and, in particular, of their statistical department/work.

### I.1 Organisational structure

This section provides a brief description of the organisation of the NCBs (see the organisation chart(s) at the end of each country chapter). It gives also a detailed description of the organisation of the statistical department/work at the NCBs, focusing on those areas responsible for the compilation of money and banking statistics.

### I.2 Legal background

This section analyses the national legal background for the activities of the NCBs, indicating the most important national laws, regulations and specific provisions that provide the framework for their activities. Where applicable, the website is indicated where the basic text of the laws and

regulations mentioned in this section can be found.

### I.3 Institutional aspects

This section introduces the NCBs and briefly describes their role, functions and responsibilities (e.g. statutory responsibility, banking supervision and activities vis-à-vis the Government and other public bodies). The main activities relating to macroeconomic statistics carried out by the NCBs and by other public authorities (including the co-operation between them) in the area of money and banking statistics, reserve base statistics, financial accounts, balance of payments statistics and prudential supervision are also indicated. A description is made of the statistical data collection and compilation for the above-mentioned areas of statistics (as shown in Table I). This description covers the type of data collected, the frequency and timeliness, the relevant sources of data, the collecting agents, the users of the statistics produced and an overview of the statistical data collection and compilation systems (e.g. medium of data collection).

## 2 Monetary statistics

This part presents the current framework for the collection and compilation of monetary statistics in the accession countries. It describes in detail the collection of balance sheet data of monetary institutions and the compilation of the national monetary aggregates and counterparts.

### 2.1 Legal background and statistical standards

This section analyses the national legal background to monetary statistics, indicating the national laws, regulations and specific provisions that apply to monetary statistics. Where applicable, the website is mentioned

where the basic text of the laws and regulations mentioned in this section can be found. It also indicates the statistical standards followed in the field of monetary statistics, including international and European statistical standards (ESA 95, SNA 93 and the IMF Manual on Monetary and Financial Statistics).

### 2.2 Concepts and definitions

This section analyses a number of concepts and definitions for monetary statistics. Regarding the residency principles for the purposes of monetary statistics, it presents the definition of the economic territory and

provides the exact boundaries of the economic territory compared with the geographic territory. It also defines the concept of residency for both natural persons and enterprises (in particular, the residency of foreign branches of domestic banks and the residency of domestic branches of foreign banks). With respect to the sectorisation principles for monetary statistics, it presents the sectors into which the national economy is split for the purposes of compiling monetary statistics (as shown in Table 2). It also indicates how this breakdown corresponds to the ESA 95 and to the ECB classification of ESA 95 sectors into money-creating, money-holding, money-neutral and non-resident sectors (as shown in Table 3). Where relevant, deviations between the sectors of the national economy and the ESA 95 are briefly explained.

### **2.3 Population of monetary institutions**

This section describes the money-creating sector within monetary statistics. The national definition of a credit institution (bank) and the legal references to the definition are given. Any other monetary institutions, which are not commonly known as credit institutions (banks), but which are nevertheless included in the money-creating sector (e.g. money market funds), are also defined. For each category of credit institution and of other monetary institution indicated, the number of institutions is provided in Table 4. It is also indicated whether deposit liabilities of central government units (e.g. Post Office savings accounts of the Treasury or the Post Office) are included in the measures of money.

### **2.4 Banking business: general deposits/ other products**

This section outlines the general deposit and other banking products offered by credit institutions and by other monetary institutions.

### **2.5 Statistical balance sheets of the monetary institutions**

This section describes the main statistical balance sheet items (liabilities and assets) and their breakdowns by instrument/maturity, counterparty and currency.

### **2.6 Measure(s) of money: definitions and remarks**

This section defines the main measures of money, from the narrowest to the broadest aggregates. The corresponding instrument breakdown for each aggregate is listed in Box 1. It also describes how holdings of negotiable instruments issued by monetary institutions (i.e. any negotiable instruments which are freely transferable, such as cash, certificates of deposit, commercial bills and other bearer paper) are explicitly or implicitly allocated between the various economic sectors.

### **2.7 Counterparts of money**

This section analyses the counterparts of money (net external assets, domestic credit, other net items). This information is shown in Box 2. The classification available on credit to domestic residents (by sector, type and maturity) is also provided.

### **2.8 Reserve money**

This section describes the relevant concepts of reserve money (reserve money, base money, monetary base) compiled by the NCBs of the accession countries.

### **2.9 Reporting procedures**

This section describes the reporting procedures for the compilation of monetary statistics. It covers the specific legal or other regulatory powers granted to the NCB and to other agents with respect to collecting

data from the monetary institutions for the compilation of monetary statistics. It also describes the reporting coverage of the population of monetary institutions for the balance sheet data. Table 5 shows the number of reporting institutions per category of monetary institutions and their contribution to the total of the category and to the total balance sheet of all institutions. This section also describes the reporting schemes for monetary statistics by type of monetary institution. This description covers the reporting population (the reporting coverage), the data collected (e.g. full balance sheet data or selected components), the frequency and timeliness, the methodological and accounting rules and the medium of data collection (e.g. paper, electronic).

## **2.10 Data processing and compilation methods**

This section provides information on the basis of calculation (e.g. end-of-period data, mid-period data, average data), the revision procedures applicable to monetary statistics and the compilation of flows statistics, where applicable (in particular how the adjustments for breaks in series and other adjustments are made). This section also addresses the seasonal adjustment of data.

## **2.11 Publications**

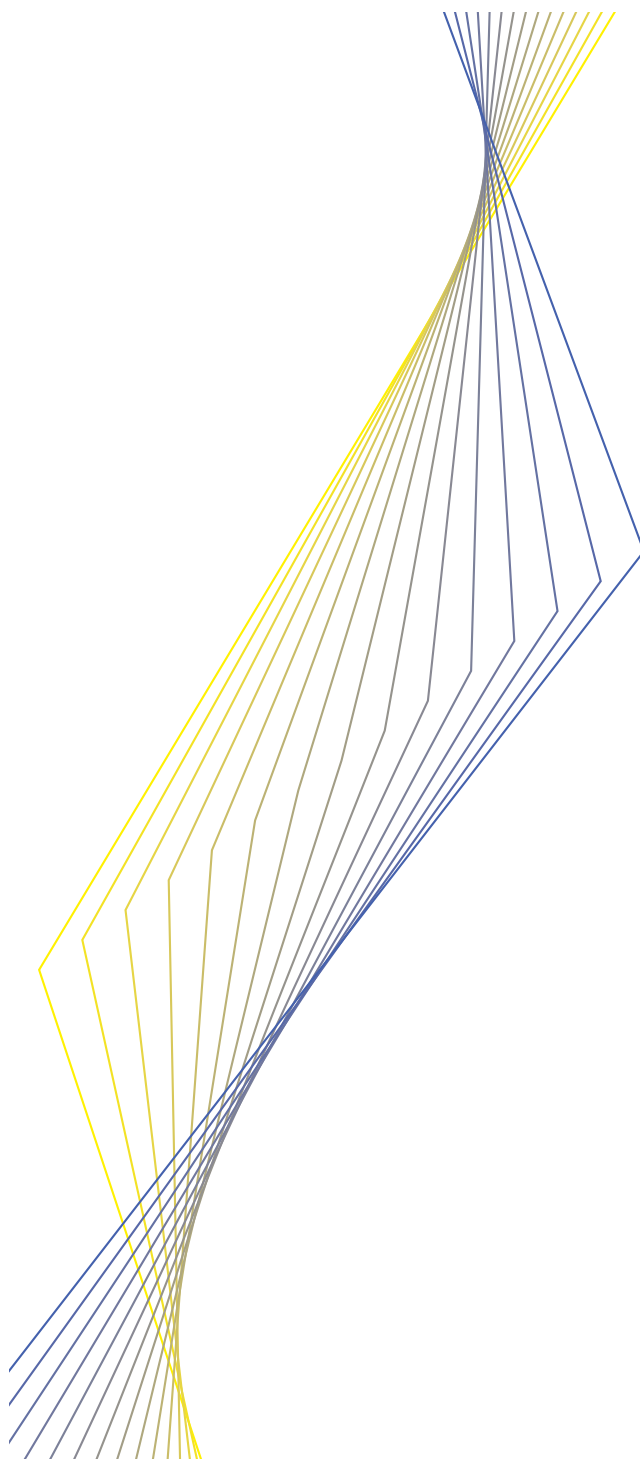
This section indicates how monetary statistics are first released to the public (e.g. source, type of data released, format, time and medium of the publications). It also indicates the main weekly/monthly publications for monetary statistics, where these differ from the first publication, as well as any other relevant statistical publications for monetary statistics.







EUROPEAN CENTRAL BANK



**Bulgaria**

## Bulgaria

### List of abbreviations

<b>BISERA</b>	Banking Integrated System for Electronic Transfer
<b>b.o.p.</b>	Balance of payments
<b>BGN</b>	Bulgarian leva
<b>BNB</b>	Bulgarian National Bank
<b>ECB</b>	European Central Bank
<b>EUR</b>	Euro
<b>GDDS</b>	General Data Dissemination System
<b>IMF</b>	International Monetary Fund
<b>NSI</b>	National Statistical Institute
<b>USD</b>	US dollar

## I Legal and institutional background

### I.1 Organisational structure

#### I.1.1 Organisation chart of the national central bank

See Annex 1.

#### I.1.2 Organisation of the statistical work at the national central bank

The statistical functions of the Bulgarian National Bank (BNB) are concentrated in the Statistics Directorate, which is a part of the Banking Department.

The Statistics Directorate consists of the Money and Banking Statistics Division, the Balance of Payments and External Debt Division and the General Economic Statistics and Publications Division. The compilation of money and banking statistics is performed by the Money and Banking Statistics Division, which consists of the Monthly Statistics and the Weekly Statistics Sections.

See Annex 2.

### I.2 Legal background

The legal framework for the BNB is provided mainly by the Law on the Bulgarian National Bank (June 1997) and by the Law on Banks (June 1997).

Certain issues concerning the activities of the BNB are covered by the Law on Bank Deposit Guarantees (April 1998) and the Law on Foreign Exchange (September 1999). These laws are implemented via several BNB regulations (1997-2000).

All the legal framework for the banking sector is available at [www.bnb.bg](http://www.bnb.bg), the BNB's website.

### I.3 Institutional aspects

#### I.3.1 The role of the national central bank

##### I.3.1.1 Introduction

By law, the BNB is the central bank of the Republic of Bulgaria and is responsible only to the National Assembly (Parliament). Its main goal is to contribute to the maintenance of the stability of the national currency and to assist in the establishment and functioning of efficient payment mechanisms. The BNB has the exclusive right to issue banknotes and coins in the country. It also has a regulatory and supervisory role with regard to other banks' activities and thus helps to ensure the stability of the banking system and to protect depositors' interests.

##### I.3.1.2 General responsibilities of the national central bank

The main function concerning the monetary regime is the support of a fixed exchange rate under a currency board arrangement. The initial reserve currency was the Deutsche Mark, but this was replaced by the euro on 1 January 1999.

The BNB is the official depository of the state. The bank may not extend credit in any form whatsoever to the state or to any state agency, except credit against purchases of special drawing rights from the IMF. The BNB is, moreover, not allowed to extend credit to banks, except to cover liquidity risks that may affect the stability of the banking system. The total amount of such credit must not exceed the surplus of the gross foreign exchange reserves over the monetary liabilities of the BNB.

The BNB is functionally not bound by any instructions or directives issued by the Council of Ministers or by any other state bodies. The Managing Board of the BNB is personally independent because the

## Bulgaria

Governor and the three Deputy Governors are elected by the National Assembly and the other three members are appointed by the President, all of them holding office for six years. The financial independence of the BNB is derived from the provision that the National Assembly adopts its annual budget and the National Audit Chamber examines the reports on budget outlays.

The BNB specifies the reserve requirement for banks, its method of calculation as well as the terms of and procedures for interest payments on those reserves. The BNB collects statistical data in connection with the performance of its functions. The BNB is also authorised to compile the country's balance of payments (b.o.p.). For this purpose, all government bodies and municipal authorities, as well as legal and physical persons, have to provide the information requested.

Some issues concerning relations between the BNB and commercial banks are addressed in the Law on Banks. These refer to the granting and revoking of permits (licences) for conducting bank operations, as well as to banking supervision and bankruptcy proceedings. The Law on Foreign Exchange contains provisions on the collection of data for the b.o.p., as well as on the reporting by enterprises as well as legal and physical persons of their financial obligations to non-residents.

### **1.3.2 Macroeconomic statistics: main responsibilities of domestic public authorities**

#### *1.3.2.1 Main responsibilities of the national central bank in the field of macroeconomic statistics*

The BNB's statistical activity includes the collection and compilation of data in the following areas: money and banking, reserve requirement management, the b.o.p. and prudential supervision.

The reserve requirement statistics are compiled by the Banking Policy Directorate, which is also responsible for monitoring the overall management of the reserve requirement. The sources of data are the banks' weekly trial balances, which are collected for the regular compilation of the weekly monetary survey by the Statistics Directorate.

The b.o.p. is prepared by the Balance of Payments and External Debt Division of the Statistics Directorate. The data for the b.o.p. are collected from commercial banks, the customs offices (trade statistics), the National Statistical Institute (NSI), the Central Depository, the Ministry of Finance, the Agency for Foreign Investment and enterprises as well as legal and physical persons.

Data on prudential banking are collected by the Banking Supervision Department. The main sources are the banks' balance sheets (monthly and annual) as well as additional reports related to specific regulations on prudential supervision.

#### *1.3.2.2 Main responsibilities of other public authorities in the field of macroeconomic statistics and co-operation with the national central bank*

In May 2000 Bulgaria became a member of the General Data Dissemination System (GDDS) developed by the IMF. Under this system, responsibility for the preparation of macroeconomic statistics is shared between the NSI, the Ministry of Finance and the BNB. The NSI is responsible for statistics relating to the real economy, including the financial accounts, while the Ministry of Finance is responsible for the fiscal sector and the BNB is responsible for the monetary and external sectors. There is an exchange of data between the NSI, the BNB and the Ministry of Finance concerning the compilation of the financial accounts. The BNB provides data for the financial accounts, which is requested by the NSI. There is also co-operation between the

three institutions on methodological issues. The preparation of the methodology for the compilation of the financial accounts is under way.

### 1.3.2.3 Overview of statistical data collection and compilation

The collection and compilation of statistical data for the different sectors are organised and carried out by the institutions responsible for these sectors within the GDDS.

In the areas of money and banking and reserve base statistics as well as prudential supervision, all data collection and compilation is performed by the BNB.

The collection and compilation of b.o.p. statistics is done by the BNB (with trade data coming from the customs offices and the NSI), while the financial accounts are compiled by the NSI on the basis of inputs from the NSI, the BNB and the Ministry of Finance.

B.o.p. statistics and banking supervision data are collected monthly. The compilation of financial accounts on an annual and quarterly basis is now under way. Required reserves are calculated using the weekly trial balances of the commercial banks. The same data are used for the preparation of the weekly monetary statistics.

See Table I.

**Table I**

Statistical areas:	Money and banking statistics		
	Bank balance sheet statistics/ monetary aggregates and counterparts	Interest rate statistics	Security issues statistics
<b>Collected data</b>	Monthly and weekly balance sheets with additional breakdown by sector.  Timeliness: the following Tuesday – for weekly statistics – and 15 days after the end of the reporting month – for monthly statistics.	Weekly reports of newly contracted overdrafts and loans, broken down by currency (BGN, EUR and USD), institutional sector (enterprises and households) and maturity (up to one year and over one year).  Monthly reports of stocks and newly received deposits, broken down by currency (BGN, EUR, USD and other currencies), institutional sector (enterprises and households) and maturity (up to one, three, six, twelve months and over twelve months).  Weekly reports of interbank market interest rates broken down by currency (BGN, EUR and USD) and maturity (up to three days, one week, one month and over one month).  Timeliness: the following Tuesday – for weekly statistics – and 15 days after the end of the reporting month – for monthly statistics.	Data are collected for the primary and secondary market by the BNB. The data refer to Treasury bills (three months), offered weekly, and government bonds (two, three and five years), offered twice a month. There is an electronic register of all government securities at the BNB.
<b>Collecting agents</b>	BNB, Statistics Directorate	BNB, Statistics Directorate	BNB, Fiscal Services Department
<b>Users</b>	BNB, banks and financial sector, Ministry of Finance, other government institutions, NSI, IMF, ECB, public.	BNB, banks and financial sector, Ministry of Finance, other government institutions, NSI, IMF, ECB, public.	BNB, banks and financial sector, Ministry of Finance, other government institutions, NSI, IMF, ECB, public.
<b>Description</b>	Data are collected electronically using the existing interbank electronic network system.	Data are collected electronically using the existing interbank electronic network system.	Data are received electronically or, by way of exception, in paper form.

**Table I (continued)**

Statistical areas:	Reserve base	Financial accounts	Balance of payments	Prudential supervision
<b>Collected data</b>	Weekly reports of the daily balances of deposits with commercial banks.  Timeliness: two days after the end of the reporting week.	In preparation. Necessary data are collected from NSI, BNB and Ministry of Finance.	Data are collected from the commercial banks, customs offices, NSI, others.	Monthly balance sheets of operating banks, profit and loss accounts as well as two monthly and seven quarterly additional reports.  Timeliness: 15 days after the end of the reporting period.
<b>Collecting agents</b>	BNB, Banking Policy Directorate	NSI	BNB, Statistics Directorate	BNB, Banking Supervision Department
<b>Users</b>	BNB	Financial accounts are still being prepared.	BNB, Ministry of Finance, NSI, AEA, IMF, ECB, etc.	BNB, IMF
<b>Description</b>	Data are collected electronically using the existing interbank electronic network system.	Data are collected electronically and in paper form.	Data are collected electronically and in paper form.	Data are collected electronically and in paper form.

## 2 Monetary statistics

### 2.1 Legal background and statistical standards

organisation for the implementation of the Accounting Law.

#### 2.1.1 National legal aspects

The legal framework for the monetary statistics is provided by the Law on the BNB, the Law on Banks and the Accounting Law. Although there are no explicit provisions covering monetary statistics (as is the case in Article 42 of the Law on the BNB concerning b.o.p. data collection and compilation), the collection of monetary data from the banks is covered by Article 4 of the Law on the BNB and Article 55 of the Law on Banks.

The former stipulates that the BNB can demand any information from the banks, and the latter that banks submit reports to the central bank in a format, with specific contents and to a deadline laid down by the central bank.

Monetary statistics are based on the balance sheets of the BNB and of the commercial banks, which have been developed in accordance with a uniform chart of accounts defined by the national accounting standards

#### 2.1.2 Statistical standards

Monetary statistics are collected and compiled in line with the national accounting standards and conform to the guidelines for international financial statistics established by the IMF. The latter are specified in the manual entitled "A Guide to Money and Banking Statistics in International Financial Statistics" (IMF, 1984). Work related to the full harmonisation of monetary statistics according to the ESA 95 and the new IMF manual on monetary and financial statistics has started recently. Nevertheless, the statistical standards applied generally correspond to the ESA 95.

The amendments to the Accounting Law which are under way will ensure the full implementation of international accounting standards in the near future.

Bulgaria is a member of the General Data Dissemination System developed by the IMF.

## 2.2 Concepts and definitions

### 2.2.1 Statistical definitions: economic territory and residency principles

The boundaries of the economic territory of the Republic of Bulgaria are the same as the geographic boundaries of the country. The residency concept complies with that of the IMF Balance of Payments Manual (5th edition) and the SNA 93. Residents are defined as institutional entities registered in the country, whose economic interest is related to its geographic territory, who have organised or intend to organise their activity there for at least a year. Branches of resident banks who have their centre of economic interest in the territory of another country are considered non-residents. Branches of foreign banks licensed to operate in the country are treated as residents and are included in the money-creating sector.

Borderline cases:

- a) staff of embassies, missions, etc. are considered residents of their native countries. Bank transactions of foreign embassies are treated as non-resident transactions;
- b) in transactions related to real estate or buildings (including villas), bank clients are treated as residents of the country where the property is located.

### 2.2.2 Sectors in monetary statistics

The sectoral breakdown in monetary statistics is by residency (resident and non-resident). The resident sector is then divided into the banking, government and non-government sectors.

#### A. Resident sector

##### a) Banking sector:

- BNB (central bank);
- commercial banks.

##### b) General government sector:

- central government, which is subdivided into (i) state budget, (ii) state social security funds and (iii) state funds and extra-budgetary accounts;
- local budgets.

##### c) Non-government sector:

- non-financial public enterprises;
- non-financial private enterprises;
- non-bank financial institutions;
- households.

#### B. Rest of the world (non-residents)

- banks;
- governments;
- other non-residents.

#### 2.2.2.1 Definition and classification of sectors in monetary statistics

The banking sector includes the monetary authorities (i.e. the BNB) and all commercial banks licensed by the BNB (including branches of foreign banks). The general government sector includes central government and local budgets; the central government is divided into the state budget (including state social security funds), state funds and extra-budgetary accounts. The non-government sector consists of non-financial enterprises (public and private), households and non-bank financial institutions. The last category includes financial intermediaries, insurance companies, pension funds and other companies which form the financial sector but are not banks. The non-bank financial institution sector is not broken down into sub-sectors.

See Table 2.



## Bulgaria

**Table 2**

Sector classification	Sectors	Definitions
Money-creating sector	BNB	The central bank of the Republic of Bulgaria
	Commercial banks	Joint-stock companies which are engaged in the business of publicly accepting money on deposit and which use these funds to make loans and investments for their own account and at their own risk
Money-holding sector	Non-financial public enterprises	Non-financial enterprises with predominantly (more than 50%) public ownership
	Non-financial private enterprises	Non-financial enterprises with predominantly (more than 50%) private ownership
	Non-bank financial institutions	Resident entities whose activity is non-bank financial transactions and services
	Households	Resident households and non-corporate enterprises which are owned by households
Money-neutral sector	Central government	All institutional entities which are part of the executive, legislative and judicial authorities on the state territory and are financed by the state budget or by extra-budgetary accounts. This sub-sector also includes the state social security funds, which are obligatory for all business people and employees
	Local budgets	All institutional entities which perform executive, legislative and judicial functions at regional level and which are financed from the central budget and from own tax and other revenue
Non-resident sector	Banks	Foreign banks and branches of Bulgarian banks abroad
	Governments	Foreign governments
	Other non-residents	All other non-resident entities

### 2.2.2.2 Comparison between the sectors of the national economy and the ESA 95

The sectors are compared in Table 3.

It should be noted that non-profit institutions are considered part of the sector which they serve (mainly private enterprises and households).

Other non-bank financial institutions are not broken down into sub-sectors S123, S124 and S125 because the assets of these institutions are insignificant (approximately 3%) compared with those of commercial banks.

## 2.3 Population of monetary institutions

### 2.3.1 Definition of a credit institution (bank) and categories of credit institutions

According to national legislation (Law on Banks), only banks licensed by the BNB can collect deposits. Thus the banking sector in the country consists of the central bank (BNB) and all commercial banks.

The institutions included in money and banking statistics are the central bank, operating commercial banks (34) and commercial banks in liquidation (15).

Table 3

National sector classification	National sectors		Sectors in the ESA 95		ECB sector classification
Money-creating sector	S121 Central bank		S121 Central bank	S12 Financial corporations	Money-creating sector
	S122 Commercial banks		S122 Other monetary financial institutions		
Money-holding sector	S123, S124, S125 Non-bank financial institutions		S123 Other financial intermediaries, except insurance corporations and pension funds		Money-holding sector
			S124 Financial auxiliaries		
			S125 Insurance corporations and pension funds		
	S11 Non-financial public and private enterprises		S11 Non-financial corporations		
	S14 Households		S14 Households		
	n.a.		S15 Non-profit institutions serving households		
Money-neutral sector	S13 General government	S1311 Central government	S1311 Central government	S13 General government	Money-neutral sector
		n.a.	S1312 State government		Money-holding sector
		S1313 Local government	S1313 Local government		
		S1314 Social security funds	S1314 Social security funds		
Non-resident sector	Banks Governments Other		S211 EU countries	S2 Rest of the world	Non-resident sector
			S212 Institutions of the EU		
			S22 Third countries and international organisations		

The operating commercial banks include 26 banks with a full licence to do business in Bulgaria and abroad, one bank licensed for domestic activity only and seven branches of foreign banks.

### 2.3.2 Definition of other monetary institutions

Not applicable.

### 2.3.3 Central government units with deposit liabilities included in measures of money

There are no deposits of government units included in the monetary aggregates. Post Offices in the country do not accept deposits. The deposits of government units are netted with the claims on them and are recorded on the assets side of the monetary survey. This also applies to the deposits of state social security units.

**Table 4**

Institutions	Number of institutions
BNB	1
Credit institutions	49
Commercial banks	49
Other monetary institutions	0
<b>Total</b>	<b>50</b>

### 2.4 Banking business: general deposits/other products

The commercial banks licensed by the BNB are allowed to conduct business as explicitly defined in Article I of the Law on Banks. Settlements between banks are carried out via the Banking Integrated System for Electronic Transfer (BISERA), which is run and monitored by the BNB. All operating banks are obliged to join the system (as specified by BNB Regulation No. 3 on Payments).

The commercial banks offer different kinds of loans with fixed or floating rates, overdraft facilities, mortgage and leasing loans, transactions involving the government and corporate securities as well as all the other types of transactions specified in Article I of the Law on Banks.

Commercial banks offer sight (demand) deposits, time deposits, savings deposits and certificates of deposit. Interest on deposits is paid according to an agreement and depends on the maturity and the terms of the deposit.

When a time deposit is withdrawn without advance notice and before maturity, interest is not paid. The commercial banks offer different interest terms depending on the term, deposited sum and the importance of the client. Banks also accept deposits in foreign currencies, mainly in euro and US dollars, with interest close to international market rates. They offer a 24-hour service through automated teller machines (ATMs) and have taken first steps towards offering internet-based telebanking.

## 2.5 Statistical balance sheets of the monetary institutions

### 2.5.1 Description of the main balance sheet items

The monetary statistics are compiled from the trial balance sheets, which the commercial banks submit to the BNB weekly and monthly. The monthly balance sheets of commercial banks collected by the Banking Supervision Department cannot be used directly for the preparation of the monetary survey because of their limited number of indicators and sector breakdowns. However, a reconciliation of the monetary survey with the banks' balance sheets is carried out on a monthly basis.

The trial balance sheet of the commercial banks is a list of ledger accounts based on a universal chart of accounts introduced in 1995. The data submitted to the BNB cover all the accounts used by the banks to compile their balance sheets. Some of the accounts are broken down into parts which refer to different items in the monetary statistics. A uniform coding of all the accounts and their parts permits a computerised compilation of the analytical accounts of the BNB and commercial banks and of the monetary survey. This use of data in substantial detail provides a unique opportunity to make quick changes to the monetary survey resulting from reclassification of accounts and/or their parts as well as to reverse the changes throughout into the whole time series.

The claims of banks on non-residents represent the banks' foreign assets. The claims on the general government sector include claims on the state budget, state social security funds, other state funds and extra-budgetary accounts and local budgets. Claims on the non-government sector include banks' claims on state and private non-financial enterprises, non-bank financial institutions and households. Other assets contain claims arising from interbank or intra-bank transactions, financial and other expenditures of the bank, the value of real assets like buildings, vehicles, etc. as well as other expenditures which cannot be classified in any of the above-mentioned categories.

The main items in the liabilities of banks are deposits of the non-government sector (included in the monetary aggregates), foreign liabilities and deposits of government units. Other liabilities include those liabilities arising from interbank or intra-bank transactions and financial revenues. The capital and reserves are given in separate positions.

### **2.5.2 Breakdown of the main balance sheet items by instrument/maturity, counterparty and currency**

*Assets side.* Foreign assets are broken down by currency (domestic and foreign) and by sector (banks, government and other foreign assets). Claims on government are classified by currency, instrument and maturity. Government securities are broken down by maturity as follows: short-term – up to 12 months; medium-term – up to five years; long-term – over five years. Claims on the non-government sector include loans, broken down by currency, maturity (short-term – up to one year; long-term – over one year) and investment (bonds, shares and other equity). All of them are divided into the four sectors: state and private non-financial enterprises, non-bank financial institutions and households.

*Liabilities side.* The deposits of the non-government sector are broken down by

instrument into demand, time, savings, foreign exchange deposits, money market instruments, import and restricted deposits and deposits in non-operating banks. Demand and time deposits are in domestic currency (BGN) and broken down by sector. Savings deposits are in BGN and apply only to households. Foreign exchange deposits include demand and time deposits in foreign currencies broken down by sector. All deposits are broken down into non-financial public enterprises, private enterprises, households, and non-bank financial institutions. Money market instruments are broken down by currency (domestic and foreign). Import and restricted deposits are broken down by currency and sector. Deposits in non-operating banks include all types of deposits in these institutions, which are in the process of liquidation, and are broken down by currency and sector.

Foreign liabilities are broken down by currency. Deposits of government units are broken down by government sub-sector (state budget, state social security funds, other state funds and extra-budgetary accounts and local budgets) and by currency. Other liabilities are broken down by currency.

## **2.6 Measure(s) of money: definitions and remarks**

### **2.6.1 Definition of money and instrument breakdown of monetary aggregates**

The monetary aggregate M1 includes the most liquid monetary instruments used as a means of payment (currency outside banks and demand deposits in domestic currency).

Quasi-money and the monetary aggregate M1 form the monetary aggregate M2. Quasi-money is a less liquid monetary aggregate and is divided into time deposits, savings deposits in BGN and deposits in foreign currency. The savings deposits only refer to households and they also include some other types of deposits of minor importance (for example, children's deposits). Deposits in

### Box 1

**M1** includes:

- currency outside banks;
- demand deposits.

**M2** includes:

- M1;
- time deposits;
- savings deposits in BGN (only by households);
- deposits in foreign currencies.

**M3** includes:

- M2;
- money market instruments;
- import and restricted deposits;
- deposits in banks in liquidation.

foreign currency can be demand, time and savings deposits.

The least liquid monetary instruments are the money market instruments, import and restricted deposits and deposits in banks in liquidation. They are in domestic and foreign currencies and together with the monetary aggregate M2 form the broadest monetary aggregate M3, which is known as the money supply (broad money).

See Box 1.

net domestic assets. The latter are broken down into the following major categories: domestic credit (which includes net claims on the government sector, claims on the non-government sector) and other items (net). The classification of the counterparts of money is indicated in Box 2.

There are also separate data on housing credits, overdraft broken down by sector and currency, and credits in arrears broken down by maturity, currency and sector.

See Box 2.

### 2.6.2 Sectoral allocation of holdings of negotiable instruments

The transferable instruments included in the monetary aggregates are cash (banknotes and coins) and certificates of deposit. The accounts of the commercial banks which issue such instruments provide data on the volume of their issue and the initial breakdown by sector. However, as the instruments are transferable, it is not possible to have a current breakdown by holder. The same applies to the currency outside banks, which cannot be broken down by holder either.

### 2.7 Counterparts of money

The major counterparts of money in the monetary survey are net foreign assets and

### 2.8 Reserve money

Reserve money includes currency outside banks and the deposits of banks and non-bank financial institutions with the BNB. Reserve money is also called the monetary base or monetary aggregate M0.

Currency outside banks is defined as the difference between currency in circulation and vault cash of banks.

Deposits with the BNB are in both domestic and foreign currency, and they include the required minimum reserves of banks (currently set at 8%) as well as their excess reserves, mainly settlement accounts for banks and demand deposits for other institutions (according to the Law on the BNB, the central

**Box 2****Net foreign assets**

Foreign assets – divided into foreign reserves of the monetary authorities and deposit money banks and broken down by sub-sector and currency

Foreign liabilities – divided into foreign obligations of the monetary authorities and deposit money banks and broken down by sub-sector, maturity and currency

**Net domestic assets**

Domestic credit

- Claims on the general government sector (net)
  - Claims – broken down by general government sub-sector into instruments and currency
  - Deposits – broken down by general government sub-sector into maturity and currency
- Claims on the non-government sector – broken down by sub-sector into maturity and currency

Other items (net) include net interbank and intra-bank balances, fixed assets, capital and reserves and unclassified assets

bank may accept deposits from non-bank institutions on terms set by its Managing Board, as stipulated in Article 39).

provided by the Law on the BNB (Article 4) and the Law on Banks (Articles 55 and 62).

Article 62 of the Law on Banks specifies that in relation to its supervisory function the central bank may require from the commercial banks any accounting or other document, as well as any information on their activities.

**2.9 Reporting procedures****2.9.1 Powers to collect statistics and collecting agents**

The legal framework for the central bank to collect statistics from the commercial banks is

The BNB is obliged to treat all the collected data in strict confidentiality (Article 4 of the Law on the BNB).

**Table 5**

	Reporting institutions		Total balance sheet
	Number	% (of the total category)	% (of the total balance sheet of all institutions)
<b>BNB</b>	<b>1</b>	<b>100</b>	<b>48.6</b>
<b>Credit institutions</b>	<b>49</b>	<b>100</b>	<b>51.4</b>
Commercial banks with a licence to operate in Bulgaria and abroad	26	100	40.3
Commercial banks with a licence to operate only in Bulgaria	1	100	0.1
Branches of foreign banks (licensed to operate in Bulgaria and abroad)	7	100	2.8
Banks in liquidation (with revoked licences)	15	100	8.2
<b>Other monetary institutions</b>	<b>0</b>	<b>-</b>	<b>0</b>
<b>Total</b>	<b>50</b>	<b>-</b>	<b>100</b>

### **2.9.2 Identification of the reporting population (reporting coverage)**

See Table 5.

### **2.9.3 Reporting schemes**

Monetary statistics, both weekly and monthly, are collected from all commercial banks. Commercial banks submit full trial balance sheets with sectoral breakdowns of their accounts. The BNB draws up analytical accounts of the commercial banks on the basis of these data.

The trial balance sheets of the commercial banks are collected and compiled weekly and monthly, and the aggregated data are included in the BNB publications. The weekly publication, though based on full accounting data, contains more aggregated indicators than the monthly publication. The weekly publication refers to end-of-week data (Friday) and is published one week after the reporting period (by the following Friday). Monthly data are also published one month after the reporting period (by the end of the following month).

Uniform accounting standards consistent with international ones are valid for all commercial banks. The assessment procedures accord with a national standard which requires daily revaluation of all foreign currency positions. There are no exceptions to the general standards and procedures in practice do not deviate from those officially laid down.

Data are collected both electronically and in paper form, either on disk or via the existing interbank electronic information system.

### **2.9.4 Special reporting procedures for the national central bank**

The procedures for data collection and compilation are the same as those used by the commercial banks. The analytical accounts

of the BNB are prepared from the full trial balance with sector breakdowns of the accounts of the national bank.

Frequency and timeliness are the same as for the commercial banks – one week for the weekly data and one month for the monthly data. In addition, according to Article 49 of the Law on the BNB, the central bank publishes the balance sheet of the Issue Department (the currency board) weekly and monthly and that of the Banking Department monthly on the following working day.

According to Article 28, paragraph 6, of the Law on the BNB, the stock of monetary gold is valued at DEM 500 per troy ounce, or at the market value, if lower. There are no other exceptions to the general accounting and revaluation rules.

## **2.10 Data processing and compilation methods**

### **2.10.1 Basis of calculation**

Stock data are for the end of the reporting period: Friday or the last working day of the week for the weekly data, and the last working day of the month for the monthly data.

### **2.10.2 Revisions**

Revisions of already published data are carried out if:

- the data are erroneous;
- an accounting or statistical standard is changed.

When a revision is made, the revised data are marked with a special sign (“R”) and an explanation is provided. When a statistical standard is changed, the revision is effected retroactively to the beginning of the event or change, if this is possible.

All revisions are effected to both the weekly and monthly data. Since weekly data appear before the monthly, the revision is first announced there (the weekly and monthly monetary statistics are based on the same range of accounting data).

Preliminary data are published only in the weekly publication. In rare cases, preliminary data appeared in the monthly publication some years ago when there was no defined procedure for compiling the data from the banks in liquidation.

When the revision refers to a past period, it is announced in the same way (by an "R") and an appropriate text, explaining the reasons for, and contents of, the revision. When the revision refers to several indicators and many periods, a special appendix to the edition is prepared.

## **2.10.3 Derivation of flow statistics**

### *2.10.3.1 Breaks in series*

The BNB publishes statistically unprocessed (non-adjusted) accounting data. Whenever there is a break in the series as a result of changes in the accounting methodology, the BNB publishes an explanation. Such a break in the data occurred, for instance, when the standard for accounting government securities was changed from face value to market value. Another occurs when a bank is closed down and the remaining deposits in it are transferred to the least liquid part of the money supply ("deposits in banks in liquidation"). There is no statistical processing in such cases. Statistical adjustment of data is carried out for analytical purposes, but these data are not part of the published official monetary statistics.

### *2.10.3.2 Other adjustments*

In the event of changes in classification, write-offs or write-ins in the trial balance sheets are announced explicitly and are recorded in the time series as of the date of occurrence.

### *2.10.3.3 Derivation of flows*

Not applicable.

## **2.10.4 Seasonal adjustment**

Seasonal adjustment of data is performed for analytical purposes only and is not part of officially published monetary statistics.

## **2.11 Publications**

### **2.11.1 First release of data (including the medium)**

Monetary statistics are first released to the public in the form of weekly and monthly booklets prepared by the Statistics Directorate of the BNB. They were initially published only as a hard copy. The monthly monetary statistics are included in a booklet on a monetary survey, which has also been disseminated in disk form (since 1992) and has been included on the website of the BNB (since June 1999). The weekly monetary statistics are part of a weekly booklet on money and banking statistics which has also been disseminated on disk since 1993 and has been on the website since June 1999.

The first monthly monetary survey was prepared in March 1990, after the country joined the IMF. Monetary statistics include quarterly data for the period from 1986 to 1989 and monthly data since March 1990. Since July 1991, monthly monetary statistics have been included in the BNB Monthly Bulletin. The monthly monetary statistics are compiled from the full trial balance sheets of commercial banks. In 1995, the monetary survey was elaborated with the introduction of a new sub-sector in the non-government sector – non-bank financial institutions. All indicators were also broken down by currency (domestic and foreign).

The first weekly monetary statistics were prepared in May 1992. They were based on selected indicators from the trial balance



## Bulgaria

sheets of the BNB and of the commercial banks. Since June 1993, they have been disseminated on a subscription basis, either as a hard copy or on a disk. Since June 1995, the weekly monetary statistics have also been based on full trial balance sheets, like the monthly statistics, with their contents extensively changed. Since 2000, they have been defined in greater detail.

### **2.11.2 Core weekly/monthly publications**

The publications prepared by the Statistics Directorate of the BNB are the key print

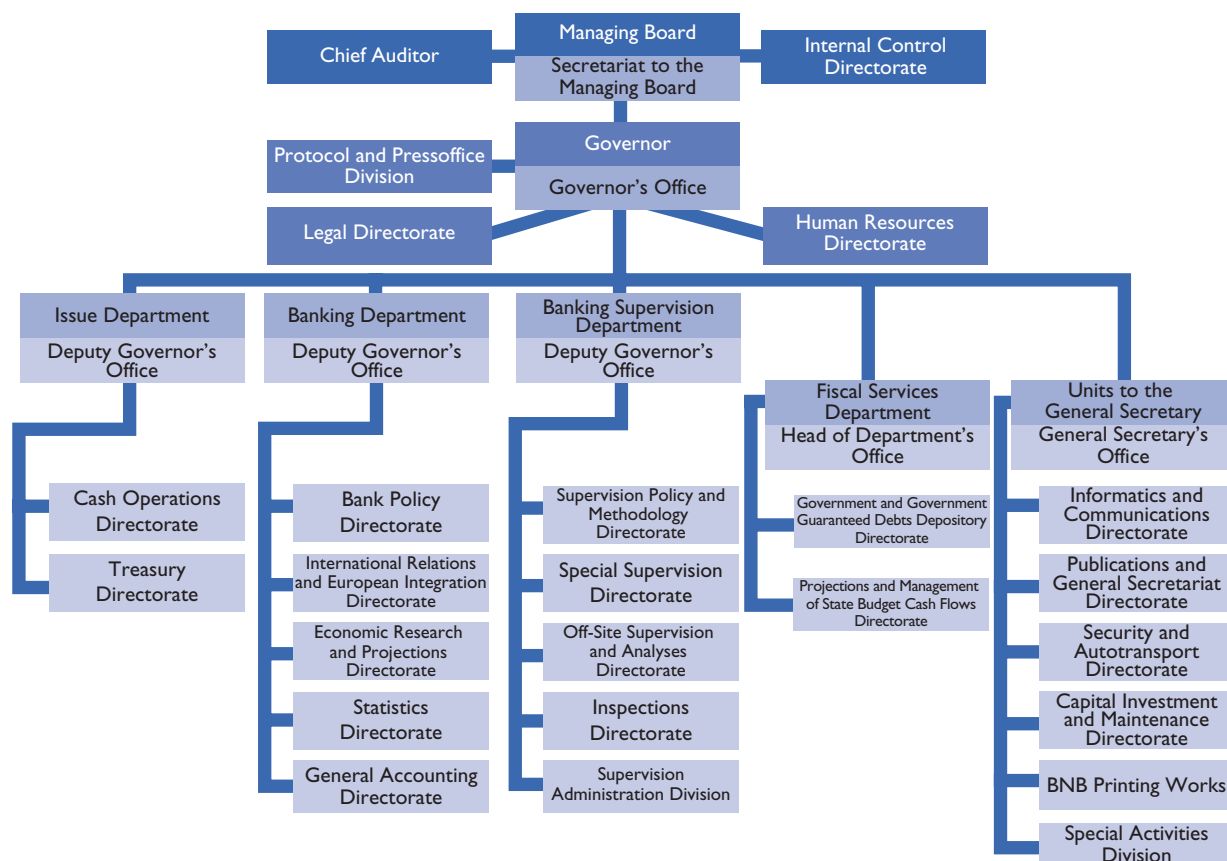
media for monetary statistics. They are the first source of weekly and monthly monetary statistics. Since June 1999, the website has also been a key medium because it includes these statistics.

### **2.11.3 Other statistical publications**

Monthly monetary statistics are also included in the regular publications of the central bank: the Annual and Semi-Annual Reports of the BNB, monthly information bulletins. These publications are available in printed form and on the BNB's website.

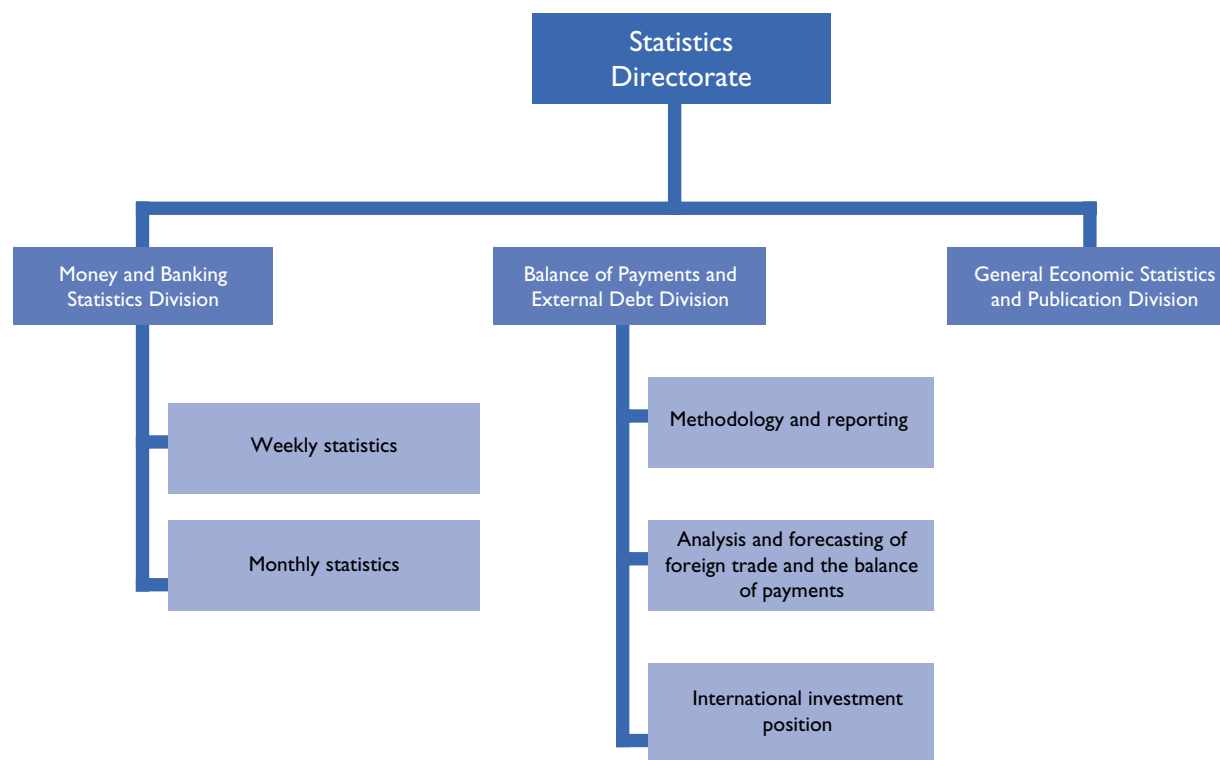
## Annexes:

## I Organisation chart of the Bulgarian National bank (BNB)



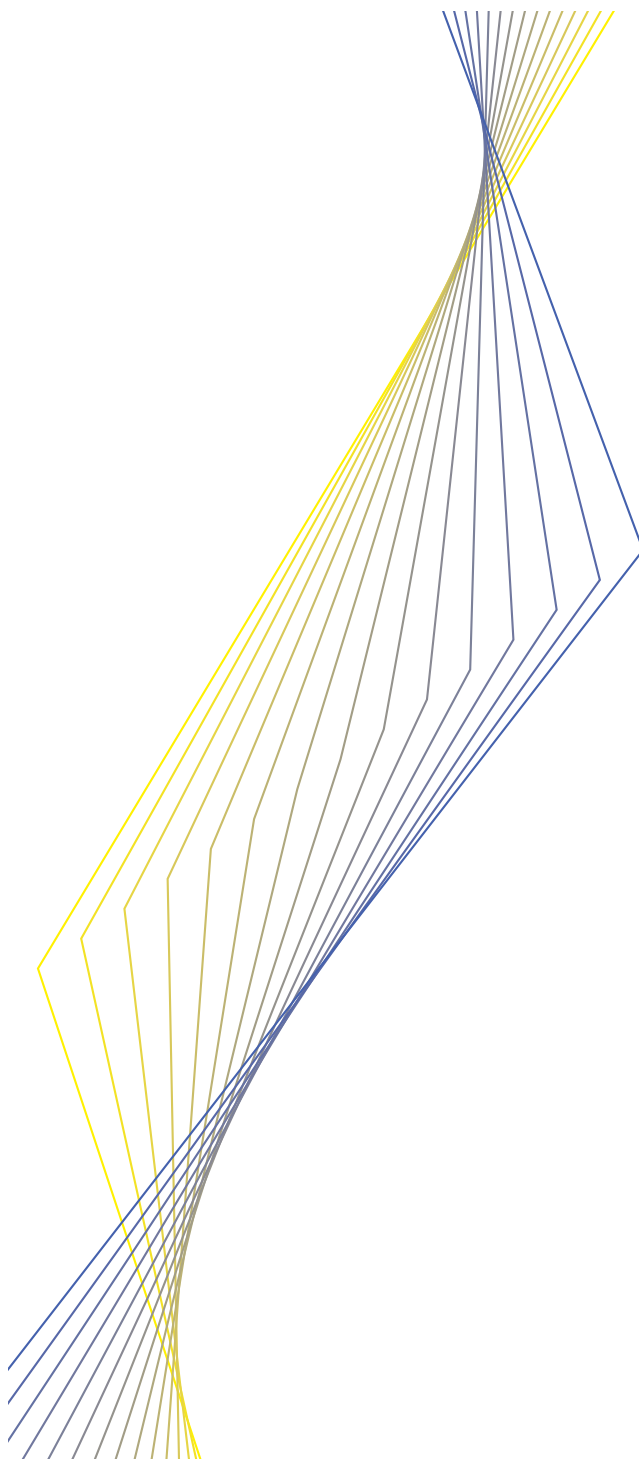
## Bulgaria

### 2 Statistics Directorate





EUROPEAN CENTRAL BANK



**Cyprus**

### List of abbreviations

<b>ABUs</b>	Administered banking units
<b>ATMs</b>	Automated teller machines
<b>b.o.p.</b>	Balance of payments
<b>CBC</b>	Central Bank of Cyprus
<b>CCIs</b>	Co-operative credit institutions
<b>CYP</b>	Cyprus pound
<b>DMBs</b>	Deposit money banks
<b>ECB</b>	European Central Bank
<b>EMI</b>	European Monetary Institute
<b>ERD</b>	Economic Research Department
<b>ESCB</b>	European System of Central Banks
<b>FDI</b>	Foreign direct investment
<b>IBCs</b>	International business companies
<b>IBUs</b>	International banking units
<b>IMF</b>	International Monetary Fund
<b>ICISs</b>	International collective investment schemes
<b>OFIs</b>	Other financial institutions
<b>RI</b> s	Reporting institutions
<b>SSR</b>	Statistical Service of the Republic

## I Legal and institutional background

### I.1 Organisational structure

#### I.1.1 Organisation chart of the national central bank

The Central Bank of Cyprus (CBC) is managed by the Governor, who is the Chairman of the Board, and by five Directors. The Governor of the CBC is appointed by the President of the Republic of Cyprus, and the members of the Board by the Council of Ministers. The Board is responsible for the policy of the CBC and for the general supervision of its administration.

See Annex I.

#### I.1.2 Organisation of the statistical work at the national central bank

The CBC does not have a separate statistical department. The Economic Research Department is the department mainly responsible for processing and analysing statistical data and for producing the main publications of the CBC. However, statistical work is also carried out by other divisions of the CBC. The departments and sections carrying out statistical work are highlighted by shading in the organisation chart of the CBC in Annex 2. A description of their statistical activities is presented below.

- *Economic Research and Management Services Division*

##### *Economic Research Department*

The Economic Research Department (ERD) is mainly responsible for the formulation and implementation of monetary policy and for monitoring and analysing exchange rate developments. The necessary statistical information is

collected from various departments of the CBC, the Statistical Service of the Republic (SSR) and other sources. Statistical work carried out in this department includes the compilation and dissemination of monetary aggregates and counterparts, interest rate and security issues statistics and the collection and compilation of balance of payments (b.o.p.) statistics. The ERD is also responsible for the harmonisation of monetary, financial and b.o.p. statistics with the requirements of the European Central Bank (ECB), the International Monetary Fund (IMF) and Eurostat as well as for the dissemination of such statistics to international bodies including Eurostat and the IMF.

- *Banking Supervision and Regulation Division*

##### *Bank Supervision Department*

*Monitoring Section:* this section collects monthly balance sheet returns from all deposit money banks (DMBs) and other financial institutions (OFIs), on the basis of which monetary statistics are compiled. Moreover, an extensive range of periodic returns covering all aspects of the operations of banks is collected, including prudential returns.

##### *International Banking and Financial Services Supervision Department*

This department collects monthly balance sheet returns, profit and loss accounts and other returns for prudential supervisory purposes from all international banking units (IBUs) and administered banking units (ABUs). Annual data on international business companies (IBCs), which offer financial services to the public, are also collected and used for the supervision of these entities.

## Cyprus

- *Domestic Banking Operations and Accounting Services Division*

### *Domestic Banking Operations Department*

*Local Securities Section:* this section is responsible for the issue, sale and redemption of government domestic debt instruments, i.e. development stocks, savings certificates, savings bonds and Treasury bills, and produces relevant statistics thereon.

### *Accounting Services Department*

This department produces a number of reports relating to the CBC's general ledger, which are generated electronically. These include the monthly balance sheet, the quarterly management accounts and the annual financial statements of the CBC. Moreover, a number of returns relating to employees' emoluments and allowances are submitted to the SSR.

- *International Division*

### *Exchange Control and Foreign Investments Department*

This department is responsible for implementing exchange control policy and for monitoring flows of direct investment abroad by residents and foreign direct investment in Cyprus, as well as for approving foreign currency loans to residents by local and foreign banks. Data relating to these activities are submitted to the ERD for further processing.

### *International Business Department*

This department monitors, regulates and supervises the activities of the IBCs and also promotes Cyprus as an international business centre. IBCs are required to submit to the CBC annual audited financial statements and, where applicable, a confidential annual report, which is used in the preparation of an annual report

describing the progress of the international business sector.

### *Foreign Department*

*External Debt Section:* this section is responsible for managing the external debt of the government, including the European Medium-Term Note Programme and the Euro-Commercial Paper Programme. In this capacity, the section keeps detailed statistics on the composition of the government's external debt by currency, creditor, interest rate type and maturity profile.

*Management of Reserves Section:* this section is responsible for managing the foreign exchange reserves of the country, for quoting the value of the Cyprus pound (CYP) against foreign currencies and for dealing with local banks. The section keeps statistics on the spot and forward exchange rates of the CYP, on spot and forward transactions between the CBC and local banks and on foreign currency deposits of local banks. Moreover, it produces various statistics for reserve management purposes.

## **1.2 Legal background**

The legal framework governing the activities of the CBC comprises the following laws:

- Banking Law (No. 66 (I) of 1997), as amended

This law sets the legal framework within which banking business may be conducted and to a large extent reflects the principles and rules of European Union (EU) banking directives.

By virtue of the power vested in it by the Banking Law, the CBC has so far issued the following directives and regulations to banks:

Date issued	Relevant section of the Banking Law	Directive/Regulation
18 November 1997	28	Notice to banks regarding the relation between the CBC and the external auditors of banks
6 February 1998	23	Directive for the computation of prudential liquidity
26 January 1999	22	Directive for the computation of the capital base of banks
26 January 1999	21	Directive for the computation of the capital adequacy ratio of banks
6 December 1999	24	Directive for the layout and the contents of the annual accounts of banks
3 March 2000	34	Regulations for the establishment and operation of the Deposit Protection Scheme
7 April 2000	11	Directive on the monitoring and control of credit facilities to individual borrowers or bank directors and their connected persons

The Banking Law, as well as the directives and regulations issued, may be found on the internet at [www.centralbank.gov.cy/supervision/legislation.html](http://www.centralbank.gov.cy/supervision/legislation.html).

A Directive on cross-border payments was issued to banks on 30 November 2000 with the date of entry into force being 1 April 2001, with the exception of certain provisions that will become effective at a later stage, to be decided by the CBC, but, in any case, before the date of Cyprus' accession to the EU. This directive is being introduced in compliance with "The Cross-border Credit Transfers Directive" (No. 97/5/EC) as part of the process of harmonisation with the EU *acquis communautaire*.

Furthermore, a "Directive on internal control systems" is in the process of being introduced.

- Central Bank of Cyprus Law (No. 48 of 1963), as amended

The Central Bank of Cyprus Law (CBC Law) establishes the CBC and sets out its purpose and the legal framework within which it performs its functions. Currently, this law is being amended in order to ensure compliance with the Treaty

establishing the European Community and the Statute of the European System of Central Banks and of the European Central Bank (Statute of the ESCB).

The main regulations, which have been issued on the basis of the above law (see table below), are as follows:

- Interest Rate Liberalisation Law (No. 160 (I) of 1999)

This law was enacted in December 1999 with the date of entry into force being 1 January 2001 and provides mainly for the repeal of the Interest Law of 1977, prescribing a legal ceiling of 9% per annum on interest rates.

- International Collective Investment Schemes Law (No. 47(I) of 1999), as amended

The CBC has been designated under this law as the competent authority responsible for the recognition, regulation and supervision of international collective investment schemes (ICISs), which can be of either limited or unlimited duration. The CBC is also the supervisory authority for the managers and trustees of ICISs.

Date	Relevant section of the CBC Law	Directive/Regulation
2 March 1973 and 19 September 1986	14	Designation of financial institutions regulations
29 December 1995	37	Maintenance of minimum reserves regulations



This law may be found on the internet at [www.centralbank.gov.cy/offshoreb.bank-supl.html](http://www.centralbank.gov.cy/offshoreb.bank-supl.html).

- Prevention and Suppression of Money Laundering Activities Law (No. 61(I) of 1996), as amended

The main purpose of this law is to define and criminalise the laundering of the proceeds from all serious criminal offences and to provide for the confiscation of such proceeds aiming to deprive criminals of the profits from their crimes.

This law designates the CBC as the supervisory authority for all persons licensed to conduct banking business in or from within Cyprus. In this regard, the CBC has been assigned with the duty of assessing the compliance of all banks with the special provisions of the law in respect of their business.

- The Exchange Control Law (CAP 199) enacted in 1952, as amended by Law No. 53/1972

Under this law, permission of the CBC, acting on behalf of the Minister of Finance, is required for payments by residents to non-residents, as well as for the registration of domestic securities in the name of non-residents and certain other international transactions. The CBC has delegated powers to commercial banks in Cyprus, designated as authorised dealers, to handle payments for several purposes. As part of the harmonisation with the EU *acquis communautaire*, Cyprus is in the process of abolishing exchange controls.

### 1.3 Institutional aspects

#### 1.3.1 The role of the national central bank

##### 1.3.1.1 Introduction

The CBC was set up in 1963, three years after the establishment of the Republic of

Cyprus, on the basis of constitutional provisions. The CBC was set up as a public corporate body, autonomous from the government, governed by its own law. According to statutory provisions, its policy is decided and implemented by its Board of Directors.

According to Section 4 of the CBC Law, “the main purpose of the Bank is to foster monetary stability and such credit and balance of payments conditions as are conducive to the orderly development of the economy of the Republic”. In this respect, the CBC aims to maintain internal and external monetary stability, as this is reflected in low inflation and a sustainable balance of payments position.

##### 1.3.1.2 General responsibilities of the national central bank

The CBC performs all the functions required for the achievement of its main purpose and for the regulation and control of the monetary and banking system of Cyprus. According to Section 6 of the CBC Law, the CBC has the power:

- to regulate the supply of money and credit. The operational framework of monetary policy is to a large extent in line with the monetary policy instruments and procedures used by the ECB. The main features of this framework are reverse transactions (the primary tool for liquidity management), two standing facilities aiming to provide and absorb overnight liquidity and a minimum reserve requirement;
- to manage and administer the international reserves of the Republic of Cyprus. The currency distribution of the reserves, the type of instrument and the list of countries and counterparties, with which the CBC may have dealings, are approved by the Board of Directors;

(iii) to supervise banks in the Republic of Cyprus, subject to the provisions of the Banking Law. The basic objective of supervision is to preserve the stability of the banking system, to retain public confidence and to protect depositors. To this end, the CBC licenses deposit-taking institutions, such as domestic banks, OFIs and IBUs, and subsequently carries out off-site monitoring and on-site examinations. Off-site monitoring entails the submission by banks of an extensive range of periodic returns covering almost every aspect of their operations. Data from the returns are processed and analysed with a view to identifying any problems, capturing any warning signals and verifying compliance with existing instructions and directives. They also serve as the source for the compilation of money and banking statistics. On-site examinations are usually carried out once a year and aim to assess the current financial condition and soundness of a bank and its future prospects and also to ascertain compliance with the Banking Law and the directives and regulations issued by the CBC. The main areas covered are the following: loan portfolio quality and adequacy of provisions for bad and doubtful debts, the liquidity position and liquidity management, all banking risks incurred by banks, the financial condition and profitability of operations, capital adequacy, management of the bank, administrative organisation and internal controls and procedures and verification of the information submitted to the CBC;

(iv) to act as banker and financial agent of the Government of the Republic of Cyprus. In line with the objectives of financial liberalisation and of a more rational, market-based approach to government debt management, the CBC is responsible for the issue, sale and redemption of government domestic debt instruments. The CBC, in collaboration with the government, issues government securities through the auction technique. Most of these securities are tradable on the Cyprus Stock Exchange.

Furthermore, the CBC has the sole responsibility for issuing banknotes and coins and for implementing the exchange rate policy, which is determined by the Council of Ministers, once the CBC has expressed its opinion. Moreover, the CBC, as an agent of the Ministry of Finance, has the responsibility of administering the foreign exchange control legislation.

In addition, the Prevention and Suppression of Money Laundering Activities Law assigns to the CBC the duty of assessing compliance of all banks and international financial services companies with the provisions of this law. The CBC is also responsible for the recognition, regulation and supervision of ICISs, as provided in the International Collective Investment Schemes Law.

However, the Statute of the CBC, as well as a number of constitutional provisions, need to be amended to enhance statutory independence in order to ensure compliance with the relevant requirements of the Treaty establishing the European Community and the Statute of the ESCB. The preparatory work for amending the central banking legislation and the pertinent Constitutional provisions has already started with a view to achieving compatibility in all material aspects with the relevant provisions of the above-mentioned Treaty and Statute by mid-2002.

### **1.3.2 Macroeconomic statistics: main responsibilities of domestic public authorities**

#### *1.3.2.1 Main responsibilities of the national central bank in the field of macroeconomic statistics*

The CBC produces all the macroeconomic statistical data needed to effectively fulfil its main functions described earlier. Moreover, the CBC is responsible for the harmonisation of the various statistics within its scope of competence with the requirements of the ECB, Eurostat and the IMF and also for their dissemination to both internal and external users, including Eurostat and the IMF.

## Cyprus

In addition to the area of money and banking statistics, the CBC collects and compiles statistical data in the following areas:

- interest rate statistics;
- security issues statistics;
- reserve base statistics;
- prudential supervision statistics.

A new framework is being developed for the collection and compilation of b.o.p. statistics to counter the loss of data associated with the abolition of exchange controls. More specifically, a settlement-based system is being set up, which will be complemented by direct reporting and surveys. For this purpose, an amendment to the CBC Law was effected, empowering the CBC to require any financial or other resident entity to supply it with any data in its possession which is deemed necessary for the compilation of the b.o.p. and the international investment position of Cyprus. As a first step in the setting-up of the new system, the CBC started work on the establishment of a regular reporting system for foreign direct investment (FDI) statistics, in accordance with Eurostat requirements. To this end, the CBC is participating in Eurostat's FDI Pilot Project with candidate countries and work is proceeding in accordance with the country-specific recommendations that have been made by the expert assigned by Eurostat to assist the CBC with this project.

### *1.3.2.2 Main responsibilities of other public authorities in the field of macroeconomic statistics and co-operation with the national central bank*

The main responsibilities of other public authorities regarding macroeconomic statistics in the areas of interest are as follows.

In the area of b.o.p. statistics, the following public authorities provide the CBC with data:

- The SSR collects and compiles data on exports and imports of goods on the basis of returns received from customs. It also conducts a passenger survey on inbound and outbound tourism (number of tourists).
- The Cyprus Tourism Organisation conducts an inbound passenger survey on expenditure in Cyprus by visiting tourists.

The b.o.p. team of the CBC's ERD collects data from both the above-mentioned public authorities, as well as directly from private entities and internally from other departments of the CBC (e.g. the Exchange Control Department, the Bank Supervision Department), and compiles b.o.p. data.

The SSR has the main responsibility for the set-up and compilation of the financial accounts, in close co-operation with the CBC and the Ministry of Finance. To this effect, a Working Committee on Financial Accounts has been appointed, consisting of representatives of the three parties involved. In this context, the CBC has assumed the obligation of providing the SSR with any necessary information lying within its competence.

In addition, the CBC submits money and banking statistics and b.o.p. data to the SSR for the compilation of the national accounts. The CBC may also, on request, furnish various government departments or other interested parties with any ad hoc statistics needed for policy or other purposes.

Public authorities other than the CBC play no role in the area of reserve base statistics and prudential supervision.

### *1.3.2.3 Overview of statistical data collection and compilation*

See Table I.

Table I

Statistical areas:	Money and banking statistics		
	Bank balance sheet statistics/ monetary aggregates and counterparts	Interest rate statistics	Security issues statistics
<b>Collected data</b>	<p>a) Bank balance sheet statistics: Submitted by all RIs. Frequency: monthly. Timeliness: within fifteen days of the end of the reference month.</p> <p>b) Central bank balance sheet statistics: Frequency: monthly. Timeliness: available on the second working day of the following month and published by the end of the following month.</p> <p>c) Monetary aggregates and counterparts: Data compiled solely from the balance sheets of RIs. Frequency: monthly. Timeliness: published within 21 days of the end of the respective month.</p>	<p>a) Interest rates on repurchase and reverse repurchase agreements (as well as amounts announced, tendered for and allotted). Frequency and timeliness: all data are collected and announced on the day of the transaction.</p> <p>b) Interbank interest rates: overnight, two to seven days, one to seven days, one month and over one month. Frequency and timeliness: all data are collected on a daily basis and published monthly.</p> <p>c) Short-term CBC facility (lombard type) interest rate. Frequency: published monthly.</p> <p>d) Overnight CBC deposit facility interest rate. Frequency: published monthly.</p> <p>e) As from 1 January 2001, data on retail banking interest rates will also be collected and published by the CBC on a regular basis.</p>	<p>a) Sales of Treasury bills by auction with the following maturities: 13 weeks and 52 weeks. Data on interest rates and amounts announced, tendered for and allotted. Frequency and timeliness: released on the day of the transaction.</p> <p>b) Sales of development stock by auction with the following maturities: two, five and ten years. Data on interest rates and amounts announced, tendered for and allotted. Frequency and timeliness: released on the day of the transaction.</p> <p>c) Sales of development stock with three-year maturity to private individuals only. Data on interest rates, nominal amount, date of issue and maturity. Frequency: published monthly.</p>
<b>Collecting agents</b>	CBC	CBC	CBC, Ministry of Finance
<b>Users</b>	CBC, banks and the wider financial sector, government departments, international organisations, credit rating agencies, private sector/general public.	CBC, banks and the wider financial sector, government departments, international organisations, credit rating agencies, private sector/general public.	CBC, banks and the wider financial sector, government departments, international organisations, credit rating agencies, private sector/general public.
<b>Description</b>	<p>Balance sheets are submitted by all RIs in paper form and processed electronically.</p> <p>Aggregate balance sheets are compiled for DMBs and OFIs.</p> <p>Further analysis is conducted and reports are prepared based on these raw data according to the needs of monetary and credit policy.</p> <p>Data for the CBC balance sheet are downloaded from the Bank's general ledger and compiled electronically.</p> <p>Definition of the monetary aggregates and counterparts can be found in Sections 2.6.1 and 2.7.</p>	<p>a) In the case of repurchase and reverse repurchase agreements, the daily interest rates are averages weighted by the amount of each transaction. When monthly averages are reported, these are averages of the daily rates. A simple average for the volume during the respective month is also published.</p> <p>b) In the case of interbank interest rates, the daily rates cover only newly contracted loans. Monthly interest rates published refer to the highest and lowest rates recorded during a month. A simple average of the volume of transactions in the interbank market during the respective month is also published.</p> <p>(c) &amp; (d) In the case of the lombard-type facility and the overnight deposit facility, the interest rate has remained unchanged since January 1997.</p>	<p>For Treasury bill and development stock auctions, the interest rates referring to the date of the transaction are calculated as weighted averages.</p> <p>When monthly averages are reported, these are simple arithmetic averages of the daily interest rates.</p> <p>In the case of the three-year development stocks, the interest rate is fixed periodically.</p>

## Cyprus

**Table I (continued)**

Statistical areas:	Reserve base	Financial accounts	Balance of payments
<b>Collected data</b>	Statement showing the daily balances of customer deposits in CYP held with RIs. Frequency: weekly. Timeliness: one week after the reporting date.	Not yet compiled.	(a) Data on the trade account. Frequency: monthly. (b) Data on the current account. Frequency: quarterly. (c) Data on the capital and financial accounts. Frequency: quarterly.
<b>Collecting agents</b>	CBC	SSR, CBC, Ministry of Finance	SSR, CBC, Cyprus Tourism Organisation
<b>Users</b>	CBC		CBC, banks and the wider financial sector, government departments, international organisations, credit rating agencies, private sector/general public.
<b>Description</b>	Submitted in paper form and processed on Excel worksheets.  These data are used to establish that there is adherence to the minimum reserve regulations and for statistical purposes.  The reserve base of a bank comprises the average of total deposits in CYP during a fortnight (1-15 and 16-30/31 of each month).  The amount of minimum reserves to be held by each bank with the CBC for a fortnightly period is calculated by applying the minimum reserve ratio (7%, raised to 8% as from 1 July 2000 and to be lowered to 6.5% as from 1 January 2001) to the reserve base of the corresponding fortnight of the preceding month. The interest rate earned is 6%.  Banks are liable to penalties in the event of failure to comply with the minimum reserve regulations.	A working committee, comprising representatives of the SSR (the agency responsible for the compilation of financial accounts), the Ministry of Finance and the CBC, has been appointed to set up and implement this project.	Data are currently compiled on the basis of the BPM3. Work is under way on a new reporting and compilation system in accordance with the IMF's Balance of Payments Manual (5th edition) and Eurostat's Balance of Payments Vade-mecum.

**Table I (continued)**

Statistical areas:	Prudential supervision
<b>Collected data</b>	<ul style="list-style-type: none"> <li>a) Balance sheet of RIs (same as the one mentioned in column “Bank balance sheet statistics/monetary aggregates and counterparts”). Frequency: monthly. Timeliness: within fifteen days of the end of the reference month.</li> <li>b) Statement of foreign currency assets and liabilities. Frequency: monthly. Timeliness: within 21 days of the reporting date.</li> <li>c) Statement of deposits in foreign currencies and deposits in external accounts according to origin and depositor group. Frequency: quarterly. Timeliness: within one month of the reporting date.</li> <li>d) Statement for the computation of prudential liquidity. Frequency: quarterly. Timeliness: within 21 days of the reporting date.</li> <li>e) Analytical profit and loss account submitted by RIs for their operations in Cyprus. Frequency: half-yearly. Timeliness: the end-year return to be submitted within four months of the end of each financial year.</li> <li>f) Statement on capital adequacy. Frequency: half-yearly. Timeliness: within one month of the reporting date.</li> <li>g) Statement on credit facilities to large individual borrowers or bank directors and their connected persons. Frequency: half-yearly. Timeliness: within one month of the reporting date.</li> <li>h) Statement on the acquisition and disposal of immovable property (other than the property used for conducting their business). Frequency: half-yearly. Timeliness: within one month of the reporting date.</li> <li>i) Statement of banks’ shareholdings and those of their subsidiaries in other companies. Frequency: annually. Timeliness: within one month of the year-end.</li> </ul>
<b>Collecting agents</b>	CBC
<b>Users</b>	CBC. Some of the data are also used by the government, the IMF, international organisations and credit rating agencies.
<b>Description</b>	<ul style="list-style-type: none"> <li>a) Review of each bank’s balance sheet and monitoring of adherence to the provisions of the Banking Law regarding limitations on shareholdings and holdings of immovable property by banks. Computation of statistics on the market shares of banks with regard to loans and deposits.</li> <li>b) Follow-up of information on net working balances by currency and for all currencies together. Moreover, this follow-up provides information on the net open position by currency and the overall aggregate net position in all currencies together (overall banks’ exposure in foreign currency). To this end, deposits are analysed by residual maturity (organised into time bands) and assets are analysed item by item, starting with the most liquid assets.</li> <li>c) Information is provided for individuals and corporate bodies, with a distinction being made between Cypriot companies, shipping companies, IBCs and foreign incorporated companies. The data provided in this return are evaluated in combination with the data contained in the return for foreign currency assets and liabilities.</li> <li>d) Evaluation of assets and liabilities by residual maturity (organised into time bands).</li> <li>e) These data are the basis for profitability evaluation.</li> <li>f) Evaluation of capital adequacy and verification of adherence to the minimum level required (8% until 30 June 2000, increased to 9% as from 1 July 2000 and to 10% as from 31 December 2000).</li> <li>g) Evaluation of all exposures in excess of 10% of a bank’s capital base, as well as data on all the credit facilities granted to the bank’s directors, with a view to ascertaining adherence to the limits set in the Banking Law. In the case of directors, particulars for the security held are also provided.</li> <li>h) Evaluation of immovable property with a view to ascertaining adherence to the relevant provisions of the Law.</li> <li>i) Evaluation of banks’ shareholdings and those of their subsidiaries in other companies with a view to ascertaining adherence to the relevant provisions of the Law.</li> </ul>

## 2 Monetary statistics

### 2.1 Legal background and statistical standards

#### 2.1.1 National legal aspects

The CBC is authorised under Section 62 of the CBC Law (No. 48 of 1963), as amended, to request such information from banks or other designated financial institutions carrying on business in the Republic of Cyprus “as it considers necessary to fulfil the functions with which it is entrusted by this Law”. Moreover, Section 25 of the Banking Law (No. 66(I) of 1997), as amended, requires banks to submit a monthly certified statement of their assets and liabilities and any other information as may be specified by the CBC.

#### 2.1.2 Statistical standards

Monetary aggregates and counterparts were initially compiled according to the International Financial Statistics Methodology and then in accordance with the IMF Guide on Money and Banking Statistics of 1984.

The central bank's and banks' balance sheets are prepared on the basis of their books, which must be kept in accordance with the International Accounting Standards. The banks' balance sheets are also in compliance with the Council Directive of 8 December 1986 on the annual accounts and consolidated accounts of banks and other financial institutions (86/635/EEC).

The current framework for monetary statistics is being revised to bring it fully into line with the ECB Directives, the IMF Manual on Monetary and Financial Statistics and Eurostat requirements.

### 2.2 Concepts and definitions

#### 2.2.1 Statistical definitions: economic territory and residency principles

The economic territory of the Republic of Cyprus comprises:

- the territory of the Republic of Cyprus;<sup>1</sup>
- the national airspace, territorial waters and the continental shelf lying in international waters over which the country enjoys exclusive rights;
- territorial enclaves (i.e. geographic territories situated in the rest of the world and used, under international treaties or agreements between states, by general government agencies of the country (embassies, consulates, military bases, scientific bases, etc.)) for all transactions other than those relating to the ownership of the land constituting the enclave and of the buildings standing on such land at the time of purchase;
- extraterritorial enclaves (i.e. parts of the country's own geographic territory used by general government agencies of other countries, by the institutions of the European Communities or by international organisations under international treaties or agreements between states) only in respect of transactions relating to the ownership of the land constituting the enclave and of the buildings standing on such land at the time of sale;
- deposits of oil, natural gas, etc. in international waters outside the continental shelf of the country, worked by units resident in the territory as defined in the preceding subparagraphs.

<sup>1</sup> Part of the territory of the Republic of Cyprus is presently under foreign military occupation. This occupied area remains part of the territory of the Republic. The Government of the Republic of Cyprus is, however, prevented by force majeure (i.e. the foreign military occupation) from exercising de facto its powers over it. As a result of this situation, the Government is unable, for the time being, to provide or monitor any data on the economic activity of the said area.



The residential status of natural persons is normally determined by reference to the place where they live and work permanently, while that of legal entities is determined by reference to the place where they are incorporated and activated.

Therefore, foreign branches of domestic banks are considered to be non-resident units and their liabilities are not included in the monetary aggregates, whereas domestic branches of foreign banks are considered to be resident and their liabilities are included in the monetary aggregates.

IBUs, which are mainly branches of foreign banks or Cyprus-incorporated subsidiaries of foreign banks, are considered non-resident institutions because they are required to confine themselves to transactions denominated in currencies other than the CYP and to customers other than residents of Cyprus. For this reason, IBUs are not part of the reporting population for the compilation of monetary statistics.

## 2.2.2 Sectors in monetary statistics

### 2.2.2.1 Definition and classification of sectors in monetary statistics

See Table 2.

**Table 2**

Sector classification	Sectors		Definitions
Money-creating sector	CBC		This sector corresponds to the national central bank.
	DMBs		This sector includes deposit-taking institutions, i.e. all commercial banks including the Co-operative Central Bank Ltd.
	OFIs		This sector includes specialised banks and designated financial institutions. Although some of them accept deposits from the public, these are not included in the computation of the monetary aggregates. In this respect, they are included in both the money-holding and the money-creating sectors. This sectorisation is currently being revised to bring it into line with the ESA 95.
Money-holding sector	Individuals and corporate bodies		This sector includes resident individuals and financial and non-financial corporations not reported elsewhere.
	Insurance companies and pension funds		This sector includes insurance companies and pension and provident funds.
	Money-neutral sector	Consolidated government accounts	Central government
Government agencies			This sector includes various market regulatory organisations.
Money-holding sector		Social security funds	This sector includes the State-run, earnings-related social insurance scheme covering all salaried and self-employed persons.
	Local authorities		This sector includes municipal corporations and other local authorities, such as the Improvement and Development Boards.
	Public corporations	This sector includes the public utilities and non-profit institutions, which are controlled and mainly financed by the central government. Under the ESA 95 sectorisation, some public corporations will be included in the central government sector and some in the non-financial corporations sector.	
Non-resident sector	Non-resident sector		This sector consists of non-resident corporate and non-corporate persons engaged in transactions with resident institutional units or which have other economic links with resident units.



## Cyprus

### 2.2.2.2 Comparison between the sectors of the national economy and the ESA 95

See Table 3.

**Table 3**

National sector classification	National sectors		Sectors in the ESA 95			ECB sector classification
Money-creating sector	CBC		S121 Central bank		S12 Financial corporations	Money-creating sector
	DMBs		S122 Other monetary financial institutions			
	OFIs		S123 Other financial intermediaries, except insurance corporations and pension funds			
Money-holding sector	Corporate bodies		S124 Financial auxiliaries			Money-holding sector
			S125 Insurance corporations and pension funds			
	Insurance companies and pension funds		S11 Non-financial corporations			
			S14 Households			
			S15 Non-profit institutions serving households			
			Individuals and corporate bodies and public corporations			
Money-neutral sector	Consolidated government accounts	Central government	S1311 Central government		S13 General government	Money-neutral sector
		Government agencies				
	n.a.		S1312 State/regional government			
Local authorities		S1313 Local government				
Consolidated government accounts		Social security funds	S1314 Social security funds			
Non-resident sector	Non-resident sector		S211 EU countries	S21 European Union	S2 Rest of the world	Non-resident sector
			S212 Institutions of the EU			
			S22 Third countries and international organisations			

## 2.3 Population of monetary institutions

### 2.3.1 Definition of a credit institution (bank) and categories of credit institutions

In accordance with the Banking Law (No. 66(I) of 1997), as amended, “bank” (credit institution) means “a body corporate licensed to carry on banking business under the provisions of this Law” and “banking business” means “business carried on in the Republic or abroad from within the Republic consisting of lending of funds acquired from the assumption of obligations to the public, whether in the form of deposits, securities or other evidence of debt”. This Law provides that a licence from the CBC is required for the conduct of banking business in or from within Cyprus. Such a licence, however, does not allow the establishment of banking business abroad.

Credit institutions (banks) operating under the Banking Law can be divided into the following groups:

- deposit money banks (DMBs), i.e. commercial banks including the Co-operative Central Bank Ltd.;
- other financial institutions (OFIs), i.e. specialised credit institutions. The institutions falling under this category are currently being examined with a view to reclassifying them in accordance with the ESA 95;
- international or administered banking units (IBUs or ABUs). These banks are licensed to carry on banking business from within Cyprus. They are required, however, to confine themselves to transactions denominated in currencies other than the CYP and to customers other than residents of Cyprus. It should be noted that IBUs are not included in the reporting population for monetary statistics.

In Cyprus, there is also a separate group of credit institutions, that of co-operative credit institutions (CCIs), which operate under the Co-operative Societies Law of 1985, as amended. These institutions are not subject either to the supervision of the CBC or to the prudential standards applying to credit institutions. However, members of most of these societies have unlimited liability. CCIs have indirect access to monetary credit through the Co-operative Central Bank Ltd., which acts as their central bank, but are not subject to the regulations issued by the CBC. The Registrar for Co-operative Development, who reports to the Ministry of Commerce, Industry and Tourism, supervises the operations of CCIs in order to ensure that they are in compliance with the relevant laws. It should be noted that the CCIs are not included in the reporting population for the compilation of monetary statistics.

### 2.3.2 Definition of other monetary institutions

Not applicable.

### 2.3.3 Central government units with deposit liabilities included in measures of money

Measures of money do not include any such deposit liabilities.

**Table 4**

Institution	Number of institutions
CBC	1
Credit institutions	405
DMBs	9
OFIs	3
IBUs	33
CCIs	360
<b>Total</b>	<b>406</b>

## 2.4 Banking business: general deposits/other products

Credit institutions offer their customers a wide range of deposit facilities and other products. These include:

Deposits:

- sight deposits and current accounts, on which cheques can be drawn, in CYP and in foreign currency;
- savings accounts;
- deposits at notice or for fixed periods in CYP and in foreign currency;
- index-linked deposits: fixed deposits for periods of two years or more, with guaranteed invested capital and performance linked to that of foreign stock markets.

Other products:

- credit facilities and related products: short and long-term finance in the form of advances or overdraft facilities, term loans, syndicated loans, discounting of bills, hire purchase finance, financial leasing, factoring and other facilities related to the financing of international trade;
- plastic money: both debit and credit cards;
- private banking: provision of international investment products, banking and other financial services to high net worth individuals;
- foreign exchange: all types of foreign exchange transactions including letters of credit, guarantees, forward contracts and options;
- stock brokerage services: through subsidiaries.

Moreover, banks have enriched their product range by upgrading technology. They offer

24-hour service through various automated teller machines (ATMs) installed throughout Cyprus and some fully automated self-service branches. They also offer their services via the telephone (telephone banking) and are in the process of introducing online banking services via the internet (electronic banking) and via mobile telephones (WAP).

## 2.5 Statistical balance sheets of the monetary institutions

### 2.5.1 Description of the main balance sheet items

A description of the main balance sheet items is given below:

Asset items:

- Cash and balances with the central bank: includes all local and foreign currency notes and coins owned and held by the RIs, as well as the total of balances maintained with the CBC in the minimum reserve account, the reverse repurchase agreement (repo) account and the additional deposit account.
- Drafts, cheques and bills bought: includes all cash instruments in the process of collection, i.e. cheques, bankers' drafts, postal and money orders, sight documentary bills of exchange, negotiation of sight documents and claims against credit card payments, which are payable immediately upon presentation.
- Bills eligible for refinancing with the central bank.
- Loans and advances to banks: includes all balances maintained with RIs and banks in foreign countries, as well as balances with Cyprus-based IBUs, including ABUs.
- Loans and advances to customers: comprises all bills in CYP and in foreign currency, including promissory notes discounted by the RIs, as well as the total

amount of credit facilities extended in the form of overdrafts on current account and loans, including facilities extended on hire purchase terms, for factoring purposes, and credit card facilities.

- Treasury bills.
- Debt securities: comprises transferable debt securities and any other transferable fixed-income securities, local or foreign, issued by the government, other public bodies, banks, building societies or other issuers.
- Equity shares: comprises the RIs' total holdings of shares and other variable-yield securities.
- Participating interests: comprises the total interests held on a long-term basis in the

share capital of other banks or companies for the purpose of securing a contribution to their activities by the exercise of significant influence arising from or related to that interest.

- Shares in group undertakings: includes the total value of shares held on a long-term basis in the capital of a group company, as well as capital assigned to overseas branches.
- Intangible fixed assets.
- Tangible fixed assets.

*Liability items:*

- Amounts due to banks: comprises the amount of credit granted by the CBC to

Assets		Liabilities	
Breakdown by instrument/maturity	Breakdown by counterparty	Breakdown by instrument/maturity	Breakdown by counterparty
Loans and advances to banks (separately for local and foreign banks)	Residents	Amounts due to banks (separately for local and foreign banks)	Residents
on demand	Banks:	on demand	Banks:
within three months	CBC	within three months	CBC
over three months, but not more than one year	local banks	over three months, but not more than one year	local banks
over one year, but not more than five years	Non-banks:	over one year, but not more than five years	Non-banks:
over five years	government	over five years	government
	government agencies		government agencies
	local authorities		local authorities
	public corporations		public corporations
	other residents		insurance companies
Loans and advances to customers	Non-residents	Customer deposits	pension and provident funds
on demand	foreign banks (including IBUs)	Deposits at notice and fixed-term deposits	private residents (individuals and corporate bodies)
within three months		within three months	Non-residents
over three months, but not more than one year	non-banks (individuals and corporate bodies)	over three months, but not more than one year	foreign banks (including IBUs)
over one year but not more than five years		over one year, but not more than five years	Non-banks:
over five years		over five years	IBCs
Debt securities		Debts evidenced by certificates	other corporate bodies
due within one year		Debt securities in issue	Cypriot expatriates
		within one year	other individuals
		one year and over	
		Others	
		not more than three months	
		over three months but not more than one year	
		over one year but not more than five years	
		over five years	

the RIs, as well as all balances in CYP and in foreign currency standing to the credit of local and foreign banks, i.e. banks in foreign countries and Cyprus-based IBUs and ABUs.

- Customer deposits: includes all customer balances in CYP and in foreign currency. Deposits have been divided into demand, notice and fixed-term deposits.
- Debts evidenced by certificates: includes both debt securities and debts for which transferable certificates have been issued.
- Loan capital: comprises subordinated and other loan capital in CYP or in foreign currency, which has a minimum initial repayment period of five years and in respect of which there is a contractual obligation that, in the event of winding-up or bankruptcy, it is to be repaid only after the claims of depositors and other creditors have been satisfied.
- Called-up share capital.

- Share premium.
- Revaluation reserves.
- Profit and loss account.

## 2.5.2 Breakdown of the main balance sheet items by instrument/maturity, counterparty and currency

Where appropriate, assets and liabilities are split into two categories on the basis of the currency in which they are denominated: amounts in CYP (local currency) and amounts in foreign currency (see table on page 51).

## 2.6 Measure(s) of money: definitions and remarks

### 2.6.1 Definition of money and instrument breakdown of monetary aggregates

See Box I.

## Box I

### M1 includes:

- currency in circulation net of cash in tills;
- demand deposits of private residents (incl. companies), municipalities, public corporations and OFIs with DMBs;
- sight balances of OFIs and public corporations with the CBC.

### M2 includes:

- M1;
- savings and time deposits of private residents (incl. companies), municipalities and public corporations with DMBs;
- time balances of OFIs with DMBs and the CBC;
- foreign currency deposits of residents with DMBs;
- sinking fund deposits of OFIs and public corporations with the CBC.

### 2.6.2 Sectoral allocation of holdings of negotiable instruments

Owing to the nature of these instruments, no explicit allocation between various economic sectors can be made. However, the amount of banknotes and coins held by the rest of the economy (including both resident and non-resident units) can be derived implicitly as the difference between the banknotes and coins held by the banking institutions and the currency issued by the CBC.

- Mining
- Manufacturing
- Transport and communications
- Foreign and domestic trade
- Building and construction
- Tourism
- Personal and professional loans
- Credit cards

### 2.7 Counterparts of money

The following sectoral classification of loans and advances is available:

- Public institutions and corporations
- Agriculture

Each category is analysed further in terms of credit extended in CYP or foreign currency. A maturity analysis exists for total loans and advances extended to both residents and non-residents (see details in Section 2.5.2).

See Box 2.

#### Box 2

##### Claims on the private sector

By monetary authorities

government-guaranteed debt securities held by the CBC  
advances and loans to OFIs

By DMBs

local investments (holdings of local non-government debt securities)  
local bills discounted  
loans and advances (excluding central government and government agency loans)  
less loans and advances to non-residents in foreign currency

##### Net claims on the public sector

Central government

advances and loans to central government by the CBC and the DMBs

Treasury bills and other securities

less government deposits with the CBC and the DMBs (including government sinking funds and government foreign liquid funds)

loans to the Co-operative Central Bank Ltd.

Government agencies

advances and loans to government agencies by the CBC and DMBs

less government agencies' deposits with the CBC and DMBs

less reserve position in the IMF

##### Net foreign assets

Monetary authorities

CBC holdings of international reserves

government holdings  
net payment agreements  
net reserve position in the IMF  
special drawing rights (SDRs)  
less foreign banks' balances with the CBC

**DMBs**

deposits with foreign banks  
overseas investments  
foreign currency notes  
foreign drafts, cheques and bills bought and foreign bills discounted  
advances and loans to non-residents in foreign currency  
less deposits of private non-residents in foreign and domestic currency  
foreign banks' credit balances  
advances and loans from foreign banks in foreign and domestic currency

**Unclassified items**

*Assets*

**CBC**

claims in respect of security repurchase agreements  
other assets

**DMBs**

net balances with CBC  
interbank balances (net)  
local drafts, cheques and bills bought  
interbank advances and loans (net)  
bank premises, equipment and other real estate owned  
other assets

**Less**

*Liabilities*

**CBC**

capital  
sight liabilities  
liabilities in respect of security repurchase agreements  
other liabilities  
liabilities due to allocation of SDRs

**DMBs**

bills payable  
provisions for taxation  
other liabilities  
capital account

## 2.8 Reserve money

Reserve money, as compiled by the CBC, is defined as the sum of the following:

- currency outside banks;
- currency in banks;
- bankers' deposits with the CBC, namely deposits of DMBs with the CBC and deposits and sinking funds of OFIs with the CBC;
- deposits and sinking funds of public corporations with the CBC.

## 2.9 Reporting procedures

### 2.9.1 Powers to collect statistics and collecting agents

Both the Banking Law and the Central Bank of Cyprus Law empower the CBC to collect information from banks for monetary statistics purposes, particularly as follows:

- Banking Law

In accordance with Section 25 (1), banks are required to submit to the CBC, within 15 days of the end of each month or within such longer period as the CBC may determine, a certified balance sheet as at the end of that month in a form prescribed by the CBC.

Furthermore, Section 25 (2) provides that the CBC may require a bank to submit periodically or at its request such other information and within such time as may be specified by the CBC.

It should be noted that, in accordance with Section 43 (2), the infringement of Section 25 is an offence punishable by a fine. In addition, under Section 42, the Governor of the CBC has the power to impose, for each and every contravention of Section 25, an administrative fine.

- Central Bank of Cyprus Law

In accordance with Section 62 (1), the CBC may require any bank carrying on business

in Cyprus to furnish it periodically or upon request with such information as it considers necessary to fulfil the functions with which it is entrusted by this Law.

### 2.9.2 Identification of the reporting population (reporting coverage)

As already mentioned in Section 2.3.1, CCIIs are not part of the reporting population for the compilation of monetary statistics. IBUs are treated in the same way because they are not currently considered resident institutions.

See Table 5.

### 2.9.3 Reporting schemes

The RIs for monetary statistics consist of the DMBs and the OFIs. Therefore, there is only one reporting scheme (see Table 1, column “Bank balance sheet statistics/monetary aggregates and counterparts”).

### 2.9.4 Special reporting procedures for the national central bank

The CBC balance sheet is prepared on a monthly basis and is available on the second working day of the following month. The data is downloaded from the general ledger of the CBC and the balance sheet is then compiled electronically. The CBC balance sheet is submitted to the Governor and then published in the Official Gazette.

**Table 5**

	Reporting institutions		Total balance sheet
	Number of reporting agents	% (of the total category)	% (of the total balance sheet of all institutions)
<b>CBC</b>	<b>1</b>	<b>100</b>	<b>13.4</b>
<b>Credit institutions</b>	<b>12</b>	<b>100</b>	<b>86.6</b>
DMBs	9	100	83.1
OFIs	3	100	3.4
<b>Other monetary institutions</b>	<b>0</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>13</b>	<b>-</b>	<b>100</b>



The CBC balance sheet is prepared in accordance with the applicable provisions of the CBC Law and the International Accounting Standards. The historical cost accounting convention is followed, except for the valuation of financial items as set out below:

- foreign currency balances: valued at mid-market closing exchange rates on the balance sheet date;
- securities: valued at cost, adjusted for the amortisation of the premium or discount, which is effected on a straight-line basis over the period to maturity;
- bullion: valued using the EMI's recommended methodology;
- fixed assets: valued at cost, less depreciation. Land and works of art are not depreciated.

## **2.10 Data processing and compilation methods**

### **2.10.1 Basis of calculation**

The data provided by reporting agents refer to end-of-period stocks.

### **2.10.2 Revisions**

With respect to the CBC financial statements, any revisions prior to publication are carried out irrespective of the time period. The CBC balance sheet is published in the CBC's Annual Report, which is usually released by July of the following year. In the rare event that the financial statements need to be revised after publication, this is carried out in the financial statements of the following year and in accordance with the relevant International Accounting Standards.

When banks' balance sheet statistics and monetary aggregates and counterparts are first released, the data are considered provisional. Revisions to the data are made

as and when required and the revised figures are included in the next release.

When major revisions or a reclassification of items occur, the CBC requests banks to revise their figures on a monthly basis, starting with the month in question and going backwards to cover a period which will include the two preceding months of December.

### **2.10.3 Derivation of flow statistics**

Not applicable.

### **2.10.4 Seasonal adjustment**

The only published figures that are seasonally adjusted on an annual basis are the growth rates of monetary aggregates, currency in circulation, demand deposits, total liquidity and claims on the private sector. These figures are deseasonalised using the X-11 method of the Washington-based Bureau of the Census.

## **2.11 Publications**

### **2.11.1 First release of data (including the medium)**

The CBC balance sheet is published monthly in the weekly Official Gazette, usually by the end of the following month.

The first release of the monetary statistics to the public is made about 21 days after the month to which they refer, in a publication entitled "Monetary Survey". This publication is first released to the public in paper form and is available, within a few days of its release, on the website of the CBC ([www.centralbank.gov.cy](http://www.centralbank.gov.cy)). In addition, it is mailed to various interested parties and is also available on demand from the CBC.

The data reported in this publication include the monetary aggregates and counterparts, along with an analysis of the sectoral

distribution of credit, a detailed analysis of bank deposits and a statement analysing the factors affecting total liquidity. It also includes a summary of the assets and liabilities of the CBC, DMBs, OFIs and IBUs, as well as data on repurchase transactions, interest rates, the CBC short-term liquidity operations, the interbank market, the sale of Treasury bills and other stocks by auction, the IBUs and total deposits and loans for the CCIs.

### **2.11.2 Core weekly/monthly publications**

The above-mentioned “first” publications are the only weekly/monthly publications for monetary statistics.

### **2.11.3 Other statistical publications**

The CBC has three main publications in which monetary and financial statistics are published, namely the “Monetary Survey”, already described as the “first” publication, the “Quarterly Economic Review” and the “Annual Report”.

The “Quarterly Economic Review” is released to the public at the end of January, April, July and October each year. This publication is available in paper form and can also be found on the website of the CBC. In addition, it is mailed to various interested parties and is also available on demand from the CBC.

It includes statistical tables, as well as an analysis of current monetary developments and other domestic economic developments. The monetary statistics contained in the statistical section comprise a summary of assets and liabilities of the CBC, DMBs and OFIs and a detailed analysis of DMB and OFI deposits, advances, loans and bills discounted. This section also includes data on total liquidity, the factors affecting total liquidity, currency in circulation by denomination, interest rates, CBC short-term liquidity operations, the interbank market, repurchase

transactions and the sale of Treasury bills and other stocks by auction.

The “Annual Report” is published about six months after the end of the year of reference and is available in paper form only. It includes summary tables of the statistics reported in the “Quarterly Economic Review”, analysis of developments in the monetary sector and of other economic developments for the reference year compared with previous years.

Moreover, monetary statistics are contained in the following publications of the SSR:

- “Monthly Economic Indicators”, published bi-monthly in paper form.

This publication includes selected monetary indicators, i.e. monetary aggregates and counterparts, interest rates, CBC short-term liquidity operations, interbank market data and an analysis of deposits and loans of all CCIs. Monthly data is presented for the last twenty months, quarterly data for the last eight quarters and annual data for the last three years.

- “Economic Report”, published annually in paper form.

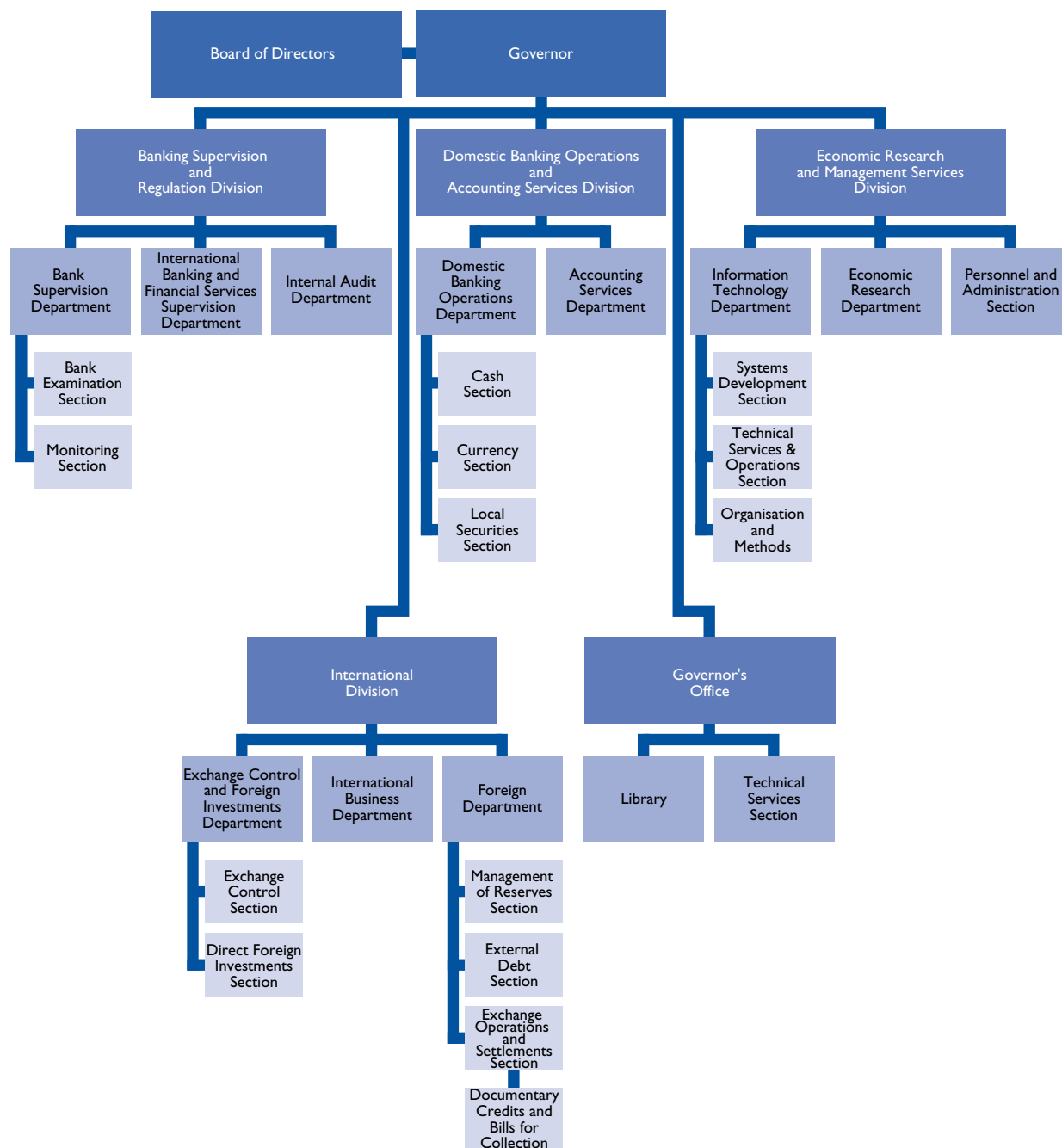
This report includes annual data on the banks’ consolidated balance sheet, an analysis of bank deposits and bank advances and loans by category, and data on monetary aggregates and bank liquidity.

- “Statistical Abstract”, published annually in paper form.

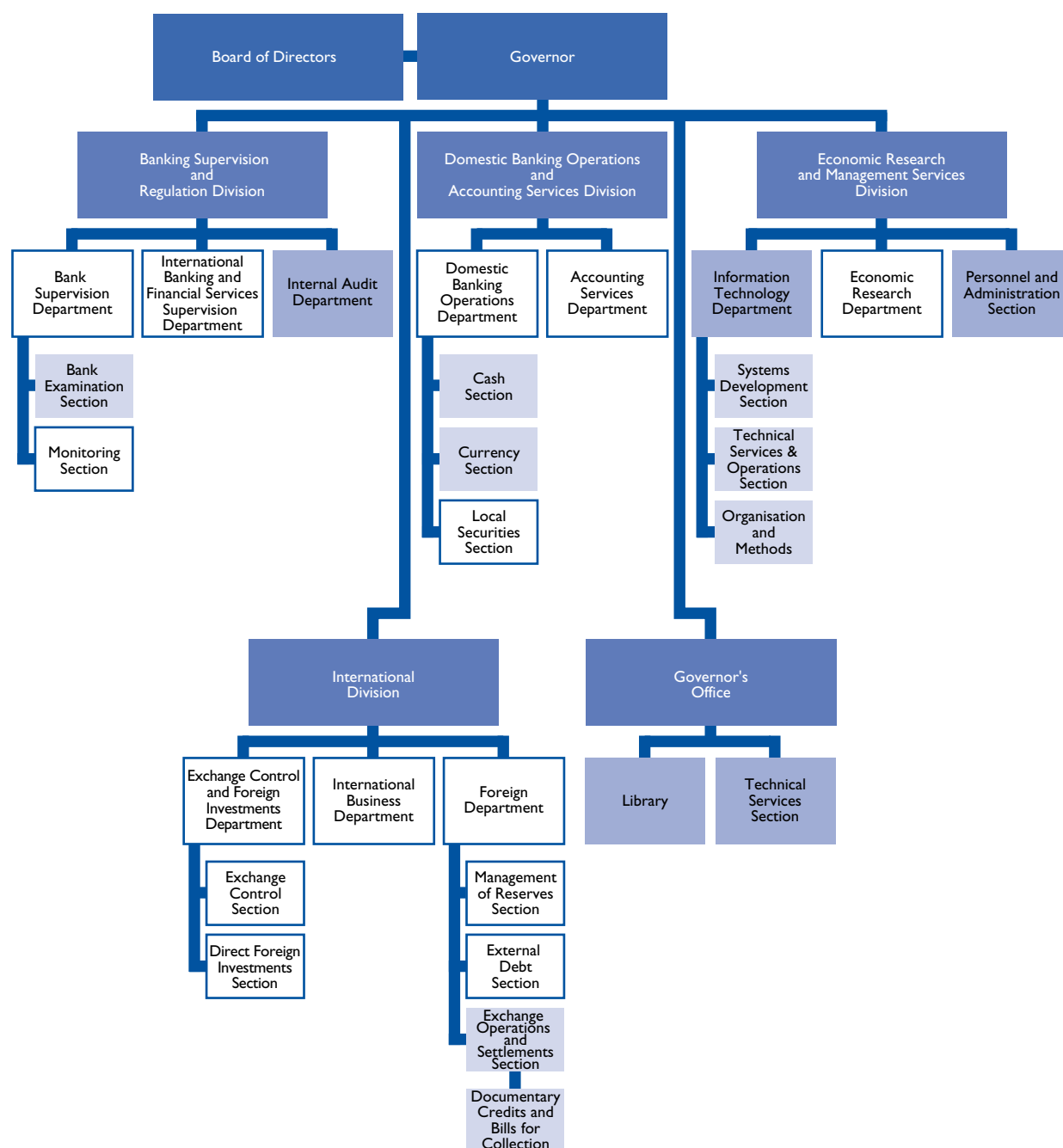
This publication includes data in summarised form on the volume of money, the banks’ consolidated balance sheet, bank deposits and advances, loans and bills discounted by sector, currency in circulation, interest rates and loans and deposits of CCIs.

## Annexes

### I Organisation chart of the Central Bank of Cyprus (CBC)



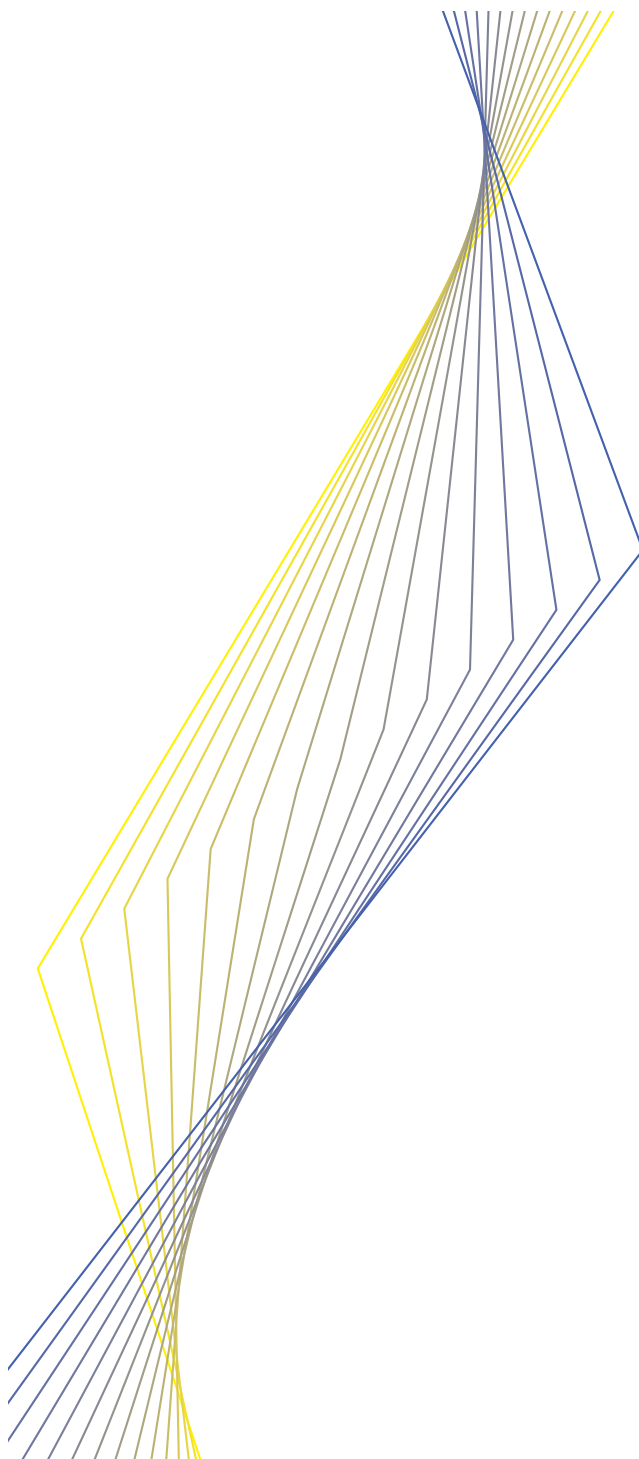
## 2 Organisation chart of the Statistical Department of the Central Bank of Cyprus (CBC)



## Cyprus



EUROPEAN CENTRAL BANK



**Czech Republic**

### List of abbreviations

<b>AMD</b>	Accounting Methodology Division
<b>b.o.p.</b>	Balance of payments
<b>CoD</b>	Certificate of deposit
<b>CI</b>	Credit institutions
<b>CNB</b>	Czech National Bank
<b>CPI</b>	Consumer price index
<b>CSO</b>	Czech Statistical Office
<b>CZK</b>	Czech koruna
<b>FDI</b>	Foreign direct investment
<b>GDP</b>	Gross domestic product
<b>IAS</b>	International Accounting Standards
<b>i.i.p.</b>	International investment position
<b>IMF</b>	International Monetary Fund
<b>MBS</b>	Money and banking statistics
<b>MFI</b>	Monetary financial institution
<b>MoF</b>	Ministry of Finance
<b>MLSA</b>	Ministry of Labour and Social Affairs
<b>NPF</b>	National Property Fund
<b>PPI</b>	Producer price index
<b>SDDS</b>	Special Data Dissemination Standard

## I Legal and institutional background

### I.1 Organisational structure

#### I.1.1 Organisation chart of the national central bank

Česká národní banka – the Czech National Bank (CNB) – is divided into seven groups. These groups are further divided into departments and divisions. The Statistics Department is part of Group VII.

See Annex I.

#### I.1.2 Organisation of the statistical work at the national central bank

The CNB's Statistics Department is divided into four divisions (the organisation chart of the CNB's Statistics Department is also included in Annex I). It is responsible for the methodological management, collection and accurate and comprehensive processing of money and banking statistics (MBS) and statistical data on economic development as well as for balance of payments (b.o.p.) compilation and administration and for the development of statistical data systems.

- The Banking Statistics Division is responsible for the design, methodology and processing of MBS statements submitted by commercial banks and other monetary institutions. This division provides statistical information on banking to the Monetary Department, the Banking Supervision Department and other users within the CNB as well as to the general public.
- The Balance of Payments Division (BoP Division) is responsible for the design, methodology and compiling of b.o.p. statistics, foreign direct investment (FDI) statistics and statistics on the international investment position (i.i.p.). It is also responsible for providing data to international institutions and for co-ordinating the IMF's Special Data

Dissemination Standard (SDDS) system. Statistical information from the banking sector, the corporate sector and government institutions are used for the compilation of the b.o.p.

- The Statistics of Economic Development Division is responsible for collecting selected information on the economy, e.g. business surveys and inflation expectations. This division also manages the database of macroeconomic data and the exchange of information between the central bank and the Czech Statistical Office.
  - The Statistical Data Processing Division is responsible for collecting and processing statistical data for CNB purposes. This division manages the development of the banking information system, including the meta-information system.
- Other departments also participate in the final compilation of MBS data:
- the Monetary Department (the monetary survey and monetary base);
  - the Banking Supervision Department (design of methodology and its use for data collection and compilation for supervisory purposes);
  - the Financial Markets Department (databases on exchange rates, interest rates and the official reserves held by the central bank).

The compilation of CNB balance sheet data is carried out in the Accounting Methodology Division (AMD).

### I.2 Legal background

Three basic laws provide the framework for the activities of the central bank in the Czech Republic:



## Czech Republic

- Act No. 6/1993 Coll.<sup>1</sup> on the Czech National Bank (as amended by the Act No. 442/2000 Coll.<sup>1</sup>);
- Act No. 21/1992 Coll.<sup>1</sup> on Banks (as amended ten times between 1992 and 1998);
- The Foreign Exchange Act No. 219/1995 Coll.<sup>1</sup>
- CNB Provision of 28 June 1999 on the Capital Adequacy of Banks, including Credit and Market Risks (as amended by CNB Provision of 7 September 2000);
- CNB Provision of 8 July 1999 stipulating Terms and Conditions for Performing Supervision on a Consolidated Basis (as amended by CNB Provision of 7 September 2000);

The complete wording of these laws is available in English on the CNB website at [www.cnb.cz](http://www.cnb.cz) in the “Legislation” section.

The Act on the CNB and the Act on Banks define these entities and provide the legal framework for their activities. The Foreign Exchange Act stipulates the rights and obligations of residents and non-residents in foreign exchange relations, the conditions for foreign exchange licences and permits, and the foreign exchange supervision provided by the CNB and the Ministry of Finance (MoF).

EU harmonisation amendments to the Act on the CNB and the Act on Banks are currently under discussion in Parliament and should enter into force in the year 2001.

The CNB is authorised under the Act on the CNB to issue secondary legislation (“provisions” and “decrees”) laying down the detailed legal framework for some of the activities of the central bank and of commercial banks. Many of these focus on the banking supervision provided by the central bank. The most important provisions in that area are:

- CNB Provision of 20 December 1996 on Liquidity Rules of Banks;
- CNB Provision of 9 July 1998 on the Principles of Classification of Claims on Credits and Creation of Provisions for such Claims;
- CNB Provision of 2 February 1999 stipulating the Essentials for a Banking Licence Application;

- CNB Provision of 27 December 1999 on the Principles of Covering the Losses from Depreciation of Securities and Holdings through Provisioning.

All the provisions are published in the Bulletin of the CNB and also in English on the CNB website at [www.cnb.cz](http://www.cnb.cz) in the “Legislation” section.

Other CNB decrees and provisions regulate the issuance of banknotes and coins, foreign exchange supervision and the collection of data by the CNB. Some of them can be found in English on the CNB website. A list of the provisions on data collection and statistics can be found in Section 2.1.1.

### 1.3 Institutional aspects

#### 1.3.1 The role of the national central bank

##### 1.3.1.1 Introduction

The CNB is a legal entity carrying on its activities under the special law mentioned in Section 1.2. The CNB is independent of the Government.

The CNB acts especially as:

- the monetary authority in the Czech Republic;
- the issuer of banknotes and coins;

<sup>1</sup> Collection of laws.

- the controller of currency circulation and the clearing house for payments and settlements between domestic banks in local currency;
- the regulator and supervisor of the domestic banking sector;
- the supervisor of the foreign exchange area in the Czech Republic, the manager of monetary reserves and the declarer of the exchange rates of the Czech currency;
- the keeper of the accounts of the state budget, state funds and state financial assets and liabilities for government revenue and expenditure.

and public bodies under the new amendment to the Act on the CNB.

The CNB is obliged to:

- submit a report on monetary developments to the Parliament at least twice a year;
- inform the general public on monetary developments at least once every three months.

The CNB also provides information on monetary developments and the b.o.p. to international monetary and statistical institutions.

#### *1.3.1.2 General responsibilities of the national central bank*

The primary objective and responsibility of the CNB is to ensure the stability of the Czech national currency. For this purpose, the CNB:

- sets monetary policy;
- issues banknotes and coins;
- controls the circulation of currency, co-ordinates payments and the settlement of accounts between banks and ensures their smooth and efficient operation;
- performs the supervision of banking operations and takes care of the prudential and purposeful development of the banking system in the Czech Republic.

In fulfilling its primary objective, the CNB is independent of any instructions given by the Government or any other public body. The CNB acts in an advisory capacity vis-à-vis the Government in respect of matters of monetary policy and banking. It has not granted any loans to the general government for a long period. The CNB is not allowed to grant any loans or funds to the Government

#### **1.3.2 Macroeconomic statistics: main responsibilities of domestic public authorities**

##### *1.3.2.1 Main responsibilities of the national central bank in the field of macroeconomic statistics*

In addition to its competencies in the field of money and banking statistics, the CNB also carries on statistical activities in the following areas:

The CNB is fully responsible for b.o.p. statistics and for compiling the b.o.p. figures for the Czech Republic. The CNB compiles the international investment position and FDI statistics. It collects data for these purposes from domestic banks, branches of foreign banks and other reporting agents and uses data from the Czech Statistical Office (CSO), the MoF and other sources of information.

The CNB collects data for reserve base statistics. Such data are only provided by domestic banks and branches of foreign banks and are used to check whether individual domestic banks and branches of foreign banks meet the minimum reserve requirements. No other entities are involved in the reserve base statistics.

## Czech Republic

The CNB is fully responsible for collecting and compiling data for the prudential supervision of the banking sector. The MoF and other authorities (e.g. the Securities Commission) are responsible for overseeing other financial institutions.

The CNB's other statistical activities include, in particular, the statistical investigation of inflation expectations, the conduct of business surveys and the compilation of data on household income and expenditure.

### *1.3.2.2 Main responsibilities of other public authorities in the field of macroeconomic statistics and co-operation with the national central bank*

The main macroeconomic statistical activities carried out by other public authorities are as follows:

CSO:

- national accounts statistics and compilation of macroeconomic aggregates (GDP);
- price indexes (consumer price indices (CPIs), producer price indices (PPIs), etc.);

- foreign trade statistics (including balance of trade);
- other macroeconomic statistics on
  - labour (employment, wages/earnings),
  - economic sectors,
  - households,
  - population,
  - research and development,
  - health and social care,
  - education and
  - culture.

MoF:

- general government statistics;
- statistics of other financial institutions.

MLSA:

- unemployment statistics.

### *1.3.2.3 Overview of statistical data collection and compilation*

See Table I.

**Table I**

Statistical areas:	Money and banking statistics		
	Bank balance sheet statistics/ monetary aggregates and counterparts	Interest rate statistics	Security issues statistics
<b>Collected data</b>	<p>Monthly assets and liabilities statement (Balance Sheet)</p> <p>Monthly statement of clients' loans and receivables from clients – broken down according to Section 2.5.2</p> <p>Monthly statement of deposits and loans received from clients – broken down according to Section 2.5.2</p> <p>Monthly survey of securities held by banks and on banks' financial investments – broken down according to Section 2.5.2</p>	<p>Monthly survey of stock of client loans and deposits broken down by currency and interest rate</p> <p>Monthly survey of newly granted client loans broken down by currency and interest rate</p> <p>Monthly survey of interbank deposits and credits in Czech koruna (CZK)</p> <p>Financial market interest rates</p>	<p>Monthly survey of securities issued by banks</p>
<b>Collecting agents</b>	CNB	CNB	CNB
<b>Users</b>	<p>CNB</p> <p>CSO</p> <p>Central government</p> <p>International financial institutions</p>	<p>CNB</p> <p>CSO</p> <p>Central government</p> <p>International financial institutions</p>	CNB
<b>Description</b>	<p>Data are collected electronically:</p> <ul style="list-style-type: none"> <li>– 17 days after the end of the reference period (January-November)</li> <li>– 46 days after the end of December</li> </ul>	<p>Data are collected electronically:</p> <ul style="list-style-type: none"> <li>– 20 days (for new loans 15 days) after the end of reference period (January-November)</li> <li>– 51 days (for new loans 15 days) after the end of December</li> </ul>	<p>Data are collected electronically:</p> <ul style="list-style-type: none"> <li>– 17 days after the end of the reference period (January-November)</li> <li>– 46 days after the end of December</li> </ul>

**Table I (continued)**

Statistical areas:	Reserve base	Financial accounts	Balance of payments	Prudential supervision
<b>Collected data</b>	Ten-day survey of assets and liabilities	Sources: CSO: Non-financial corporations Households Non-profit institutions Other financial intermediaries CNB: Financial corporations MBS (balance sheet data) B.o.p. + i.i.p. MoF: Central government	<ul style="list-style-type: none"> <li>Monthly statement of the foreign exchange and CZK position of the bank.</li> <li>Monthly and quarterly surveys of foreign exchange payments and collections.</li> <li>Trade balance from CSO.</li> <li>Customs statistics.</li> <li>Direct reporting from enterprises, foreign claims and liabilities, FDI.</li> </ul>	12 reports for banking supervision purposes in accordance with the CNB provisions mentioned in Section 1.2
<b>Collecting agents</b>	CNB	CSO CNB MoF	CNB CSO MoF	CNB
<b>Users</b>	CNB	CNB CSO Central government International financial institutions	CNB CSO Central government International financial institutions	CNB – banking supervision departments
<b>Description</b>	Data are collected electronically five days after the end of the reference period (on the tenth day, the twentieth day and the last working day of the month). The exceptions are 10 and 20 January.	Data are collected from different sources. Final compilation is performed by CSO with annual timeliness.	Data are collected electronically (mainly) and on paper with various timeliness.	Data are collected electronically 25 days after the end of the reference period (usually quarterly).

## 2 Monetary statistics

### 2.1 Legal background and statistical standards

#### 2.1.1 National legal aspects

The fundamental legal basis for money and banking statistics is set forth in the Act on the CNB and in the Act on Banks. Under these acts:

- the CNB specifies principles in legal rules and co-ordinates the development of the banking information system for money and banking statistics. The CNB is entitled to require from banks and other persons

engaged in activities under separate acts such information and materials as are necessary for its activities;

- the CNB establishes in specific provisions the methodology and conditions for submitting the required information and materials, defining, in particular, the content, form, format, deadlines and manner of transmitting the said information and materials;
- conversely, banks and branches of foreign banks are obliged to submit to the CNB all required information and materials.

For this purpose, the CNB has issued the following provisions in the field of money and banking statistics (latest valid wording):

- CNB Provision of 23 November 2000 stipulating the Submitting of Statements by Banks and Branches of Foreign Banks to the CNB;
- CNB Provision of 20 December 2000 stipulating the Methodology for Compiling of Statements Submitted by Banks and Branches of Foreign Banks to the CNB;
- CNB Provision of 6 November 1997 stipulating the Manner of Transmitting and Accepting of Automated Statements Data Submitted by Banks and Branches of Foreign Banks to the CNB;
- CNB Provision of 25 August 2000 stipulating Payment Items to Code Financial Transactions by Purpose.

All these provisions have been published in the CNB Bulletin. The provision on payment items was also published in the Collection of Laws. These provisions are only available in the Czech language. In view of their specific purpose, they have not been placed on the CNB website.

### 2.1.2 Statistical standards

The money and banking statistics follow numerous national and international standards, first and foremost in code lists used for this purpose. Many of the statistical standards in the Czech Republic are set out in CSO provisions, and most have been harmonised with EU standards. The most important CSO provisions used in money and banking statistics are:

- CSO Provision of 7 May 1993 (as amended) on the Country Code List;
- CSO Provision of 1 December 1993 (as amended) on the Branch Classification of Economic Activities;

- CSO Provision of 13 December 1995 on the Currency Code List;
- CSO Provision of 20 October 1997 on the Institutional Sectors and Sub-sectors Code List (as amended by CSO Provision of January 2001).

The European System of Accounts 1995 (ESA 95) sector and sub-sector classification has been used in state statistics since 1998. In money and banking statistics, the ESA 95 sector classifications entered into force on 1 January 2001. The definition of residents and non-residents was fully harmonised with the revised System of National Accounts (SNA 93) in the banking sector three years ago.

The branch classification of economic activities used both in state statistics and in money and banking statistics is based on Council Regulations (EEC) Nos. 3037/90 and 761/93.

The other main international statistical standards applied are:

- ISO 3166-1 Country Codes and ISO 3166-2 Country Subdivision Codes;
- ISO 4217 Tables of Codes for the Representation of Currencies and Funds.

Banking statements for money and banking statistics are closely linked to Czech accounting standards, especially to the Chart of Accounts and Accounting Instructions for Banks as decreed by the MoF. EU Directives on accounting are followed only in part in Czech accounting law and standards. EU standards and International Accounting Standards (IAS) are to be implemented in a new Accounting Law that is prepared by the government and should enter into force in January 2002.

The money and banking statistics system at the CNB is comprehensive and interlinked, so that all of the standards used are applied to all parts of the money and banking statistics.

## Czech Republic

### 2.2 Concepts and definitions

#### 2.2.1 Statistical definitions: economic territory and residency principles

According to the statistical definitions, “residents” are all domestic and foreign legal and natural persons, including branches of foreign banks and foreign owners of buildings and land, having their centre of economic interest within the economic territory of the Czech Republic. Foreign legal and natural persons are considered residents after one or more years of economic activity within the territory of the Czech Republic, with the exception of branches of foreign banks and foreign owners of buildings and land which become residents at the moment of the relevant legal act (foreign owners of buildings and land only in respect of transactions affecting the said land or buildings).

Branches of units which are located abroad (having their centre of economic interest within the territory of another country) are considered non-residents from the point of view of the Czech Republic.

The economic territory of the Czech Republic comprises:

- the geographic territory administered by the Czech Government;
- Czech national airspace;
- territorial enclaves – i.e. geographic territories situated in the rest of the world and used, under international treaties or agreements between states, by general government agencies of the Czech Republic (embassies and consulates).

#### 2.2.2 Sectors in monetary statistics

##### 2.2.2.1 Definition and classification of sectors in monetary statistics

The MBS sector classification in the Czech Republic is based on the ESA 95, as described in Table 2.

**Table 2**

Money classification	Sectors	Definitions
Money-creating sector	S121	Central bank – in the Czech Republic, the CNB only-
	Part of S122 – banks	Other monetary institutions – in the Czech Republic, universal-banks as well as building savings banks (building societies) -
Money-holding sector	Part of S122 – non-banks	Other monetary institutions – in the Czech Republic, credit-unions and money market funds -
	S123	Other financial intermediaries -
	S124	Financial auxiliaries-
	S125	Insurance corporations and pension funds -
	S100	Non-financial corporations-
	S140	Households-
Money-neutral sector <sup>1)</sup>	S150	Non-profit institutions serving households -
	S1311	Central government-
	S1312	State government <sup>2)</sup> -
	S1313	Local government -
Non-resident sector	S1314	Social security funds -
	(S2)	Non-residents -

1) Extra-budgetary resources are in the money-holding sector.

2) In the Czech Republic, the sub-sector S1312 is de facto the regional government.

## 2.2.2.2 Comparison between the sectors of the national economy and the ESA 95

See Table 3.

**Table 3**

National sector classification	National sectors		Sectors in the ESA 95		ECB sector classification
Money-creating sector	S121 Central bank		S121 Central bank	S12 Financial corporations	Money-creating sector
	S122 Other monetary financial institutions – banks		S122 Other monetary financial institutions		
Money-holding sector	S122 Other monetary financial institutions – non-banks		S123 Other financial intermediaries, except insurance corporations and pension funds	S12 Financial corporations	Money-holding sector
	S123 Other financial intermediaries, except insurance corporations and pension funds		S124 Financial auxiliaries		
	S124 Financial auxiliaries		S125 Insurance corporations and pension funds		
	S125 Insurance corporations and pension funds				
	S11 Non-financial corporations		S11 Non-financial corporations		
	S14 Households		S14 Households		
	S15 Non-profit institutions serving households		S15 Non-profit institutions serving households		
Money-neutral sector	Government	S1311 Central government	S1311 Central government	S13 General government	Money-neutral sector
		S1312 State government	S1312 State government		Money-holding sector
		S1313 Local government	S1313 Local government		
		S1314 Social security funds	S1314 Social security funds		
	S2 Non-resident sector		S211 EU countries S212 Institutions of the EU S22 Third countries and international organisations	S2 Rest of the world	Non-resident sector



## 2.3 Population of monetary institutions

### 2.3.1 Definition of a credit institution (bank) and categories of credit institutions

Credit institutions (CIs) are defined in accordance with the ESA 95 and comprise universal commercial banks, building savings banks (building societies) and credit unions (called “savings and credit co-operatives”).

All banks and branches of foreign banks in the Czech Republic have to be established and carry on their activities in accordance with the Act on Banks (21/1992). The Act does not define any specific categories of banks, so that – in law – all banks (except building savings banks) are treated as universal banks.

Under the Act on Banks, a bank is a legal entity founded as a joint stock company with its registered office in the Czech Republic which:

- accepts deposits from the general public;
- provides credits; and
- has been granted a banking licence for the purpose of carrying on its activities.

In addition to the activities listed above, a bank may carry on other activities stipulated in its banking licence pursuant to the Act on Banks (such as investing in securities, financial leasing, guaranteeing and collecting payments and issuing payment instruments, etc.). The range of additional activities can be limited by the CNB through the bank’s licence.

In line with their own business decisions and within the scope of their licences, universal banks carry on a range of different activities which in other countries are carried on by different specialised banks such as savings banks, mortgage banks and merchant banks.

Banking activities may also be carried on in the Czech Republic by foreign banks through

their branches, provided they have obtained the necessary banking licence from the CNB.

Building savings banks (building societies) are also established under the Act on Banks (21/1992), but their activities are regulated by the additional Act No. 96/1993 Coll. on Building Savings and the State Grant for Building Savings.

Building savings banks (building societies) perform the following special activities:

- accepting deposits from participants in building savings schemes;
- providing credits to participants in building savings schemes;
- providing state grants to participants in building savings schemes.

Credit unions (savings and loan co-operatives) are identified and included in Sector I22 in accordance with the ESA 95, but they are not part of the money-creating sector (see Table 4).

### 2.3.2 Definition of other monetary institutions

Money market funds are identified and included in Sector I22.

### 2.3.3 Central government units with deposit liabilities included in measures of money

The MoF issues short-term securities (T-bills) and medium-term securities (T-bonds) to cover the government’s borrowing needs in a given fiscal year and to repay debt generated before 1990 and also to repay new debt arising from state budget deficits.

T-bills are issued as discounted instruments in book-entry form with a nominal value of CZK 1,000,000 and a maturity of up to one year. Other T-bills are issued both for cash

management and to cover long-term debt. For cash management, the MoF generally issues T-bills with a maturity of four weeks, and, for long-term debt, it issues T-bills with a maturity of 13-52 weeks. The central registry for T-bills is operated by the CNB's Registration Centre.

T-bonds are issued as fixed-interest securities in book-entry form with a face value of CZK 10,000. The central registry for T-bonds is operated by the Securities Centre.

Neither these securities nor other government budgetary deposit liabilities are included in the monetary aggregates.

**Table 4**

Institutions	Number of institutions
National central bank	1
Credit institutions	114
Universal commercial banks	36
Building savings banks (building societies)	6
Credit unions (savings and loan co-operatives)	72
Other monetary institutions (money market funds)	10
<b>Total</b>	<b>125</b>

## 2.4 Banking business: general deposits/other products

Bank deposits include any financial means (funds) entrusted to the bank creating an obligation on the part of the bank to repay such financial means (funds) to the depositor. The main kinds of deposit product are demand deposits, overnight deposits, term deposits (deposits with agreed maturity, deposits redeemable at notice) and certificates of deposit.

Credits are financial means (funds) in any form granted temporarily by the bank to debtors. The main kinds of credit product include overdrafts, short-term, medium-term and long-term bank loans, factored

receivables and other current receivables (claims) (mortgages, receivables of guarantees, etc.).

Securities issued by banks include bills of exchange (deposit and other), bonds, mortgage bonds, other coupon debt securities and discount debt securities.

Domestic and cross-border payments and settlements include simple payments, fixed payment orders, collections of payments, documentary payments and collections, including open letters of credit, debit cards, credit cards and cheques.

Other main banking activities include foreign currency trading (including exchange services), the granting of guarantees and hedging (against foreign exchange risk or credit risk, etc.).

Other banking services include securities trading on a client's account, issuing securities for clients, financial brokerage (sale of insurance, units of mutual funds, etc., primarily from companies within the same banking group), business and banking consultancy services and portfolio management, etc.

## 2.5 Statistical balance sheets of the monetary institutions

### 2.5.1 Description of the main balance sheet items

The contemporary form of the "Monthly Assets and Liabilities Statement" (i.e. the balance sheet of commercial banks, which are exclusively regarded together with the CNB as monetary institutions) has a six-column structure. The data in the columns show:

- gross assets/liabilities in CZK (residents, non-residents);
- gross assets/liabilities in foreign currency (residents, non-residents);

## Czech Republic

- total provisions and accumulated depreciation (only on the assets side);
- total net assets/liabilities (for all currencies for both the resident and non-resident sectors).

The balance sheet of commercial banks has both total (aggregate) and detailed items because it is used both for money and banking statistics and for banking supervision. The main balance sheet items for money and banking statistics are:

On the assets side:

- Cash assets, comprising holdings of domestic and foreign banknotes and coins as well as gold, other precious metals and other cash assets (liquid valuables).
- Standard loans, comprising:
  - standard loans to and receivables from other banks;
  - standard loans granted to state and local authorities (budget fund loans, off-budget fund loans);
  - standard loans granted to corporate clients (non-financial organisations, other financial and insurance institutions, non-profit institutions) for purposes such as manufacturing, construction, business;
  - standard loans granted to households and individuals mostly in the form of consumer credit for personal use in the consumption of goods and services, education, housing investments, etc.;
  - debit balances of clients' current accounts as well as current accounts with and of other banks.
- Non-categorised loans, comprising consumer credits with a special method for creation of provisions.

- Classified loans and similar receivables, comprising all the kinds of loans presented in the category of standard loans. The classification of bad loans and receivables is as follows:

- watch (monitored) loans and receivables;
- sub-standard loans and receivables;
- doubtful loans and receivables;
- loss loans and receivables.

- Securities (held for trading, available for sale or held up to maturity and shares/units held as investments). This item includes all types of securities:

- state discount debt securities (T-bills);
- discount debt securities issued by issuing banks (central bank bills);
- other discount debt securities;
- coupon debt securities (bonds);
- shares and units;
- bills of exchange.

On the liabilities side:

- Deposits and similar liabilities, comprising:
  - deposits and loans received from other banks (including current account credit balances and subordinated loans from banks);
  - deposits from state and local authorities (budget fund deposits, off-budget fund deposits, including current account credit balances);
  - clients' deposits (credit balances on clients' current accounts, clients' term deposits with maturity and those redeemable at notice, clients' saving;

- deposits redeemable on demand, deposits with maturity and redeemable at notice and certificates of deposit);
- loans received from clients or government (including subordinated loans).
- Securities (short-term and long-term) issued by banks. This item includes:
  - discount debt securities issued;
  - coupon debt securities issued (bonds, including subordinated bonds);
  - mortgage bonds issued;
  - bills of exchange (deposit and other) issued;
  - bills of deposit issued.
- currency;
- maturity (short-term: up to and including one year; medium-term: more than one and up to and including four years; long-term: over four years);
- classification (standard, non-categorised, watch, sub-standard, doubtful, loss).

Deposits and loans granted to other banks are broken down by:

- maturity (non-term; short-term: up to and including one year; medium-term: more than one and up to and including four years; long-term: over four years);
- classification (standard, classified).

Securities held by banks are broken down by:

- sector according to the ESA 95;
- currency (CZK, foreign currency);
- instrument:
  - securities held by banks for trading or available for sale:
    - state T-bills
    - central bank bills
    - other discount debt securities
    - bonds
    - shares and units
    - bills of exchange
  - securities held up to maturity and as participating interests:
    - participating interests in associates
    - participating interests in subsidiaries
    - bonds
    - state T-bills
    - central bank bills
    - other discount debt securities
    - bills of exchange

Other assets and other liabilities comprise remaining items such as tangible and intangible assets, fair value of derivatives, equity, reserves, etc.

Note: Repo funds are included under loans granted and received, while securities received or sold in repo operations are presented on the balance sheet as specific liabilities or receivables.

### **2.5.2 Breakdown of the main balance sheet items by instrument/maturity, counterparty and currency**

The main balance sheet items are broken down in several ways:

Loans granted to clients by banking institutions are broken down by:

- sector according to the ESA 95;
- branch according to the “Branch Classification of Economic Activities”;
- purpose;
- maturity (up to one year, over one year).

## Czech Republic

Clients' deposits and loans received by banking institutions are broken down by:

- sector according to the ESA 95;
- branch according to the "Branch Classification of Economic Activities";
- currency;
- maturity (non-term; short-term: up to and including one year; medium-term: more than one and up to and including four years; long-term: over four years);
- type (term deposits, savings deposits, deposits with maturity or redeemable at notice, certificates of deposit, loans received from clients, special-purpose fixed deposits).

Deposits and loans received from other banks by maturity (non-term; short-term: up to and including one year; medium-term: more than one and up to and including four years; long-term: over four years).

Securities issued are broken down by:

- maturity (short-term: up to and including one year; long-term: more than one and up to and including two years, more than two and up to and including four years, over four years);
- the holder's sector according to the ESA 95;
- instrument (bonds, mortgage bonds, discount debt securities, bills of exchange, bills of deposit and shares).

### 2.6 Measure(s) of money: definitions and remarks

#### 2.6.1 Definition of money and instrument breakdown of monetary aggregates

Since the beginning of the 1990s, the CNB has used the monetary aggregates M1 and M2. The aggregate L was added later. All three aggregates are still in use and are defined in Box I.

#### Box I

**M1** includes:

- Currency in circulation
- Demand deposits in domestic currency <sup>1</sup>

**M2** includes:

- M1
- Time deposits <sup>2</sup> in domestic currency (including certificates of deposit)
- Deposit bills of exchange and similar securities
- Foreign currency deposits

**L** includes:

- M2
- Short-term securities (T-bills, CNB bills) held by non-banks

<sup>1</sup> After excluding deposits of the National Property Fund, health insurance companies and local and central government authorities with the exception of off-budget funds of budgetary institutions.

<sup>2</sup> Term deposits and loans received from clients.

### 2.6.2 Sectoral allocation of holdings of negotiable instruments

The following negotiable instruments are only issued by monetary institutions:

- currency in circulation, i.e. cash in CZK held by the business sector and households, excluding cash held at commercial bank and CNB cash counters;
- demand deposits, i.e. residents' CZK-denominated deposits held in bank accounts with no withdrawal notice requirements, are divided into the commercial sector, insurance companies and households;
- time deposits, i.e. residents' CZK-denominated deposits in the banking system held in bank accounts with withdrawal notice requirements and certificates of deposit. These are divided into the commercial sector, insurance companies and households;

- residents' deposits in securities, i.e. deposit bills of exchange and similar securities, are divided into the commercial sector, insurance companies and households;
- foreign currency deposits, i.e. all foreign currency deposits of residents in the banking system, are divided into the commercial sector, insurance companies and households.

No other negotiable instruments are allocated to the various economic sectors.

### 2.7 Counterparts of money

Credits to domestic residents are broken down by type, maturity (up to one year, over one year and up to four years, over four years) and sector (business sector, insurance companies, households).

See Box 2.

#### Box 2

##### Total net foreign assets

Balance of short-term and long-term assets and liabilities of the banking system vis-à-vis non-residents.

##### Total net domestic assets

Difference between liquid liabilities and net foreign assets. Net domestic assets consist of:

- Domestic credits, including funds injected into the economy by the banking sector:
  - net credit to the government, i.e. the difference between assets and liabilities of banks vis-à-vis the government sector;
  - net credit to the National Property Fund (NPF), i.e. the difference between assets and liabilities of banks vis-à-vis the NPF;
  - credits to business and households, i.e. CZK credits granted by the banking system to residents, broken down into the business sector and households;
  - credits in foreign currency, i.e. foreign currency credits granted to residents by the banking system, broken down into businesses and households.
- Other net items, i.e. the difference between other liabilities and other assets within the banking system. Other liabilities mainly include equity capital of banks, all items connected with profit creation (such as reserves, reserve funds and current year profits) and items derived from accounting processes. Other assets include, in particular, purchased securities in bank portfolios, bank funds invested in property (such as buildings), losses in the current year and items arising from accounting processes. Other net items are shown as negative items in net domestic assets.

### 2.8 Reserve money

The monetary base comprises currency in circulation and bank reserves held at the CNB. Currency in circulation consists of cash held by households and enterprises and cash in the commercial bank cash counters. Bank reserves consist of required and excess reserves.

Counterparts of the monetary base comprise the analytical accounts of the CNB, specifically the net position with the external sector, net claims on/liabilities to the government and credit to the rest of the economy (which includes credits to banks and credits to non-financial public enterprises). The analytical accounts also show positions on CNB bills, which are instruments of monetary management, as a separate item. These positions on holdings of CNB bills by banks, non-banks and the MoF are shown as negative items on the assets side.

### 2.9 Reporting procedures

#### 2.9.1 Powers to collect statistics and collecting agents

The CNB is the sole collecting agent in the Czech Republic, collecting all data from the banking sector for monetary statistics. The

power of the CNB to collect data is set forth in Act No. 6/1993 Coll. on the CNB.

The CNB is authorised under the Act to request more detailed information or an explanation if the information submitted by banks or branches of foreign banks does not comply with the required methodology or conditions, or if well-founded doubts arise concerning the accuracy or completeness of such information.

The CNB is also authorised to order a Czech bank or a branch of a foreign bank to rectify defects or to impose a fine on the bank concerned if it fails to submit the required information or if such information is repeatedly incorrect or incomplete.

No other financial institutions submit data to the CNB, as they are not yet involved in the monetary statistics. The harmonised Act on the CNB gives more power to the CNB to request information from other non-bank financial institutions for money and banking statistics.

The CNB also collects statistical information from entities other than banks, primarily for b.o.p. statistics. The CNB's powers in this area are based on the Foreign Exchange Act and on the new amendment to the Act on the CNB.

### 2.9.2 Identification of the reporting population (reporting coverage)

See Table 5.

**Table 5**

	Reporting institutions		Total balance sheet
	Number	% (of the total category)	% (of the total balance sheet of all the institutions)
<b>CNB</b>	<b>1</b>	<b>100</b>	<b>18.9</b>
<b>Credit institutions</b>	<b>42</b>	<b>100</b>	<b>81.1</b>
Universal commercial banks	36	100	77.5
Building savings banks (building societies)	6	100	3.5
<b>Other monetary institutions</b>	-	-	-
<b>Total</b>	<b>43</b>	<b>-</b>	<b>100</b>

### 2.9.3 Reporting schemes

The money-creating sector in the Czech Republic consists of the CNB and 42 Czech commercial banks (including six building savings banks) as well as branches of foreign banks. The reporting population for money and banking statistics is confined to these banks.

The Statistics Department of the CNB collects statistical data from banks in the following areas:

#### a) Balance sheet statements:

- a complete monthly balance sheet (monthly assets and liabilities statement);
- a complete profit and loss account (monthly profit and loss statement).

The reporting frequency of these statements is monthly. The data are collected electronically 17 days after the end of the reference period (for the months of January to November) and 46 days after the end of December.

#### b) Credit and deposit statistics statements:

The most important statements are:

- monthly statements of clients' loans and receivables;
- monthly statements of deposits and loans received from clients.

The reporting frequency and timeliness are the same as for balance sheet statements. The data are collected electronically.

#### c) Interest rate statistics:

These statistics comprise the following statements:

- monthly surveys of the stock of loans and deposits broken down by currency and interest rate;
- monthly surveys of new loans broken down by currency and interest rate.

The reporting frequency of these statements is monthly. The data are collected electronically 20 days (for new loans 15 days) after the end of the reference period (for the months of January to November) and 51 days (for new loans 15 days) after the end of December.



## Czech Republic

### d) Securities statistics:

- statistics on securities issued by banks – these are given in the report entitled “Monthly survey of securities issued by banks”;
- statistics on securities held by banks – these are given in the report entitled “Monthly survey of securities and participating interests held by banks”.

The data are collected electronically. The reporting frequency and timeliness are the same as for balance sheet statements.

### e) Foreign exchange statistics:

The most important statements are:

- monthly statements of the foreign exchange and CZK position of the bank;
- monthly surveys of foreign exchange payments and collections;
- quarterly surveys of foreign exchange payments and collections (with geographical breakdown).

The data are collected electronically, either monthly or quarterly, 20 days after the end of the reference period (for the months of January to November) and 51 days after the end of December.

The statements are prepared in accordance with the Czech Act on Accounting and with the Chart of Accounts and Accounting Rules for Banks prescribed by the MoF of the Czech Republic.

#### **2.9.4 Special reporting procedures for the national central bank**

The balance sheet of the CNB has its own format, but covers the same main items as balance sheets for commercial banks, together with other items specific to central

banks (currency in circulation, gold reserves, monetary receivables and liabilities).

Data for the CNB balance sheet are selected automatically from the central bank's centralised accounting database.

The CNB balance sheet is compiled daily. A summary balance sheet is published at ten-day intervals and annually through press agencies and on the CNB's website.

The statistical statements and accounting records are prepared in accordance with the Act on Accounting and with the Chart of Accounts and Accounting Rules for Banks prescribed by the MoF of the Czech Republic.

## **2.10 Data processing and compilation methods**

### **2.10.1 Basis of calculation**

All collected data are provided as end-of-period stock data or flow data within the reference period.

### **2.10.2 Revisions**

The data are published at regular intervals (usually monthly) and are valid for all of the subsequent period. The data have to be complete (i.e. include data from all reporting agents) and have to meet all the prescribed standards of acceptability for data reported by banks to the CNB.

Banks are obliged to submit corrected data if any mistakes or errors are detected by the CNB. They are also obliged to send to the CNB revised data for selected statements (including the balance sheet) for the annual accounting audit. Banks may also revise incorrect data at their own discretion.

Most of the data referring to the elapsed period are presented as final data, except in the monetary survey where more precise figures are given for some items two or three

months after their first presentation. If banks revise MBS data after it has been published for the first time, any changes in the data only appear in time series in subsequent publications. Revisions of published data are usually supplemented by explanatory notes.

### 2.10.3 Derivation of flow statistics

Not applicable.

### 2.10.4 Seasonal adjustment

The Monetary Department makes seasonal adjustments to reserve money and credit issuance data in the banking statistics. However, these adjusted time series data are not published regularly, except for the increment in the monetary aggregate M2 and the increments in adjusted credits for inflation reports.

The adjustment procedure covers seasonal factors, which are calculated as average relative deviations from the series smoothed by the centred average method. These factors are checked once every two years and, in the event of significant changes, a correction is made.

Seasonal adjustment is applied for analytical purposes. The current method was chosen because of its simplicity. A more complex method has not been applied because the time series is too short. Better methods for seasonal adjustment and the regular official publication of seasonally adjusted data are under preparation.

## 2.11 Publications

### 2.11.1 First release of data (including medium)

The CNB publishes data on monetary and banking statistics as follows:

- Analytical accounts of the banking sector – a monetary survey comprising monthly

monetary aggregates M0, M1, M2 and extended M2-L, net domestic credit to general government and to the rest of the economy and the net external position. The sources for this are the balance sheets of CIs. The data on monetary aggregates are final when first released. Data on all other components are provisional when first released and become final after 90 days. The data are first published as a press release – by fax, in hard copy and electronically on the CNB's website at [www.cnb.cz/en/index.html](http://www.cnb.cz/en/index.html). The time of publication is one month after the end of the reference month, except for December, when the time lag is two months owing to end-of-year closing of accounts.

- Analytical accounts of the Central Bank – monetary base comprising each month (i) the monetary base (currency in circulation and bank reserves held on central bank accounts); (ii) net domestic claims on/liabilities to general government; (iii) domestic credit to the rest of economy; (iv) net external position. The sources for this are the accounting records of the CNB. The data are final when first released and are not revised. The data are first published as a press release by fax, in hard copy and electronically on the CNB website. The time of publication is 15 days after the end of the reference month.

### 2.11.2 Core weekly/monthly publications

The monthly CNB publication “Money and Banking Statistics” gives detailed monthly data on credits, deposits and client interest rates as well as selected data on, inter alia, monetary aggregates, domestic credits, the net external position of the banking sector, the aggregate balance sheets of commercial banks, money market interest rates, time series of assets and liabilities of the CNB.

The sources for this are the balance sheets and detailed reports of commercial banks and the accounting records of the CNB. The data

## Czech Republic

are partly provisional (and subject to revision) and partly final. The data are printed in booklets in four parts. The time of publication is six weeks after the end of the reference period. The publications are sent to subscribers by post, free of charge. Most of the data will be disseminated via the CNB website during the year 2001.

### **2.11.3 Other statistical publications**

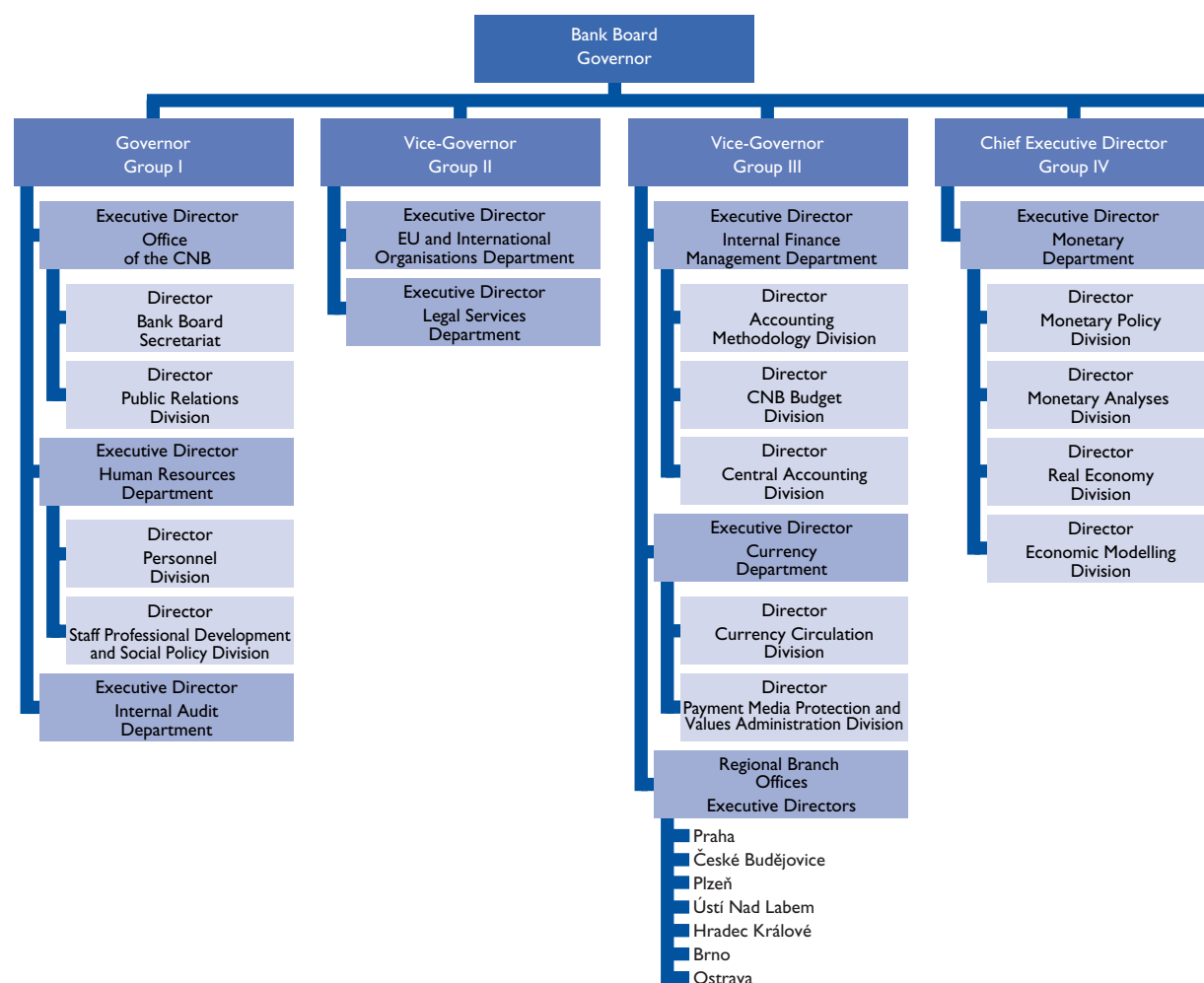
The quarterly “Inflation Report” publishes data on money and banking statistics from commercial banks and the central bank. Most of the data are final; footnotes are used to indicate whether the data are provisional or seasonally adjusted. The publication is an official document of the CNB and its contents is also available on the CNB website and on CD-ROM. The report is published in January, April, July and October of the year concerned. The publication is sent to subscribers by post, free of charge.

The CNB’s “Annual Report” contains time series of annual data on monetary aggregates, credits and the external position of the banking sector. The sources, types of data and format of publication are the same as for the Inflation Report. The time of publishing is June of the year concerned. The report is sent to subscribers in hard copy with a CD-ROM by post, free of charge, and is also published on the CNB website at [www.cnb.cz/en/index.html](http://www.cnb.cz/en/index.html).

Part 7 of the “Statistical Yearbook of the Czech Republic”, published by the CSO, contains detailed annual data on money and banking statistics. The sources and types of data are the same as for the Inflation Report. The yearbook is an official record of the Czech Republic’s statistics and is also available for a fee on CD-ROM. The time of publishing is usually November of the subsequent year.

## Annex:

## Organisation chart of the Czech National Bank (CNB)

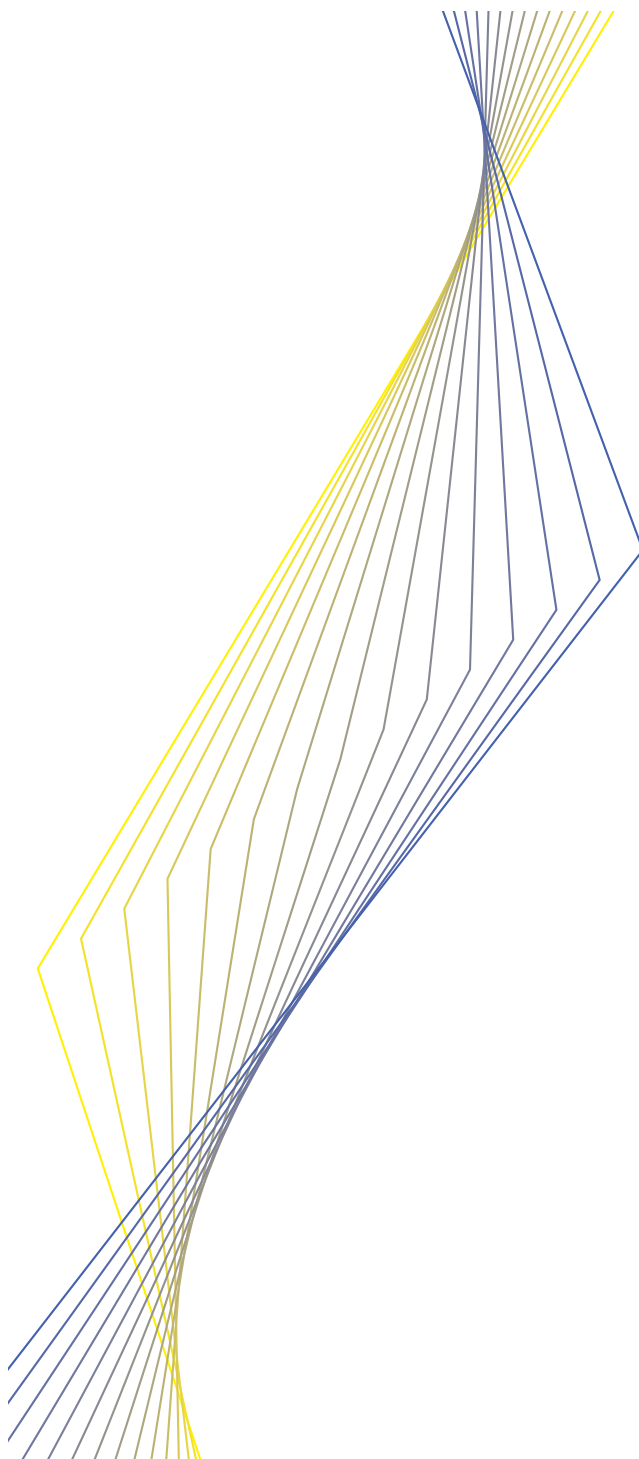


## Czech Republic





EUROPEAN CENTRAL BANK



**Estonia**

## List of abbreviations

<b>BIS</b>	Bank for International Settlements
<b>b.o.p.</b>	Balance of payments
<b>BSAD</b>	Banking Statistics and Analysis Department
<b>c.i.f.</b>	Cost, insurance and freight at the importer's border
<b>DEM</b>	Deutsche Mark
<b>ECDS</b>	Estonian Central Depository for Securities
<b>EEK</b>	Estonian kroon
<b>EMTAK</b>	Classifier of spheres of activities of the Estonian economy
<b>f.o.b.</b>	Free on board at the exporter's border
<b>GFS</b>	Government finance statistics
<b>HICP</b>	Harmonised Index of Consumer Prices
<b>i.i.p.</b>	International investment position
<b>IMF</b>	International Monetary Fund
<b>MFIs</b>	Monetary Financial Institutions
<b>NACE</b>	Statistical classification of economic activities in the European Union
<b>SDDS</b>	Special Data Dissemination Standards
<b>SLAs</b>	Savings and loan associations
<b>SOE</b>	Statistical Office of Estonia
<b>TALIBID</b>	Tallinn Interbank Bid Rate
<b>TALIBOR</b>	Tallinn Interbank Offer Rate

## I Legal and institutional background

### I.1 Organisational structure

#### I.1.1 Organisation chart of the national central bank

See Annex I.

#### I.1.2 Organisation of the statistical work at the national central bank

The main responsibilities of the Banking Statistics and Analysis Department (BSAD) arise from the needs of four groups of customers for banking sector data: internal users of Eesti Pank (the Bank of Estonia) who supervise the banking sector and support monetary and financial stability; international organisations (mainly the International Monetary Fund (IMF) and Eurostat); the general public; and initial data providers. In order to meet the expectations of these customers, the BSAD carries out the following tasks: determining and establishing requirements for the reporting of credit institutions to the Bank of Estonia; elaborating, implementing and improving reporting packages; collecting, processing and analysing the reports; providing regular overviews of and operative data on the processed and analysed reports to the management of the Bank of Estonia; compiling requested data for the IMF; preparing banking information for dissemination; and providing the Statistical Office of Estonia (SOE) with the data it requires. There is no sub-division of the BSAD.

The Statistics Department is divided into two divisions: the Balance of Payments Statistics Division and the Economic Statistics Division.

- The main responsibilities of the Balance of Payments Statistics Division are to compile the balance of payments (b.o.p.) and the international investment position (i.i.p.) of the Republic of Estonia.

- The Economic Statistics Division's responsibilities are to gather, systematise and distribute general economic statistics (excluding banking statistics) about Estonia and other countries for in-house use as well as for publication, and to compile periodical and occasional statistical overviews of the Estonian economy.

### I.2 Legal background

The main national laws, regulations and specific provisions that provide the framework for the activities of the Bank of Estonia are:

- the Constitution of the Republic of Estonia, effective from 3 July 1992, Articles 65, 74, 78, 104, 111 and 112 ([www.rk.ee/rkogu/eng/epseng.html](http://www.rk.ee/rkogu/eng/epseng.html));
- the Law on the Central Bank of the Republic of Estonia, effective from 18 June 1993, amended version effective from 7 May 1994 ([www.ee/epbe/norm/index\\_green.html.en](http://www.ee/epbe/norm/index_green.html.en));
- the Credit Institutions Act (provides the legal basis for the establishment, activities and dissolution of credit institutions and the principles and legal basis for the supervision of credit institutions), effective from 20 January 1995, new version effective from 1 July 1999 ([www.ee/epbe/norm/index\\_green.html.en](http://www.ee/epbe/norm/index_green.html.en));
- the Law of the Republic of Estonia on the Security for the Estonian Kroon (EEK), effective from 20 June 1992 ([www.ee/epbe/norm/index\\_green.html.en](http://www.ee/epbe/norm/index_green.html.en));
- the Currency Law of the Republic of Estonia, effective from 20 June 1992 ([www.ee/epbe/norm/index\\_green.html.en](http://www.ee/epbe/norm/index_green.html.en));



- the Statute of the Bank of Estonia, effective from 4 September 1996 ([www.ee/epbe/norm/index\\_green.html.en](http://www.ee/epbe/norm/index_green.html.en)); and
- the Official Statistics Act, effective from 17 July 1997 ([www.legaltext.ee/](http://www.legaltext.ee/)).

### 1.3 Institutional aspects

#### 1.3.1 The role of the national central bank

##### 1.3.1.1 Introduction

The Bank of Estonia is the central bank of the Republic of Estonia. It is independent from all government agencies and reports only to the Parliament; it is not subordinated to the Government of the Republic of Estonia or to any other executive institution of the State. The Bank of Estonia is entrusted with implementing all the measures at its disposal to increase confidence in the Estonian kroon (EEK) and in the stability and integrity of the Estonian monetary system both at home and abroad.

##### 1.3.1.2 General responsibilities of the national central bank

The objectives and tasks of the Bank of Estonia are defined by the Constitution of the Republic of Estonia and the Law on the Central Bank of the Republic of Estonia. The main objective of the Bank of Estonia is to ensure the stability of the EEK and its ability to fulfil all functions as a means of money. In addition, the Bank of Estonia has to contribute to the stability of the banking sector as well as of the whole financial system, to maintain the integrity and efficiency of the banking systems and to promote the development of financial markets. In other areas, the Bank of Estonia goes beyond the

scope of these targets to support economic growth and general welfare. One of the primary goals of the Bank of Estonia is to meet the currency needs of the public. Pursuant to the Law on the Central Bank of the Republic of Estonia, the Bank of Estonia is the sole legal issuer of banknotes and coin in Estonia. The EEK is the legal tender.

Pursuant to the Credit Institutions Act, the Bank of Estonia (in particular, its Banking Supervision Department) is responsible for the supervision of credit institutions. For supervisory purposes, the Bank of Estonia collects on a regular basis prudential reports from credit institutions and makes on-site inspections. Based on the findings of these inspections, the Bank of Estonia has the right to issue recommendations and rulings. The range of possible sanctions includes, inter alia, the imposition of stricter prudential requirements, the limitation or suspension of the entitlement to grant loans, the limitation of dividend payments and the withdrawal of licence.

The Bank of Estonia participates in the economic policy of Estonia by conducting independent monetary and financial policies. It also advises the Government on matters of monetary and financial policy. On the authorisation of the Government, the Bank of Estonia officially represents Estonia in the international monetary, credit and banking organisations of which Estonia is a member. In accordance with its mandate, the Bank of Estonia supports the economic policy of the Government of Estonia to the extent that this policy does not conflict with its duty to maintain the stability of the national currency and its other mandates as set in the Law on the Central Bank of the Republic of Estonia. The Bank of Estonia holds all gold and precious metal reserves and foreign currency reserves for Estonia and provides the directions for their use. The Bank of Estonia compiles the b.o.p. for Estonia.

### **1.3.2 Macroeconomic statistics: main responsibilities of domestic public authorities**

#### *1.3.2.1 Main responsibilities of the national central bank in the field of macroeconomic statistics*

The Bank of Estonia is responsible for the compilation of the b.o.p., the i.i.p. and the monetary and financial statistics. It carries out a survey of the Estonian banks and compiles and publishes a wide range of statistics drawn from these and other sources. The Bank of Estonia also compiles and publishes quarterly b.o.p. accounts on the basis of a number of information sources. It makes some value corrections to the SOE statistics on external trade in goods and undertakes the conversion from c.i.f. to f.o.b. for imports. The Bank of Estonia uses the tourism figures from border surveys and other tourism statistics and conducts quarterly surveys of the principal Estonian enterprises and other bodies involved in external trade and capital flows, while international receipts of the non-bank sector are collected via commercial banks. The Bank of Estonia also makes use of other information, in particular international information.

The Bank of Estonia determines the conditions for credit institution reserves held at the Bank and collects data on the reserve base in a special report which is cross-checked against the balance sheet data.

The Bank of Estonia releases the b.o.p., the i.i.p. and the monetary statistics in accordance with the IMF's Special Data Dissemination Standard (SDDS).

#### *1.3.2.2 Main responsibilities of other public authorities in the field of macroeconomic statistics and co-operation with the national central bank*

The SOE is responsible for all other official surveys except the b.o.p. and monetary and financial statistics.

According to the Official Statistics Act, Section 2, the main objectives of the SOE are to compile and co-ordinate official statistics. In the field of macroeconomic statistics, the SOE compiles the quarterly and annual national accounts. It is also responsible for compiling the annual financial account. In addition, the SOE provides data on several price indices, such as the Harmonised Index of Consumer Prices (HICP), the producer price index of industrial output, the export price index, the import price index and the construction price index.

The SOE meets the requirements for the Harmonised Index of Consumer Prices (HICP) – Commission Regulation No. 1749/96/EC of 9 September 1996 on initial implementing measures for Council Regulation (EC) No. 2494/95 concerning harmonised indices of consumer prices –and the Eurostat timetable for calculating and publishing the HICP. The SOE and the Ministry of Finance share the task of compiling the government finance statistics (GFS). The Ministry of Finance collects information from the institutional units and compiles government finance statistics according to the IMF's GFS. The Bank of Estonia provides the SOE with the b.o.p. and monetary statistics for macroeconomic calculations. Co-operation between the SOE and the Bank of Estonia is not formalised.

#### *1.3.2.3 Overview of statistical data collection and compilation*

See Table I.

Table I

Statistical areas:	Money and banking statistics		
	Bank balance sheet statistics/ monetary aggregates and counterparts	Interest rate statistics	Security issues statistics
<b>Collected data</b>	<p>Credit institutions' balance sheet data on the 10th and 20th day of the month and at the end of the month. Timeliness: second banking day after the 10th and the 20th days of the month; fifth banking day after the end of the reporting month.</p> <p>Credit institutions' additional detailed reports on stocks of loans, deposits and securities on a monthly basis. Timeliness: fifth banking day after the end of the reporting month.</p> <p>Balance sheets of the two biggest savings and loan associations (SLAs) on a monthly basis. Timeliness: 10th banking day after the end of the reporting month.</p>	<p>Interest rates and amounts of loans and deposits granted during reporting month on a monthly basis. Timeliness: fifth banking day after the end of reporting month.</p> <p>Tallinn Interbank Offer Rate (TALIBOR)/Tallinn Interbank Bid Rate (TALIBID) with quotation periods of one, three and six months.</p>	<p>Data on issued securities traded on the secondary market are available from the securities register, via the website of the Estonian Central Depository for Securities (ECDS). The register is updated as a new issue is registered.</p> <p>Securities issued by credit institutions are also reflected in credit institutions' balance sheets.</p>
<b>Collecting agents</b>	Bank of Estonia	Bank of Estonia	ECDS
<b>Users</b>	<p>Other departments of the Bank of Estonia, including the Banking Supervisory Department</p> <p>SOE</p> <p>International organisations (IMF, Eurostat)</p> <p>General public</p>	<p>Other departments of the Bank of Estonia</p> <p>SOE</p> <p>International organisations (IMF, Eurostat)</p> <p>General public</p>	General public including the Bank of Estonia
<b>Description</b>	<p>Credit institutions' data are provided electronically (mainly by e-mail) according to special electronic reporting procedures defined by the BSAD.</p> <p>Credit institutions' additional reports include breakdowns of main balance sheet items according to residency, customer sector, currency and original maturity.</p> <p>SLAs' data are provided on hard copy.</p>	<p>Data are collected electronically (mainly by e-mail) according to special electronic reporting procedures defined by the BSAD.</p> <p>Interest rates are calculated as a weighted average mean of the interest rates reported by each credit institution. The mean is weighted by the amounts of new credit granted or deposits attracted during the reporting period.</p> <p>TALIBOR is calculated using the standard LIBOR logic.</p>	

Table I (continued)

Statistical areas:	Reserve base	Financial accounts	Balance of payments	Prudential supervision
<b>Collected data</b>	<p>Special reserve report required for credit institutions which is based on balance sheet and off-balance sheet data.</p> <p>Data are collected on a monthly basis. Timeliness: second banking day after the 20th day of the month.</p>	<p>Statistical surveys for enterprises on an annual basis.</p> <p>Central Business Register.</p> <p>Government agencies including Ministry of Finance and Estonian Insurance Supervisory Authority.</p> <p>ECDS.</p> <p>Bank of Estonia in the field of banking and b.o.p. data.</p>	<p>Monthly customs statistics on export and import broken down by country as well as by type of goods.</p> <p>Surveys of about 2,500 enterprises on a quarterly basis.</p> <p>Non-bank foreign payments orders from credit institutions twice a month.</p> <p>Sample surveys and data modelling are used as well as individual areas of the b.o.p.</p>	<p>For prudential purposes, the Bank of Estonia's Banking Supervisory Department receives, on an individual as well as on a consolidated basis, a very wide range of data from credit institutions (detailed balance sheet data including non-performing loans, profit and loss accounts, data on off-balance sheet transactions, prudential ratios including capital adequacy, liquidity, large exposures, credit institutions' investments, etc.).</p> <p>Data on an individual basis are provided by credit institutions, generally on a monthly basis with a time lag of five to seven banking days. Consolidated data are provided on a quarterly basis, two months after the end of the reporting period.</p> <p>Insurance companies are supervised by the Estonian Insurance Supervisory Authority and all have reporting obligations to this body.</p> <p>The securities market is supervised by the Securities Inspectorate, which collects the relevant data (i.e. data from asset management and investment funds).</p>
<b>Collecting agents</b>	Bank of Estonia	<p>SOE</p> <p>SOE in co-operation with the Bank of Estonia in the field of banking sector and leasing companies' data.</p>	Bank of Estonia	<p>Bank of Estonia</p> <p>Estonian Insurance Supervisory Authority</p> <p>Securities Inspectorate</p>
<b>Users</b>	Bank of Estonia		<p>Bank of Estonia</p> <p>General public</p>	<p>Bank of Estonia</p> <p>Estonian Insurance Supervisory Authority</p> <p>Securities Inspectorate</p>

**Table I (continued)**

Statistical areas:	Reserve base	Financial accounts	Balance of payments	Prudential supervision
<b>Description</b>	<p>Data are submitted electronically.</p> <p>The reserve requirement currently amounts to 13% from the reserve base, i.e. banks' deposits, debt securities issued by banks, net liabilities to foreign credit institutions and financial guarantees to financial institutions and non-resident credit institutions.</p>	<p>The compilation of Estonian financial accounts is in the early stages of development. Although financial accounts are currently a priority for the SOE, special procedures and systems for compilation have not yet been introduced. Financial accounts compiled until now have been provisional and are not published regularly.</p>	<p>No balancing/cross-checking techniques are used.</p> <p>The customs data for merchandise trade are adjusted by the Balance of Payments Statistics Division: an adjustment is made for unidentified imports, and goods purchased while abroad for transportation vehicles and repair works on capital goods abroad are also added (information is obtained from the enterprise survey).</p> <p>Data on foreign assistance are available only on an annual basis. In the quarterly b.o.p. the assessment method is used. After the end of the reporting year the quarterly data on foreign assistance are adjusted so that the sum thereof is equal to the known annual totals.</p> <p>There is insufficient information available about the foreign accounts of private individuals, so the Bank for International Settlements' (BIS) statistics are used to estimate transactions.</p> <p>Information about the income and expenditure of foreign embassies, etc. in Estonia is based on assessments.</p> <p>Data on trade credit originate mainly from enterprise surveys, although the assessment method is also used.</p> <p>The threshold for foreign payments is EEK 100,000 (Estonia has a fixed exchange rate of DEM 1 = EEK 8).</p> <p>The b.o.p. and i.i.p. are compiled on an accrual basis using market prices.</p>	<p>Credit institutions' data are submitted electronically to the BSAD of the Bank of Estonia. The BSAD then makes the data available to the Bank Supervisory Department via the databases.</p> <p>Insurance companies' data are provided on hard copy as well as via e-mail.</p> <p>Security market data are provided on hard copy.</p>

## 2 Monetary statistics

### 2.1 Legal background and statistical standards

#### 2.1.1 National legal aspects

As stated in Article 2, Section 5, and Article 17 of the Law on the Central Bank of the Republic of Estonia (effective from 7 May 1994, [http://www.ee/epbe/norm/index\\_green.html.en](http://www.ee/epbe/norm/index_green.html.en)), the Bank of Estonia has the right to gather statistics for supervisory purposes. Within this supervisory context, the Bank of Estonia gathers statistics from credit institutions.

Article 91 of the Credit Institutions Act (effective from 1 July 1999, [www.ee/epbe/norm/index\\_green.html.en](http://www.ee/epbe/norm/index_green.html.en)) sets out the list of reports to be submitted, and the regularity of submission and methods of preparation thereof. Different Bank of Estonia Decrees determine in more detail the content, purpose and rules for each report.

The full text of the main Bank of Estonia Decrees concerning the reporting of credit institutions can be found on the Bank of Estonia's website, under [www.ee/epbe/norm/index\\_green.html.en](http://www.ee/epbe/norm/index_green.html.en).

#### 2.1.2 Statistical standards

In general, the following standards are followed in the field of monetary statistics: the ESA 95, the IMF's Manual on Monetary and Financial Statistics and the IMF's SDDS.

### 2.2 Concepts and definitions

#### 2.2.1 Statistical definitions: economic territory and residency principles

The boundaries of the economic territory of Estonia coincide with the geographic boundaries of the Republic of Estonia.

For the purpose of compiling money and banking statistics, the definition of residence is the same as that used for b.o.p. statistics and follows the IMF's definition (Balance of Payments Manual, 5th edition). When defining the domestic territory for money and banking statistics, branches (and subsidiaries) of Estonian banks abroad are regarded as non-residents, whereas branches of foreign banks located in Estonia are regarded as resident banks.

#### 2.2.2 Sectors in monetary statistics

##### 2.2.2.1 Definition and classification of sectors in monetary statistics

See Table 2.

##### 2.2.2.2 Comparison between the sectors of the national economy and the ESA 95

See Table 3.

### 2.3 Population of monetary institutions

#### 2.3.1 Definition of a credit institution (bank) and categories of credit institutions

The Credit Institutions Act concerning the status and supervision of credit institutions defines the legal provisions governing banking activity. It incorporates into Estonian legislation the EC Directive of 15 December 1989 on the co-ordination of laws, regulations and administrative provisions relating to the taking-up and pursuit of the business of credit institutions (89/646/EEC) and the EC Directive of 6 April 1992 on the supervision of credit institutions on a consolidated basis (92/30/EEC).

The term "credit institutions" covers all Estonian credit institutions as well as their

## Estonia

branches and subsidiaries abroad and foreign credit institutions which have branches or subsidiaries in Estonia. A credit institution is a private legal entity, the main activity of which is receiving deposits or other repayable funds from the public and granting credit on their own name and account, or any other

form of financing activity. A universal banking principle has been adopted in Estonia, which means that all banks are entitled to conduct all banking activities allowed by the Credit Institutions Act. This law applies to all credit institutions.

**Table 2**

Sector classification	Sectors		Definitions
Money-creating sector	Bank of Estonia		Central bank
	Credit institutions		Legal entities in their own right according to the Law on Credit Institutions, Article 3.
	Savings and loan associations		Financial institutions whose principal and permanent activity is to conduct transactions and operations, such as receiving deposits and granting loans as well as various other banking activities, in order to serve natural persons who reside or own immovable property within the territory of the SLA, and the legal persons located within the same territory.
Money-holding sector	Financial corporations	Financial corporations, except insurance companies and pension funds	Legal entities in their own right which are engaged in supplying financial services with the aim of gaining profit according to the Law on Credit Institutions, Article 4, except insurance companies and pension funds. This covers various loan and savings undertakings, investment funds, the stock exchange, brokers' offices, etc. It also includes the Compensation Fund.
		Insurance companies and pension funds	Insurance companies are institutions whose main purpose is to compensate insurers as natural or legal persons for material loss in the form of life, medical, property insurance, etc. Pension funds are established with the purpose of providing former employees with regular payment. Payments are also made from this fund in the case of the employee's death or disability. Pension funds are independent legal entities (separate from the institutional entity by which they are created). Pension funds have their own assets and liabilities and hold their own accounts for financial transactions on the market.
	Other resident non-financial sector	Commercial undertakings of state and local government	Legal entities in their own right which are engaged in supplying or selling non-financial services and goods with the aim of gaining profit and which come under the control of central or local government. This type of control over legal persons can be achieved through direct involvement (where 100% of shares or the major judgement right belongs to the state or local government) or indirectly (through legislation that grants the state or local government the right to establish the active policy of the commercial undertakings or appoint its management). State and municipal undertakings which have not yet been transformed also belong to this category.
		Other commercial undertakings	The rest of the legal entities in their own right which are engaged in supplying or selling non-financial services and goods with the aim of gaining profit (corporations, partnerships, profit associations) and which are not covered by the above institutional sectors. Entrepreneurs as natural persons employing one or more employees also belong to this category.
		Individuals	Natural persons and entrepreneurs as natural persons, not functioning as employers for any employees. If it is not possible to establish the non-existence of hired labour, the entrepreneurs as natural persons will be declared under other commercial associations.
		Non-profit associations	Voluntary unions of persons and legal entities in their own right which may deal with supplying goods and services free of charge or for payment, but may not be making a profit through activity in the field of economy as their main occupation. Various member-based organisations in the form of unions, movements, associations, foundations, clubs and societies belong to this category.

**Table 2 (continued)**

Sector classification	Sectors		Definitions
<b>Money-holding sector</b>	General government	Central government	Entities responsible for the government of the state and its defence and the administration of central government, as well as institutions of science, research, health, welfare, education, culture and sport, financed by the government budget. This category also covers the embassies and consulates of foreign countries.
		Local government	Entities of local government and science, research, health, welfare, educational, cultural and sport institutions financed by local government budgets. This category also includes all the regional offices of the Health Fund. Regional offices of the Health Fund will be excluded as from January 2001.
		Social security funds (from January 2001)	Public health insurance system. Central Health Fund and regional offices of the Health Fund.
		Non-budgetary funds	Various non-budgetary foundations and funds (e.g. Forest Foundation, Welfare Fund, Central Health Fund (Central Health Fund will be excluded as from January 2001), Innovation Fund, Traffic Insurance Fund, Estonian Environment Fund and other state foundations and funds).
<b>Non-resident sector</b>	Rest of the world <sup>1)</sup> (non-residents)		Comprises persons who do not reside permanently in Estonia or own limited residence permits for at least one year; persons who have left Estonia for a foreign country and have stayed there for at least one year; legal entities which have been registered and are residing in a foreign country (including participation in Estonian undertakings, among them Estonian affiliated undertakings in foreign countries); foreign diplomatic, consular and other official representatives granted immunity and diplomatic privileges; and representatives of foreign institutions in Estonia not engaged in financial and commercial activities.

1) The non-resident sector is broken down in the same manner as the resident sector.

The money-creating sector consists of the Bank of Estonia and the credit institutions. The Bank of Estonia is the only issuer of banknotes and coins. Monetary statistics relate to the assets and liabilities held by the credit institutions operating in Estonia (including the branches and subsidiaries of non-resident credit institutions). Branches and subsidiaries of Estonian credit institutions operating abroad are not included. None of the credit institutions has a European passport or a general or specific licence.

### 2.3.2 Definition of other monetary institutions

There are two savings and loan associations (SLAs) that voluntarily submit balance sheet data on a monthly basis. SLAs are co-operative-type institutions. They are financial institutions, and their activities are regulated by the SLAs Act (effective from

1 July 1999, [www.legaltext.ee/](http://www.legaltext.ee/)). SLAs cannot receive deposits from the public, only from their members. They may also grant loans to members only, and their activities are restricted to a certain territory.

### 2.3.3 Central government units with deposit liabilities included in measures of money

Not applicable.

**Table 4**

Institutions	Number of institutions
<b>National central bank</b>	<b>1</b>
<b>Credit institutions</b>	<b>7</b>
Credit institutions	7
<b>Other monetary institutions</b>	<b>2</b>
Savings and loan associations	2
<b>Total</b>	<b>10</b>



# Estonia

**Table 3**

National sector classification	National sectors		Sectors in the ESA 95			ECB sector classification
Money-creating sector	Bank of Estonia		S121 Central bank		S12 Financial corporations	Money-creating sector
	Credit institutions		S122 Other monetary financial institutions			
	Savings and loan associations					
Money-holding sector	Financial corporations	Financial corporations, except insurance companies and pension funds	S123 Other financial intermediaries, except insurance corporations and pension funds			Money-holding sector
			S124 Financial auxiliaries			
		Insurance companies and pension funds	S125 Insurance corporations and pension funds			
	Other resident non-financial corporations	Commercial undertakings of state and local government	S11 Non-financial corporations			
		Other commercial undertakings				
		Individuals	S14 Households			
		Non-profit associations	S15 Non-profit institutions serving households			
	General government	Central government	S1311 Central government		S13 General government	Money-neutral sector
		n.a.	S1312 State government			Money-holding sector
		Local government	S1313 Local government			
		Social security funds (from January 2001)	S1314 Social security funds			
		Non-budgetary funds <sup>1)</sup>				
Non-resident sector	Rest of the world <sup>2)</sup> (non-residents)		S211 EU countries	S21 EU	S2 Rest of the world	Non-resident sector
			S212 Institutions of the EU			
			S22 Third countries and international organisations			

1) This sector currently includes some funds which, under the ESA 95, should belong to the central government sector.

2) The non-resident sector is broken down in the same manner as the resident sector.

## 2.4 Banking business: general deposits/other products

The main items on the liabilities side for universal banks are deposits. A distinction is made between demand deposits, time deposits, saving deposits and other types of deposits.

Owing to their transferable nature, demand deposits are collected from customers offering a rather low interest rate, and the computation base of the interest rate may vary between credit institutions, i.e. the minimum or the average outstanding amount over a predetermined period.

Time deposits cannot be converted into currency before an agreed term without penalty. Savings deposits also have an agreed maturity, but in this case it is possible to add money to the deposit account. There are several kinds of deposits on the market offering features which are typical to both transaction and savings accounts.

The holders of debt securities issued by Estonian banks are supposed to be mainly foreign financial institutions. Some government lending funds and counterpart funds are also included in the banks' balance sheets, but the amounts involved are not significant.

On the assets side, lending to other financial institutions and to the public dominates the

business of banks. Credit institutions offer their customers a wide range of lending services: mortgage loans, consumer credits, current account advances, loans with fixed maturity or floating interest rates.

The second largest item under banks' assets is securities, mostly bonds. Banks may also place funds into holdings of shares and participation.

## 2.5 Statistical balance sheets of the monetary institutions

### 2.5.1 Description of the main balance sheet items

The balance sheets of credit institutions are separated according to residents and non-residents. They are also separated into EEK and other currencies.

*Liabilities (main items):*

- amounts owed to the central bank;
- amounts owed to credit institutions;
- amounts owed to customers;
- government lending funds and counterpart funds;
- debt securities issued; and

<b>Demand deposits</b>	<ul style="list-style-type: none"> <li>– are intended for settlement with a third party</li> <li>– are unlimited by time</li> <li>– are transferable and can be freely used and disposed of (in exceptional cases, 24 hours' notice may be required)</li> <li>– offer the possibility of a negative credit balance, i.e. overdraft</li> <li>– permit additional payments to be made at any time</li> </ul>
<b>Time deposits</b>	<ul style="list-style-type: none"> <li>– are intended for the deposit of money</li> <li>– are not intended for settlements with a third party</li> <li>– are subject to terms fixed by a contract</li> <li>– have the rate for the deposited amount fixed by a contract, and this cannot be changed</li> <li>– must abide by the terms of contract or sanctions in the form of fines will be imposed</li> </ul>
<b>Savings deposits</b>	<ul style="list-style-type: none"> <li>– are intended for the collection and deposit of money</li> <li>– are not intended for settlement with a third party</li> <li>– allow the deposit date to be related to some special occasion (e.g. wedding day), by which time a fixed amount of money will have been deposited on the account</li> <li>– require the deposit of a minimum amount of money established by the credit institution</li> <li>– allow the deposited amount to be increased</li> <li>– must abide by the terms of contract or sanctions in the form of fines will be imposed</li> <li>– may require advance notice in the case of withdrawals</li> </ul>

- subordinated liabilities and other liabilities (items in transit, the negative position of future transactions, call premiums).

*Assets (main items):*

- cash;
- claims on the central bank;
- claims on credit institutions;
- claims on customers;
- allowance for uncollectable claims;
- securities;
- intangible assets;
- tangible assets;
- other assets; and
- accrued income and prepaid expenses.

**2.5.2 Breakdown of the main balance sheet items by instrument/maturity, counterparty and currency**

In most of the financial statements submitted by credit institutions, the breakdown of assets

and liabilities by term is based on the original maturity. The short term covers operations with a term of up to one year. In the case of loans, the maturity is established on the basis of the term of the loan as stated in the loan agreement (which also states whether the loan is issued in parts). In the case of securities, the maturity is established according to the redemption date of the security. Where securities are bought with the obligation to resell, the maturity is shown according to the period for which the security is held. In the case of securities held in a trading portfolio, the maturity is "on demand".

For the purpose of prudential control, the credit institutions also supply a monthly outline of their operations by the main items under assets and liabilities, broken down according to their residual term. In the set of off-balance sheet commitments statistics, both types of maturity –residual and original –are available.

All the information flows include details of the domicile of counterparties, separating the data for residents from those for non-residents. The breakdown described above does not currently provide any details of operations with European Union countries or with third countries. As from January 2001, a country-by-country breakdown will be

Maturity type	At issue	Residual	At issue and residual
Item	Deposits, loans and securities (assets side)	Main items of liabilities and assets	Off-balance sheet commitments
Maturity band	<ul style="list-style-type: none"> <li>– without maturity</li> <li>– on demand</li> <li>– one to five banking days</li> <li>– five to ten banking days</li> <li>– ten banking days to one month</li> <li>– one to two months</li> <li>– two to three months</li> <li>– up to three months</li> <li>– three to six months</li> <li>– six to twelve months</li> <li>– one to two years</li> <li>– two to three years</li> <li>– three to five years</li> <li>– five to ten years</li> <li>– over ten years</li> </ul>	<ul style="list-style-type: none"> <li>– on demand</li> <li>– up to one banking day</li> <li>– one to two banking days</li> <li>– two to three banking days</li> <li>– three to four banking days</li> <li>– four to five banking days</li> <li>– five to ten banking days</li> <li>– ten banking days to one month</li> <li>– one to two months</li> <li>– two to three months</li> <li>– three to four months</li> <li>– four to five months</li> <li>– five to six months</li> <li>– six to twelve months</li> <li>– one to two years</li> <li>– two to five years</li> <li>– over five years</li> </ul>	<ul style="list-style-type: none"> <li>– without maturity</li> <li>– on demand</li> <li>– up to one month</li> <li>– one to two months</li> <li>– two to three months</li> <li>– three to six months</li> <li>– six to twelve months</li> <li>– one to two years</li> <li>– two to three years</li> <li>– three to five years</li> <li>– five to ten years</li> <li>– over ten years</li> </ul>

introduced to the reporting system, thus enabling a grouping of countries (domestic, EU Member States participating in the single currency, rest of the world, etc.). As from January 2001, the definition of Monetary Financial Institutions (MFIs) will also be fully implemented and the list of MFIs (including credit institutions, money market funds and SLAs) defined. A breakdown for MFIs will be introduced into the reporting system. Monthly details on deposits, loans, non-performing loans/loan-loss provisions, securities and off-balance-sheet items are available by every single currency. Balance sheet statistics on a monthly basis (and also every ten days) provide information on two groups: domestic and foreign currency. Foreign currency operations are converted into EEK at the exchange rate of the reference date of the returns. Further details (breakdown by currency) are available in additional monthly financial reports.

In their monthly financial statements of loans (both turnover and stock), non-performing loans/loan provisions and securities, credit institutions supply a breakdown by industry sector according to the Classifier of Spheres

of Activities of the Estonian Economy (EMTAK) based on the Statistical Classification of Economic Activities in the European Union (NACE) rev.1, A17. Data are cross-checked against balance sheet totals.

## 2.6 Measure(s) of money: definitions and remarks

### 2.6.1 Definition of money and instrument breakdown of monetary aggregates

Estonia operates the currency board-based system, and the Bank of Estonia does not use targets in the form of monetary aggregates to implement monetary policy. Nevertheless, it calculates and publishes information on three monetary aggregates: M0, M1 and M2. Measures of money take into account the relevant liabilities of all credit institutions operating in Estonia and licensed by the Bank of Estonia, irrespective of whether they are Estonian-owned or subsidiaries or branches of foreign banks.

See Box I.

#### Box I

**M0** includes:

- currency in circulation (EEK banknotes and coins), including those held in the tills of credit institutions;
- residents' demand deposits at the Bank of Estonia (as the required reserves are calculated on an average basis, there is no clear division of operational and required reserves money, and banks' deposits at the Bank of Estonia are included in the total amount); and
- EEK accounts of non-residents at the Bank of Estonia.

**M1** includes:

- currency in circulation (excluding the cash held in credit institutions and in the tills of two SLAs); and
- EEK-denominated demand deposits at banks and two SLAs (including government and non-residents' deposits).

**M2** includes:

- M1;
- EEK-denominated time, savings and other deposits (without reference to maturity; long-term deposits are rare in the Estonian banking system and, moreover, all deposits are redeemable within a very short period of time, including government and non-residents' deposits); and
- all foreign currency deposits.

## 2.6.2 Sectoral allocation of holdings of negotiable instruments

Banknotes and coins held by foreigners are considered to be held by residents and are included in the monetary base.

The only freely transferable negotiable instrument in the monetary base is cash.

## 2.7 Counterparts of money

See Box 2.

### Box 2

#### Net external assets

Net external assets comprise the banking sector's<sup>1</sup> claims on non-residents net of foreign liabilities, i.e. liabilities of the banking sector held by non-residents.

#### Domestic credit

Domestic credit consists of the financial claims of the banking sector on residents. Intra-sectoral claims and liabilities among banking sector institutions are excluded here. Domestic claims are divided into five sub-sectors: central government, local government, financial institutions other than banks, non-financial public enterprises and private non-financial sector. Central government, which includes budgetary institutions and governmental non-budgetary funds, is treated on a net basis. Three main types of financial claims are included under domestic credit: loans, debt securities and shares held for trade.

#### Other items net

Other items net comprise the net sum of all non-financial assets and unclassified liabilities which do not come under the heading of broad money. All intra-sectoral claims and liabilities within the banking sector are also netted here.

<sup>1</sup> The banking sector includes the Bank of Estonia, all credit institutions as defined in the Credit Institutions Act and two SLAs.

The following classification of credit to domestic residents is available:

By sector	By type	By maturity
<ul style="list-style-type: none"> <li>– Central government</li> <li>– Local government</li> <li>– Social security funds (from January 2001)</li> <li>– Non-budgetary funds</li> <li>– Insurance corporations and pension funds</li> <li>– Other financial corporations</li> <li>– Credit institutions</li> <li>– Commercial undertakings of state and local government</li> <li>– Other commercial undertakings</li> <li>– Non-profit associations</li> <li>– Individuals</li> </ul>	<ul style="list-style-type: none"> <li>– Loans</li> <li>– Debt securities</li> </ul>	See table in Section 2.5.2.

## 2.8 Reserve money

including those held by credit institutions); residents' demand deposits at the Bank of Estonia (as the required reserves are calculated on an average basis, there is no

The monetary base (M0) comprises: currency in circulation (EEK banknotes and coins,

clear division of operational and required reserves, and money and banks' deposits at the Bank of Estonia are included in the total amount); and the EEK accounts of non-residents at the Bank of Estonia.

## 2.9 Reporting procedures

### 2.9.1 Powers to collect statistics and collecting agents

As stated in the Law on the Central Bank of the Republic of Estonia, Article 2, Section 5, and Article 17, the Bank of Estonia has the right to collect statistics for supervisory purposes.

Statistics from credit institutions are collected within this supervisory context. According to the Credit Institutions Act, the Bank of Estonia establishes the list of reports to be submitted, the frequency of submission and methods of preparation thereof, the procedures and terms for the submission of the reports and the requirements for consolidated accounting. In the area of monetary statistics, the Bank of Estonia is responsible for both collecting and compiling the data. The Bank of Estonia has no legal entitlement to collect data from the other financial institutions.

However, since March 1998, the Bank of Estonia has collected and compiled data on leasing companies, but the information is not published. A contract with the Estonian Leasing Association serves as the basis for this activity. The Estonian Leasing Association

organises the subsequent data dissemination according to its own interests. The Official Statistics Act does not extend to monetary statistics and there are no statistical restrictions to prevent the Bank of Estonia from publishing the data of individual banks.

Article 21 of the Law on the Central Bank of the Republic of Estonia on the confidentiality and disclosure of information states that the Bank of Estonia shall be entitled to publish any data on credit institutions at its disposal, provided such data do not comprise bank secrets. Article 46 of the same law contains a list of information that is not considered a bank secret.

Until December 1999, the Bank of Estonia published the balance sheet data of individual banks. In January 2000, a new regulation concerning the detailed disclosure requirements for banks came into force. This regulation transferred the responsibility to disseminate the balance sheets, as well as a wide range of other data, to the banks themselves.

### 2.9.2 Identification of the reporting population (reporting coverage)

See Table 5.

### 2.9.3 Reporting schemes

A wide variety of different data is collected from the credit institutions on a monthly basis,

**Table 5**

	Reporting institutions		Total balance sheet
	Number of reporting agents	% (of the total category)	% (of the total balance sheet of all institutions)
Bank of Estonia	1	100	22.2
Credit institutions	7	100	77.7
Credit institutions	7	100	77.7
Other monetary institutions	2	100	0.1
Savings and loan associations	2	100	0.1
<b>Total</b>	<b>10</b>	<b>-</b>	<b>100</b>

including a full balance sheet and additional detailed reports on loans, deposits, securities and non-performing loans (for further details, see Section 2.1.1). Data must be sent by the fifth banking day after the end of the reporting month. The data are collected electronically from the credit institutions.

Two reporting SLAs provide balance sheet data on a monthly basis by the tenth banking day of the following month. The data are sent on hard copy.

### **2.9.4 Special reporting procedures for the national central bank**

The balance sheet data of the Bank of Estonia are available on a monthly basis on the fifth day of the following month. Data are gathered by means of a database. The Central Accounting Department prepares the balance sheet data of the Bank of Estonia each month. The balance sheet is prepared in accordance with the Law on the Central Bank of the Republic of Estonia and the Statute of the Bank of Estonia. The Accounting Law of Estonia, from which the Bank of Estonia is exempt, and the International Accounting Standards are applied only where management considers them to be appropriate and applicable to the activities of a central bank. The balance sheet is prepared in accordance with the historical cost basis of accounting, modified to include the revaluation of certain assets.

Realised income and expenses are accounted for in the profit and loss account in the relevant reporting period on an accruals basis, regardless of when cash is received or paid. Unrealised gains and losses are credited or charged to reserves.

Transactions denominated in foreign currencies are translated into EEK using the official exchange rates of the Bank of Estonia valid on the day of the transaction. Foreign currency assets and liabilities are translated into EEK at the official Bank of Estonia exchange rate valid on the balance sheet date. Unrealised foreign exchange gains and losses are credited or

charged to reserves and recorded in the profit and loss account when realised.

Gold reserves are valued at the market rate at the end of the year. Revaluation gains and losses are credited or charged to reserves.

Foreign Treasury bills and other quoted securities denominated in convertible currencies are recorded at their market value valid at the end of the year. Unrealised revaluation gains and losses are credited or charged to reserves. Securities purchased under repurchase agreements are recorded as issued loans that are guaranteed with securities. The difference between the sale price and the repurchase price is recorded in the profit and loss statement as an interest cost on an accruals basis. Securities purchased under reverse repurchase agreements are recorded as received loans guaranteed with securities. The difference between the purchase price and the resale price is recorded as an interest gain in the profit and loss statement on an accruals basis.

Derivative instruments comprise foreign currency futures and swaps and are recorded off-balance-sheet at their realisation cost. Gains and losses from derivative instruments are recorded in the profit and loss account at the end of future transactions.

Fixed assets are recorded at cost, less depreciation.

Loans and other assets are reassessed periodically and specific provisions are established against those considered to be bad or doubtful owing to the borrowers' insolvency. Loan and other assets provisions are recorded as expenses of the reporting period and are included in the balance sheet as a deduction against the assets concerned. Loans and other assets remain in the balance sheet until they have been repaid or written off. They are written off only after all legal measures to recover them have been taken.

Provisions for guarantees are recorded as liabilities in the balance sheet when it is

considered probable that future events will result in payments being made by the Bank of Estonia under the terms of the guarantees. Such provisions are recorded as expenses of the reporting period.

## 2.10 Data processing and compilation methods

### 2.10.1 Basis of calculation

The stock figures are end-of-period figures. Flow figures for the relevant period (usually one month in profit and loss accounts) are given as cumulative income and expenditure figures for the third, sixth, ninth or twelfth month of the current year.

### 2.10.2 Revisions

The data are preliminary when first released and are subject to revision during the following month. The final data are published the following month with the next issue of monetary statistics.

### 2.10.3 Derivation of flow statistics

#### 2.10.3.1 Breaks in series

The Bank of Estonia gathers data for monthly flows on deposits and loans. The data

gathered is “credit flow”, i.e. it does not yet comprise any adjustments made for breaks in series. The compilation of data on adjustments will be implemented in the future. Any changes in the reporting population are always stated when the data is released.

#### 2.10.3.2 Other adjustments

Not applicable.

#### 2.10.3.3 Derivation of flows

Not applicable.

### 2.10.4 Seasonal adjustment

Not applicable.

## 2.11 Publications

### 2.11.1 First release of data (including the medium)

The Bank of Estonia publishes a wide range of data on its website ([www.ee/epbe/](http://www.ee/epbe/)) each month. The exact schedule of the release of different indicators relating to the Estonian commercial banking sector is as follows:

Data	Release date (banking day from beginning of month)
Balance sheets	11
Loans granted to customers	17
Securities	16
Deposit stocks and deposits attracted during one month	18
Claims on credit institutions and liabilities to credit institutions	18
Interest rates	17
Profit/loss	18
Prudential ratios of credit institutions	13
Open foreign exchange position	12
Off-balance-sheet items	18
Foreign currency purchased/sold in credit institutions during one month	14
Money supply and cash in circulation	13
Banknotes and coins in circulation	12
Payment intermediation	18
Electronic payments settled through the Bank of Estonia's Clearing Department	6
Banking sector in short	18



### **2.11.2 Core weekly/monthly publications**

The core monthly publication is the printed release of the Estonian monetary statistics in the Bank of Estonia Bulletin (available in Estonian and English). It contains the same information as can be found on the website, but in a more concise format. The Bank of Estonia Bulletin can also be found on the website.

In October 1998 Estonia completed the adoption of the SDDS of the IMF. Estonian meta-pages describing the nature of the data, the quality and methodology of its compilation and access by the public have been available on the IMF's electronic Bulletin since January 1999 ([dsbb.imf.org](http://dsbb.imf.org)). The page containing country data can be found via the

SOE's website at [www.stat.ee](http://www.stat.ee) or using the direct link from IMF's website.

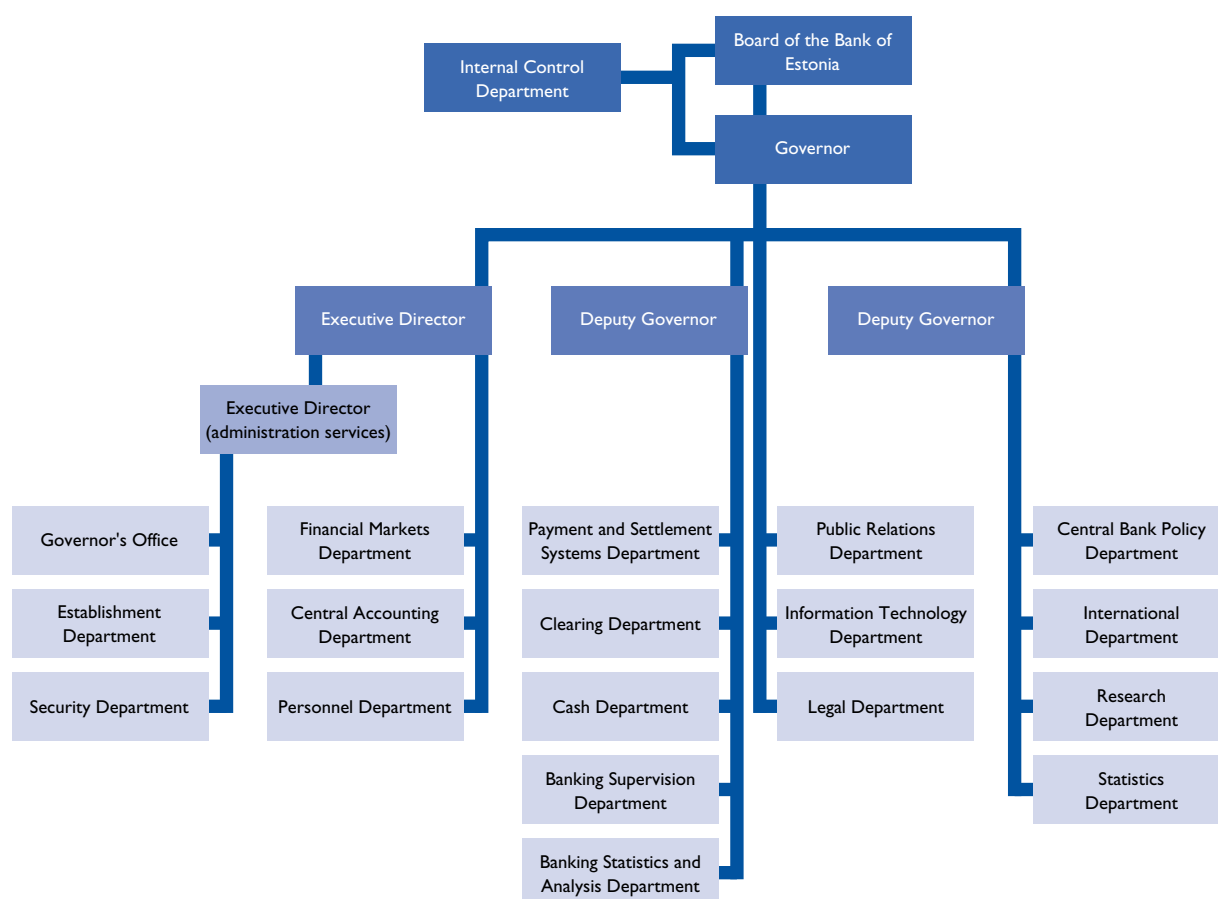
### **2.11.3 Other statistical publications**

Statistical data are also included and used in the following publications of the Bank of Estonia:

- The Annual Report of the Bank of Estonia, published in Estonian approximately five months and in English approximately six months after the end of the year.
- The Monetary Developments and Policy Survey (quarterly, published in Estonian and English), available on hard copy and on the Bank of Estonia's website.

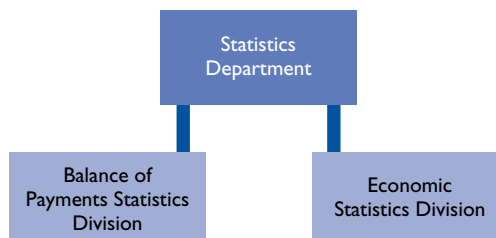
## Annexes

## I Organisation chart of the Bank of Estonia



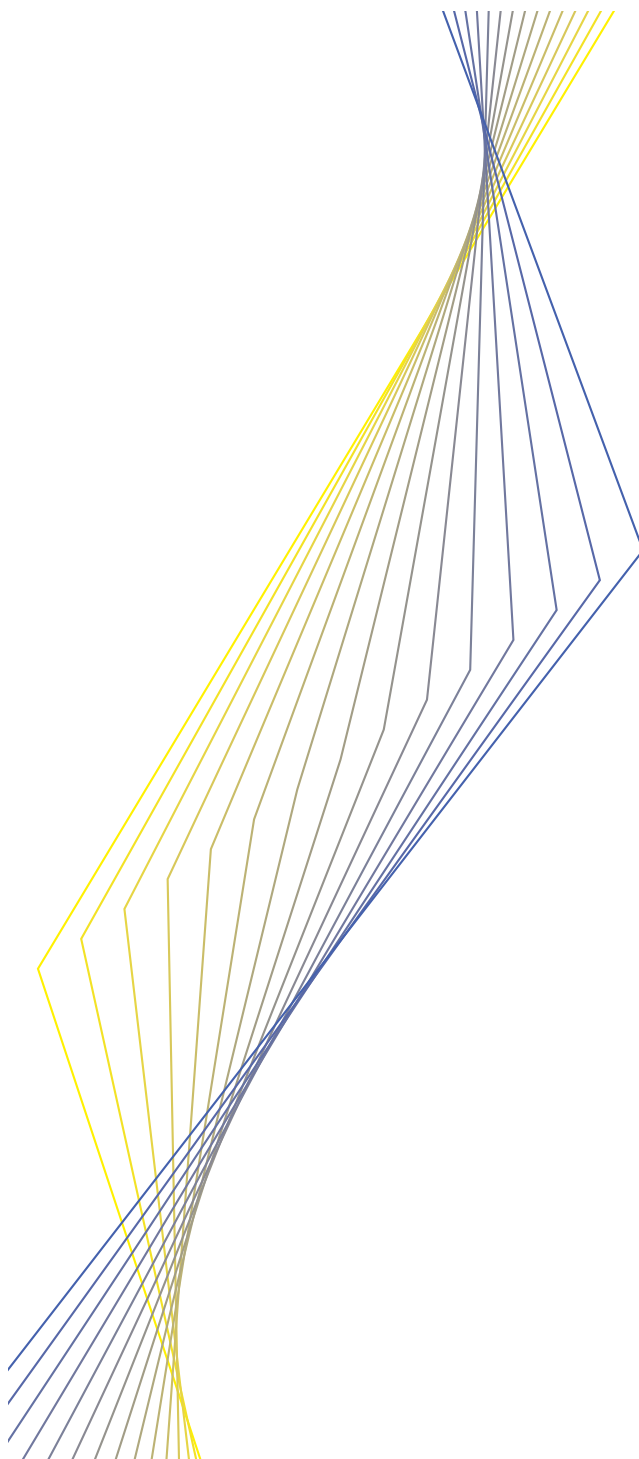
## Estonia

### 2 Organisation chart of the Statistics Department of the Bank of Estonia





EUROPEAN CENTRAL BANK



**Hungary**

## Hungary

### List of abbreviations

<b>ACI</b>	Act CXII of 1996 on Credit Institutions and Financial Enterprises
<b>AFE</b>	Act XCV of 1995 on Foreign Exchange
<b>ANBH</b>	Act LX of 1991 on the National Bank of Hungary
<b>AST</b>	Act XLVI of 1993 on Statistics
<b>b.o.p.</b>	Balance of payments
<b>CSO</b>	Central Statistical Office
<b>HFSA</b>	Hungarian Financial Supervisory Authority
<b>HUF</b>	Hungarian forint
<b>i.i.p.</b>	International investment position
<b>NBH</b>	National Bank of Hungary
<b>NSS</b>	National Statistical Service

## I Legal and institutional background

### I.1 Organisational structure

#### I.1.1 Organisation chart of the national central bank

See Annex 1.

#### I.1.2 Organisation of the statistical work at the national central bank

See Annex 2.

The Statistics Department of Magyar Nemzeti Bank –the National Bank of Hungary (NBH) –serves the information needs of the general public, the management of the central bank, as well as international organisations like the IMF, Eurostat and the OECD. The Statistics Department is responsible for the methodology, data collection and compilation of statistics, the publication of the data in its press releases and in the Monthly Report.

The Statistics Department is divided into four divisions. The tasks of the Monetary Statistics Division and the Balance of Payments Division are based on the respective statistics. In addition to direct data collection, the Financial Statistics Division also takes data from the Central Statistical Office (CSO) and other government organisations that are needed to analyse real and income-related processes and the government budget. In particular, it is responsible for statistics on financial accounts, securities, net lending of households and compilation of its own measures of core inflation and general government deficit, as well as the publication of the Monthly Report. The Informatics Division is responsible for co-ordinating data collection, operating the statistical information system of the Bank and supplying data for monetary policy decisions.

### I.2 Legal background

Act LX of 1991 on the National Bank of Hungary (ANBH) –as amended by the Acts LXIX and LXX of 1992, IV of 1994, CV of 1995, CXLVI of 1997 and CLVIII of 1997 – provides the framework for the activities of the NBH. Parliament passed the ANBH in order to strengthen the stability of the Hungarian currency, the operation of the domestic payments system, the internal and external financial equilibrium of the national economy, its lasting development and international integration. The text of the ANBH can be found on the NBH's website ([www.mnb.hu](http://www.mnb.hu)) under General Information/ The Central Bank Act.

Act XCV of 1995 on Foreign Exchange (AFE) designates the NBH as the sole authority for foreign exchange transactions.

Specific accountancy rules of the NBH are contained in the Government Decree 18 of 1997 on the Accounting of the NBH and its amendments.

### I.3 Institutional aspects

#### I.3.1 The role of the national central bank

##### I.3.1.1 Introduction

The NBH is the bank of issue of the Republic of Hungary and the central bank of the national economy. The NBH is independent of the government and reports to Parliament on its activities. It is headed by a President appointed by the President of the Republic on the recommendation of the Prime Minister. The Bank's supreme body for the implementation of monetary policy is the Central Bank Council. The shares of the NBH are owned by the Hungarian State which, as a shareholder, is represented by the Minister of Finance.

## Hungary

### *1.3.1.2 General responsibilities of the national central bank*

The primary task of the NBH is to protect the purchasing power of the Hungarian national currency.

An additional responsibility of the NBH is to support the implementation of the government's economic policy programme using the instruments of monetary policy. Within the framework of these goals, the NBH has the following responsibilities:

- issuing banknotes and coin;
- setting monetary policy;
- managing the foreign currency reserves;
- serving as banker of banks;
- managing the single account of the Treasury;
- ensuring the sound operation of the banking sector;
- regulating the financial sector and foreign exchange transactions;
- supervising banks –a task shared with the Hungarian Financial Supervisory Authority (HFSA);
- maintaining and developing the payments system;
- publishing the official foreign exchange rates of the Hungarian forint (HUF);
- shaping the exchange rate regime of the HUF in agreement with the government;
- defending the exchange rate of the HUF on the domestic and foreign exchange markets;
- being the lender of last resort.

The NBH manages the current account of the Hungarian Treasury and other government accounts designated by the Minister of Finance. The financing relationship with the general government is conducted by the NBH exclusively through the central budget. The NBH is not allowed to grant credits to the central budget except for a very limited period. According to the AFE, the NBH regulates –in agreement with the HFSA – foreign exchange and HUF transactions with non-residents of credit institutions, financial enterprises and corporations not belonging to the financial sector but performing supplementary financial services. The President of the NBH annually reports on the activity of the NBH and presents the annual monetary policy guidelines to Parliament. In exercising its functions under the ANBH, the NBH is not subject to instructions from the government.

### **1.3.2 Macroeconomic statistics: main responsibilities of domestic public authorities**

#### *1.3.2.1 Main responsibilities of the national central bank in the field of macroeconomic statistics*

There are three acts setting rules for data collection for statistics compiled by the NBH:

- 1) the ANBH, which governs information collection from financial institutions;
- 2) Act XLVI of 1993 on Statistics (AST), which governs information collection from other sectors; and
- 3) the AFE, which generally governs information collection on any transaction settled in foreign exchange.

*Monetary statistics*, a publication produced by the NBH, presents the statistical balance sheet of the NBH and credit institutions, and the Banking Survey. In addition, the NBH publishes data on the credit institutions' lending and deposit rates.

Based primarily on the reports of the resident banks and enterprises having bank accounts with non-resident banks, the *balance of payments* (b.o.p.) is a statistical statement of the transactions between Hungarian residents and non-residents. The *international investment position* (i.i.p.) shows the stock of external assets and liabilities and changes in these positions due to valuation and other changes.

Statistics presenting the *financing capacities of households* describe the financial assets and liabilities of households and the components of their changes. In this case, the source of data is manifold, ranging from the reports of credit institutions to the data of insurance companies and pension funds.

*Securities statistics* – based on the reports of investment fund managers, stock exchange companies and custodians of securities – provide an overview of the stocks of government paper, investment units and shares on the stock exchange, as well as their distribution among economic sectors. In contrast to the statistics listed above and produced monthly, securities statistics are available to users on a quarterly basis.

In addition to the above, in the Monthly Report of the NBH, statistical information based on data collected by other institutions on macroeconomic processes (such as inflation, unemployment rate, accounts of the general government) is published regularly.

### *1.3.2.2 Main responsibilities of other public authorities in the field of macroeconomic statistics and co-operation with the national central bank*

In Hungary, all official statistics are produced by the members of the National Statistical Service (NSS), of which the NBH is a member. The Central Statistical Office (CSO) is the agency responsible for the harmonisation of all statistics. Therefore, in addition to its power to collect data from credit institutions according to the ANBH, the NBH also has the right to prescribe compulsory data collection within the framework of the National Programme for Statistical Data Collection. The legal basis for this programme is Act XLVI of 1993 on Statistics (AST) and the related Government Decree 170/1993 on the Execution of the AST.

The NBH co-operates with the CSO in compiling financial accounts within the framework of the national accounts. The NBH and the HFSA both make available data from financial institutions, investment services providers and clearing houses. The contents of the regular data collections are harmonised in advance. Since the beginning of 1998, a common balance sheet report by the credit institutions has been used by the two institutions.

### *1.3.2.3 Overview of statistical data collection and compilation*

See Table I.

Table I includes statistics compiled only by the NBH.



## Hungary

**Table I**

Statistical areas:	Money and banking statistics		
	Bank balance sheet statistics/ monetary aggregates and counterparts	Interest rate statistics	Security issues statistics
<b>Collected data</b>	<p>Data cover the accounts of the NBH and of credit institutions (commercial banks, savings co-operatives and specialised financial institutions).</p> <p>The data collected monthly are end-of-month data. The “Statutory balance sheet” for credit institutions is a report compiled jointly with the HFSA.</p> <p>Timeliness:</p> <ul style="list-style-type: none"> <li>balance sheet of the NBH (preliminary): four days after the end of the reference month;</li> <li>balance sheet of the NBH (final): 25 days after the end of the reference month;</li> <li>statutory balance sheet of credit institutions: 15 working days after the end of the reference month, or 20 working days after the end of quarters.</li> </ul>	<p>Data collected cover:</p> <ul style="list-style-type: none"> <li>central bank interest rates (base rate, rediscounting rate of bills of exchange, interest rate of credits financing the state budget, interest rate of preferential refinancing credits, interest rate on the current account of the Treasury, and interest rate on mandatory reserves of financial institutions);</li> <li>auction yields on Treasury bills and government bonds;</li> <li>interbank money market interest rates;</li> <li>market interest rates on corporate deposits and credits; and</li> <li>interest rates on household deposits and credits.</li> </ul> <p>Periodicity is daily for central bank interest rates, interbank money market interest rates, and the benchmark yields of government securities, monthly for most of the other interest rates.</p> <p>The timeliness is one day after the reference day for money market rates; and nine working days after the reference month for the corporate and household sector data.</p>	<p>Data cover all securities held in custody at providers of investment services and securities held by providers of investment services and NBH.</p> <p>Data are collected quarterly, timeliness is ten working days after the end of the reference quarter.</p>
<b>Collecting agents</b>	NBH, HFSA	NBH	NBH
<b>Users</b>	NBH, HFSA, CSO, IMF, OECD, Eurostat, BIS, general public	NBH, IMF, OECD, Eurostat, ECB, BIS, general public	NBH, general public
<b>Description</b>	<p>Data source for the central bank is the general ledger of the NBH, for the credit institutions the balance sheet data submitted by banks to both the NBH and HFSA.</p> <p>Regular checks are made by the NBH bank inspectors to verify the accuracy of the data submitted by the banks.</p> <p>The external position in the Banking Survey is cross-checked against the b.o.p. data.</p>	<p>Credit and deposit rates to non-financial enterprises and households: weighted arithmetic monthly average rates. Weights are the amounts of the individual contracts concluded, modified or renewed under market conditions in the current month.</p> <p>Interbank money market interest rates: arithmetic average daily rates, weighted by the amount of interbank money flows.</p> <p>Auction yields are calculated as arithmetic average of yields, weighted by the amount of bids accepted at auctions.</p> <p>Benchmark yields of government securities for each maturity are arithmetic averages calculated on the basis of bids and asks of six randomly selected primary dealers and of historically the most competitive bid and ask. The least competitive bid and ask are omitted from the calculation.</p>	<p>The securities statistics compiled by the NBH are not comprehensive. Data on all securities issues are available at the HFSA.</p>

Statistical areas	Reserve base	Financial accounts	Balance of payments	Prudential supervision
<b>Collected data</b>	<p>The collected data are base period average data.</p> <p>The base period lasts from the first day to the last day of a month.</p> <p>While calculating averages the number of the calendar days is taken into account.</p> <p>Some data are collected daily, some monthly (with daily detail).</p> <p>Timeliness: two working days for daily reports and two working days after the reference month for the monthly report.</p>	<p>Financial accounts statistics basically use data derived from monetary and financial statistics, b.o.p. statistics, government finance statistics and household finance statistics.</p> <p>Financial accounts are compiled quarterly (at present for internal purposes only).</p>	<p>The primary compilation source of b.o.p. statistics is the monthly report by the banking system (credit institutions, NBH).</p> <p>Timeliness is eight working days after the end of the reference month.</p> <p>In addition, a separate report is provided on a monthly basis by exchange offices (other than credit institutions) and by enterprises directly borrowing/extending loans from/to non-residents or holding accounts at non-resident banks.</p> <p>Timeliness: 20 calendar days after the end of the reference month.</p> <p>As a supplementary source, reports by FDI companies, resident direct investors, security traders and Central Clearinghouse and Depository (Budapest) Ltd. (KELER) are also used for compilation purposes.</p>	See bank balance sheet statistics.
<b>Collecting agents</b>	NBH	NBH	NBH	
<b>Users</b>	NBH (for purposes of reserve requirements and monetary policy)	NBH	NBH, IMF, OECD, Eurostat, BIS, World Bank, United Nations, general public, policy formulation	
<b>Description</b>	The daily and monthly reports of the credit institutions and the special report on other reserve items provide data for checking compliance with the reserve requirements.	<p>The NBH is co-operating with the CSO and the Ministry of Finance in the compilation of financial accounts.</p> <p>Financial accounts are planned to be published from 2001.</p>	See: Methodological Notes on the NBH's home page, under /Financial Data/ Statistical Releases/Balance of Payments Data for 1990-99 in euro/Methodological Notes/	

## **2 Monetary statistics**

### **2.1 Legal background and statistical standards**

#### **2.1.1 National legal aspects**

Credit institutions and other corporations providing supplementary financial services (but not characterised as credit institutions), as well as investment service providers and clearing houses, are obliged by the ANBH to supply information necessary for the NBH. The data needs for monetary statistics of the NBH are specified, among other details, in the “Guidelines for preparing the information to be provided by banks and specialised credit institutions to the NBH (Volume I)”. (Also available –in Hungarian only –on the website of the NBH.)

#### **2.1.2 Statistical standards**

The recommendations of the IMF have been implemented and those of the ESA 95 and the SNA 1993 have been partly implemented. From early 2001 the new breakdown of institutional sectors will conform to the ESA 95 and some of the ECB monetary and banking statistics requirements will also be met.

### **2.2 Concepts and definitions**

#### **2.2.1 Statistical definitions: economic territory and residency principles**

Residency is used for the separation of domestic and external accounts. The

definition of residency is consistent with the IMF Balance of Payments Manual (fifth edition) and the SNA 1993. Following the Hungarian banking statistics guidelines, enterprises are resident in Hungary if they have a centre of economic interest in the economic territory of Hungary. Enterprises or persons are said to have a centre of economic interest in Hungary if they are engaged in economic activities and transactions at a location (dwelling, place of production) within the economic territory for a period of one year or longer. The definition of economic territory does not include the territorial enclaves used by foreign governments or international organisations which are physically located within the geographical boundaries of Hungary (e.g. diplomatic and consular missions, offices of foreign armed forces, trade agencies, etc.). The branches of foreign banks in Hungary are regarded as resident. Similarly, branches of domestic banks abroad are classified as non-resident. Currently these two last categories are empty.

#### **2.2.2 Sectors in monetary statistics**

##### *2.2.2.1 Definition and classification of sectors in monetary statistics*

See Table 2.

**Table 2***(valid until early 2001)*

Sector classification	Sectors	Definitions
<b>Money-creating sector</b>	Central bank	The NBH only
	Credit institutions	Commercial banks, co-operative credit institutions and specialised credit institutions
<b>Money-holding sector</b>	Enterprises	Incorporated non-financial enterprises
	Local governments	Local governments and their institutions (public health institutions, educational institutions etc.)
	Households	Natural persons, self employed persons and non-incorporated enterprises
	Non-profit institutions	All non-profit-oriented legal or social entities that produce goods or services
	Other domestic sectors	Insurance companies and other financial intermediaries
<b>Money-neutral sector</b>	Government	The government budget, institutions of central government, separate government funds, social security funds and the State Privatisation and Holding Company
<b>Non-resident sector</b>	Non-residents	See 2.2.1

*(from early 2001)*

Sector classification	Sectors	Definitions
<b>Money-creating sector</b>	Central bank	The NBH only
	Credit institutions	Commercial banks, co-operative credit institutions and specialised credit institutions
<b>Money-holding sector</b>	Non-financial corporations	Partnerships with legal entity, incorporated enterprises, co-operatives, non-incorporated enterprises and non-profit institutions serving the above
	Other financial intermediaries, except insurance corporations and pension funds	Financial intermediaries not collecting deposits (e.g. corporations engaged in financial leasing, investment funds, venture capital companies and investment companies)
	Financial auxiliaries	Financial corporations with their main activity closely related to financial intermediation, non-profit institutions serving financial corporations (e.g. stock exchanges, clearing houses)
	Insurance corporation and pension funds	Insurance companies, private pension funds, voluntary mutual pension funds and voluntary health and mutual-aid funds
	Local government	Local governments and their institutions (public health institutions, educational institutions, etc.)
	Households	Natural and self-employed persons
	Social security funds	Pension and health insurance funds
	Non-profit institutions serving households	Non-profit institutions serving households only
<b>Money-neutral sector</b>	Central government	The government budget, institutions of central government, separated state funds, non-profit institutions financed and administered by the central government, the State Privatisation & Holding Company
<b>Non-resident sector</b>	Non-residents	See 2.2.1

## Hungary

**Table 3**

National sector classification	National sectors	Sectors in the ESA 95		ECB sector classification	
Money-creating sector	NBH	S121 Central bank	S12 Financial corporations	Money-creating sector	
	Credit institutions	S122 Other monetary financial institutions			
Money-holding sector	Other domestic sectors (insurance companies and other financial intermediaries)	S123 Other financial intermediaries, except insurance corporations and pension funds		Money-holding sector	
		S125 Insurance corporations and pension funds			
		S124 Financial auxiliaries			
	Enterprises	S11 Non-financial corporations			
	Households	S14 Households			
	n.a.	S15 Non-profit institutions serving households			
Money-neutral sector	Government	S1311 Central government	S13 General government	Money-neutral sector	
	Non-profit institutions*			Money-holding sector	
	n.a.	S1312 State government			
Money-holding sector	Local governments	S1313 Local government			
	Government	S1314 Social security funds			
Non-resident sector	Non-residents	S211 EU countries	S21 European Union	S2 Rest of the world	Non-resident sector
		S212 Institutions of the EU			
		S22 Third countries and international organisations			

\* For the time being, all non-profit institutions are treated as part of general government, i.e. non-profit institutions serving non-financial corporations, financial intermediaries, insurance corporations, pension funds, households, central government and local governments are included in this sub-sector.

### 2.2.2.2 Comparison between the sectors of national economy and the ESA 95

The Statistics Department of the NBH will introduce new institutional sectors following the ESA 95 in 2001. The new sector breakdown is identical to the sector breakdown that is currently applied by the CSO. In 2001 the following sectors will be used in all data collections:

#### Residents

- non-financial corporations;
- central bank;
- credit institutions;
- other financial intermediaries except insurance corporations and pensions funds;
- financial auxiliaries;
- insurance corporations and pension funds;
- central government;
- local government;
- social security funds;
- households;
- non-profit institutions serving households.

#### Non-residents

- rest of the world.

Until the end of 2001 the sector that comprises other monetary financial institutions will include only banks, specialised credit institutions and co-operative credit institutions. It will be decided later which members of the OFI sector (e.g. "money market funds") will belong to this sector.

See Table 3.

## 2.3 Population of monetary financial institutions

### 2.3.1 Definition of a credit institution (bank) and categories of credit institutions

The activities of credit institutions, such as financial services, auxiliary financial activities, bank representation activities, as well as deposit insurance arrangements, are, in general, regulated by the Act CXII of 1996 on Credit Institutions and Financial Enterprises (ACI). By early 2001 significant modifications of the ACI are expected, so that regulations on credit institutions will comply more closely with EU requirements.

According to the ACI, only credit institutions are allowed to:

- collect deposits and to accept other repayable monetary instruments from the public in excess of its equity capital without a bank guarantee;
- provide financial transaction services, unless otherwise provided by the law, and
- issue payment instruments substituting cash and provide related services.

Credit institutions may be banks, specialised credit institutions or co-operative credit institutions (savings or credit co-operatives). Only banks are licensed to perform the full range of financial services listed in the ACI. The activities of specialised credit institutions are, besides the ACI, governed by separate acts. With the exception of exchanging foreign currency, co-operative credit institutions are allowed to perform the activities defined in the ACI, though solely for their own members.

### 2.3.2 Definition of other monetary institutions

At present, the statistical sector of credit institutions includes banks, specialised credit institutions and co-operative credit institutions

only. The definition of this sector will, in the future, be brought into line with that of the ECB, by including “money market funds” in the definition of other monetary financial institutions.

## 2.3.3 Central government units with deposit liabilities included in measures of money

Not applicable.

**Table 4**

Institutions	Number of institutions
National central bank	1
Credit institutions	244
Banks	35
Specialised credit institutions	9
Co-operative credit institutions	200
Savings co-operatives	192
Credit co-operatives	8
Other monetary institutions	0
<b>Total</b>	<b>245</b>

## 2.4 Banking business: general deposits/other products

Credit institutions in Hungary generally offer all kinds of banking services to customers. This includes all categories listed in Section 3 of the ACI: the collection of deposits, lending, financial leasing, financial transaction services, issuing cash-substituting payment instruments, providing surety bonds and bank guarantees, commercial activities in foreign currency, foreign exchange, bills and cheques on own account or as commission agents, intermediation of financial services, custodian services for investment funds, account management services, safety deposit services, etc.

Lending and deposit services provided are: different types of credit such as overdrafts, fixed-term advances, loans with a flat-rate charge, investment credits, repayment loans; different types of accounts such as current

accounts, savings accounts, time deposits, but also products such as certificates of deposit and savings notes.

## 2.5 Statistical balance sheets of the monetary institutions

### 2.5.1 Description of the main balance sheet items

The statistical balance sheet of the NBH shows, on a gross basis, the domestic and foreign assets and liabilities. It includes, in particular:

Assets:

- foreign reserves;
- claims on residents (including claims on banks, the government, shown separately);
- claims on non-residents.

Liabilities:

- capital;
- provisions;
- liabilities due to residents;
- liabilities due to non-residents.

The monetary base (reserve money) is reported as a memorandum item.

The aggregate balance sheet of credit institutions includes:

Assets:

- claims on general government and non-profit institutions;
- claims on incorporated non-financial enterprises;
- claims on self-employed persons and non-incorporated enterprises;

- claims on households;
- claims on non-residents;
- claims on the central bank;
- claims on credit institutions and other financial institutions;
- cash in hand;
- specific provisions;
- accrued interest receivable;
- provision for assets;
- treasury stock;
- other assets.

*Liabilities:*

- deposits of general government and non-profit institutions;
- deposits of incorporated non-financial enterprises;
- deposits of self-employed persons and non-incorporated enterprises;
- household deposits;
- liabilities to non-residents;
- liabilities to the central bank;
- liabilities to credit institutions and other financial institutions;
- domestically issued securities;
- subordinated loans;
- provisions;
- equity;
- accrued interest payable;

- other liabilities.

Differences between the statistical balance sheet and the credit institutions' aggregated statutory accounts:

- the statistical balance sheet does not include credit institutions' own bonds repurchased;
- liabilities of credit institutions arising from bonds issued abroad and foreign syndicated loans are shown as liabilities to owners/creditors, based on the individual reports of credit institutions;
- due to misreporting by a number of banks, foreign assets and liabilities in b.o.p. statistics are not comparable with those in the statutory accounts; it is the b.o.p. stock data that are shown in the aggregate balance sheet.

Starting from early 1999, foreign assets and liabilities as well as the balance sheet total also include the total of financial derivatives.

### **2.5.2 Breakdown of the main balance sheet items by instrument/maturity, counterparty and currency**

Breakdown by instrument:

*Assets:*

- credits;
- government debt due to consolidation;
- government bonds;
- Treasury bills;
- compensation vouchers;
- bonds;
- certificates of deposit;
- repos;



## Hungary

- discounted bills;
- overdrafts;
- financial leasing.

### *Liabilities:*

- sight and current account deposits;
- time deposits;
- documentary deposits;
- repos.

### *Sector breakdown:*

- general government and non-financial institutions;
- incorporated non-financial enterprises;
- non-incorporated enterprises and self-employed persons;
- households;
- non-residents;
- central bank;
- credit institutions;
- other financial institutions.

### *Maturity breakdown:*

- sight;
- maturity of one year or less;
- maturity of over one year.

### *Maturity breakdown as from 2001:*

- sight;
- maturity of one year or less;

- maturity of over one year and less than two years;
- maturity of over two years.

### *For some memorandum items:*

- maturity of one year or less;
- maturity of over one year and less than five years;
- maturity of over five years.

### *Currency breakdown:*

- domestic currency;
- foreign currency.

### *Currency breakdown as from 2001:*

- domestic currency;
- euro;
- other foreign currency.

## **2.6 Measure(s) money: definitions and remarks**

### **2.6.1 Definition of money and instrument breakdown of monetary aggregates**

At the beginning of January 1998, the publication of M2 was discontinued, because since that date some time deposits (e.g. savings notes) – similar to bonds, but not possessing all the attributes of securities – have been reclassified as deposits instead of bonds.

By early 2001 the publication of M2 data will be resumed and earlier figures recalculated.

See Box I.

**Box 1****M1** includes:

- banknotes and coin outside banks
- sight deposits and current accounts in HUF

**M2** includes:

- M1
- time and savings deposits in HUF
- foreign currency deposits with resident credit institutions

**M3** includes:

- M2
- securities issued by resident credit institutions

**M4** includes:

- M3
- government paper (state bonds and Treasury bills) outside the banking system
- NBH domestic bonds outside the banking system

**2.6.2 Sectoral allocation of holdings of negotiable instruments**

Transferable instruments included in the monetary aggregates are cash (banknotes and coin) and negotiable securities. An accurate sector breakdown of transferable instruments such as banknotes and coin, certificates of deposit, commercial paper, bank bearer bonds is not available.

**2.7 Counterparts of money**

The Banking Survey consolidates the accounts of the NBH and the credit institutions. Its

main asset side components – domestic credit, net other assets and net external position – focus on the domestic and external counterparts to money supply.

See Box 2.

**2.8 Reserve money**

Reserve money (monetary base) is calculated as a sum of the end-of-month value of currency in circulation, the monthly average of credit institutions' daily reserve balances and some other –non-remunerated –domestic currency deposits with the central bank.

**Box 2****Domestic credit**

Domestic credit has two components: net claims on central government and credits to other domestic sectors:

- net claims on central government include: credits to the central budget granted by the NBH, government paper owned by the NBH less deposits of the government; government securities owned by credit institutions, government debt due to consolidation, credits assumed by the state and credits to budgetary institutions and to separated state funds granted by banks before 1996, less their deposits
- credits to other domestic sectors (non-financial enterprises, households) comprise all credits (granted in domestic and foreign currency, short-term and long-term credits) including special credits

**Net other assets**

All net claims and liabilities of credit institutions and of the central bank not shown in other balance sheet items of the Banking Survey

**Net external assets**

This item is published in the form of net external liabilities

## 2.9 Reporting procedures

### 2.9.1 Powers to collect statistics and collecting agents

The ANBH empowers the NBH to collect information from monetary financial institutions for statistical and other purposes. The legal basis for statistical data collection from other institutions (e.g. other financial institutions, non-financial corporations) is the AST. According to this, members of the NSS, to which the NBH also belongs, are authorised to collect information for statistical purposes from any institution or person.

### 2.9.2 Identification of the reporting population (reporting coverage)

See Table 5.

### 2.9.3 Reporting schemes

Data submitted to the NBH by banks include the balance sheet, off-balance-sheet items, the income statement of credit institutions, a series of annexes containing more detailed information on credit and deposit transactions with customers, on credits and deposits of entrepreneurs, information on

interest rates, etc. Most of the data collected from banks are electronically transmitted via the dedicated clearing network.

Some data from co-operative credit institutions and non-financial corporations are transmitted to the NBH by fax.

*Reporting frequency:*

- Daily:
  - daily report on credits and deposits of non-financial enterprises, households and other sectors;
  - report on the interbank HUF credit and deposit interest rates.
- Monthly:
  - statutory balance sheet and income statement;
  - off-balance sheet items;
  - balance sheet items subject to reserve requirements;
  - final daily report on credits and deposits of non-financial enterprises, households and other sectors<sup>1</sup>;

**Table 5**

	Reporting institutions		Total balance sheet
	Number of reporting agents	% (of the total category)	% (of the total balance sheet of all institutions)
National central bank	1	100	43
Credit institutions	244	100	57
Banks	35	100	51.3
Specialised credit institutions	9	100	2.4
Co-operative credit institutions	200	100	3.3
Savings co-operatives	192	100	3.3
Credit co-operatives	8	100	0
Other monetary institutions	0	-	0
<b>Total</b>	<b>245</b>	<b>-</b>	<b>100</b>

- report on interest rates on deposits and credits of non-financial enterprises and households;
- report on banknotes and coin;
- report on foreign currency credits of non-financial enterprises and private persons granted directly from abroad.
- Quarterly:
  - quarterly asset/liability plan;
  - breakdown of credits and deposits of non-financial enterprises by branches;
  - report on credit card issues.
- Annually:
  - audited balance sheet data of credit institutions.

Co-operative credit institutions have to supply less information than banks.

#### **2.9.4 Special reporting procedures for the national central bank**

Main items:

- Daily:
  - the balance sheet of the NBH.
- Monthly:
  - end-of-month balance sheet of the NBH;
  - interest rates on the reserve base;
  - composition of international reserves.
- Quarterly:
  - interest accumulated on the balance sheet items;

- provisions for assets and securities.
- Semi-annually:
  - statistics on the circulation of currency.
- Annually:
  - audited balance sheet.

### **2.10 Data processing and compilation methods**

#### **2.10.1 Basis of calculation**

Data are mainly end-of-period figures (an important exception is the monetary base).

#### **2.10.2 Revisions**

Within the framework of regular revisions, preliminary data are replaced monthly by final (revised) data, and end-of-the-year balance sheet data of credit institutions annually by audited figures. Ad hoc revisions can occur when significant errors are found during on-site inspections of credit institutions. Provisional data and revisions are marked and explained in footnotes.

#### **2.10.3 Derivation of flow statistics**

##### **2.10.3.1 Breaks in series**

Breaks in data are, as far as possible, removed from the published series. When the break in the series is due to changes in definitions or methodology, data are adjusted and made consistent with new definitions for the whole series, using estimates when required. If the recalculation of the series is not possible, breaks are highlighted in footnotes.

*I Final version of the end-of-month 'Daily report on credits and deposits of non-financial enterprises, households and other sectors'.*

## Hungary

### 2.10.3.2 Other adjustments

Not applicable.

### 2.10.3.3 Derivation of flows

Effects of write-offs are reported by credit institutions. Transactions are calculated by removing these and the effects of exchange rate changes from the differences of stocks. The methodology of calculating flows is under revision due to the fact that it is not uniform across various statistics.

### 2.10.4 Seasonal adjustment

At present, the seasonal adjustment of monetary aggregates and counterparts is carried out for internal use only (using SEATS-TRAMO). Seasonally adjusted monetary aggregates will be published starting from early 2001.

## 2.11 Publications

### 2.11.1 First release of data (including the medium)

- The analytical accounts of the central bank are published monthly, 7 days after the end of the reference month.
- The analytical accounts of the banking sector are published monthly, 14 days after the end of the reference month.
- Interest rate statistics of deposits and credits for other sectors are published monthly 33 days after the end of the reference month.

- The sector breakdown of securities holdings is published quarterly, 22 days after the end of the reference quarter.

- The analytical accounts of the central bank and the banking sector based on final figures are published monthly, 53 days after the end of the reference month.

Monthly or quarterly data are first released in press releases (except for the last item where the first release is on the website only) and later in the Monthly Report of the NBH. All published statistical data are simultaneously available to all users.

The statistical releases, the Monthly Report of the NBH (including the advance release calendar), as well as the time series of the most important data published by the NBH are available on its website.

### 2.11.2 Core weekly/monthly publications

Statistical data are published simultaneously for all users outside the NBH on the website of the central bank.

Main publications:

- press releases,
- Monthly Report.

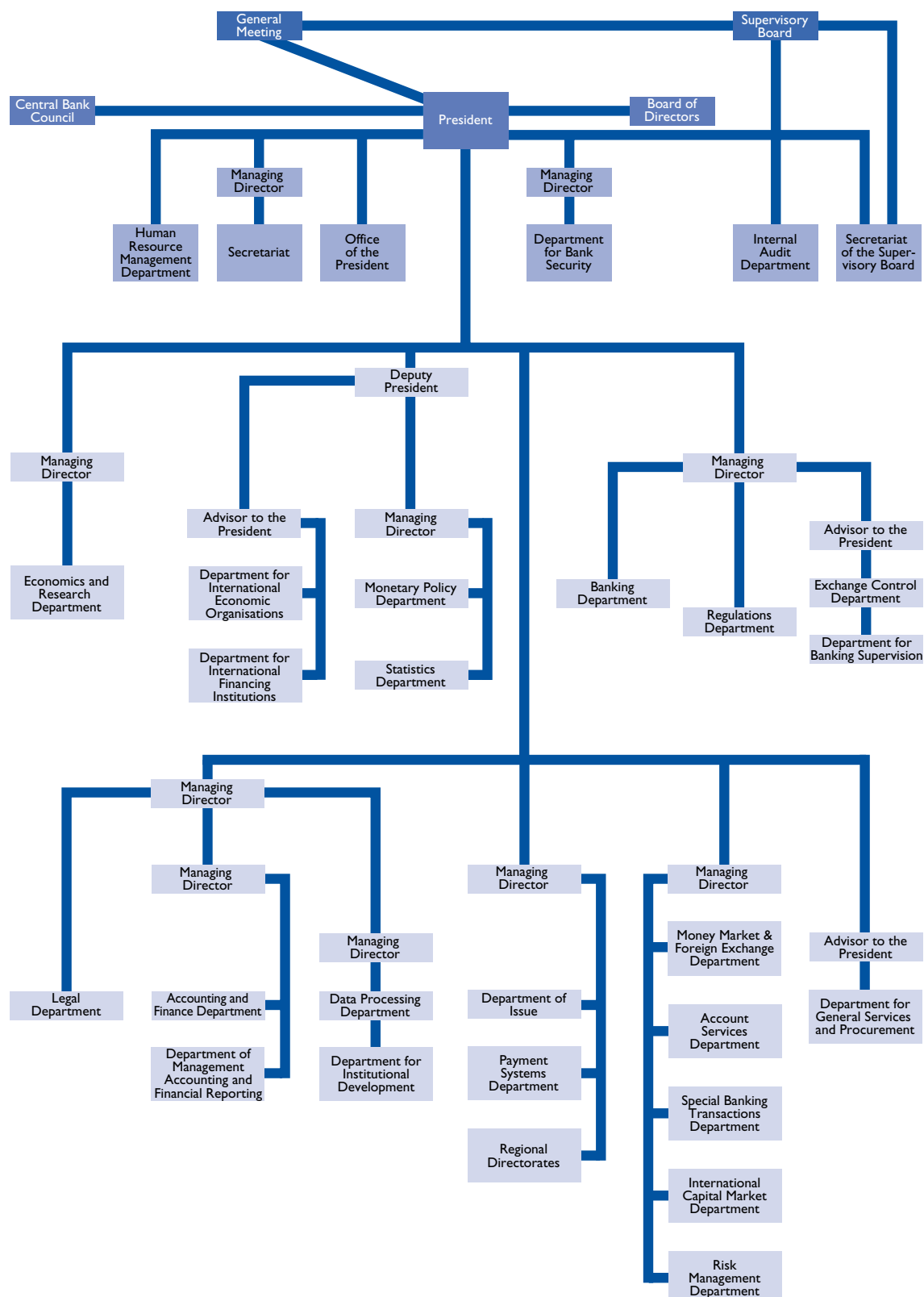
### 2.11.3 Other statistical publications

Other main publications:

- occasional methodological papers.

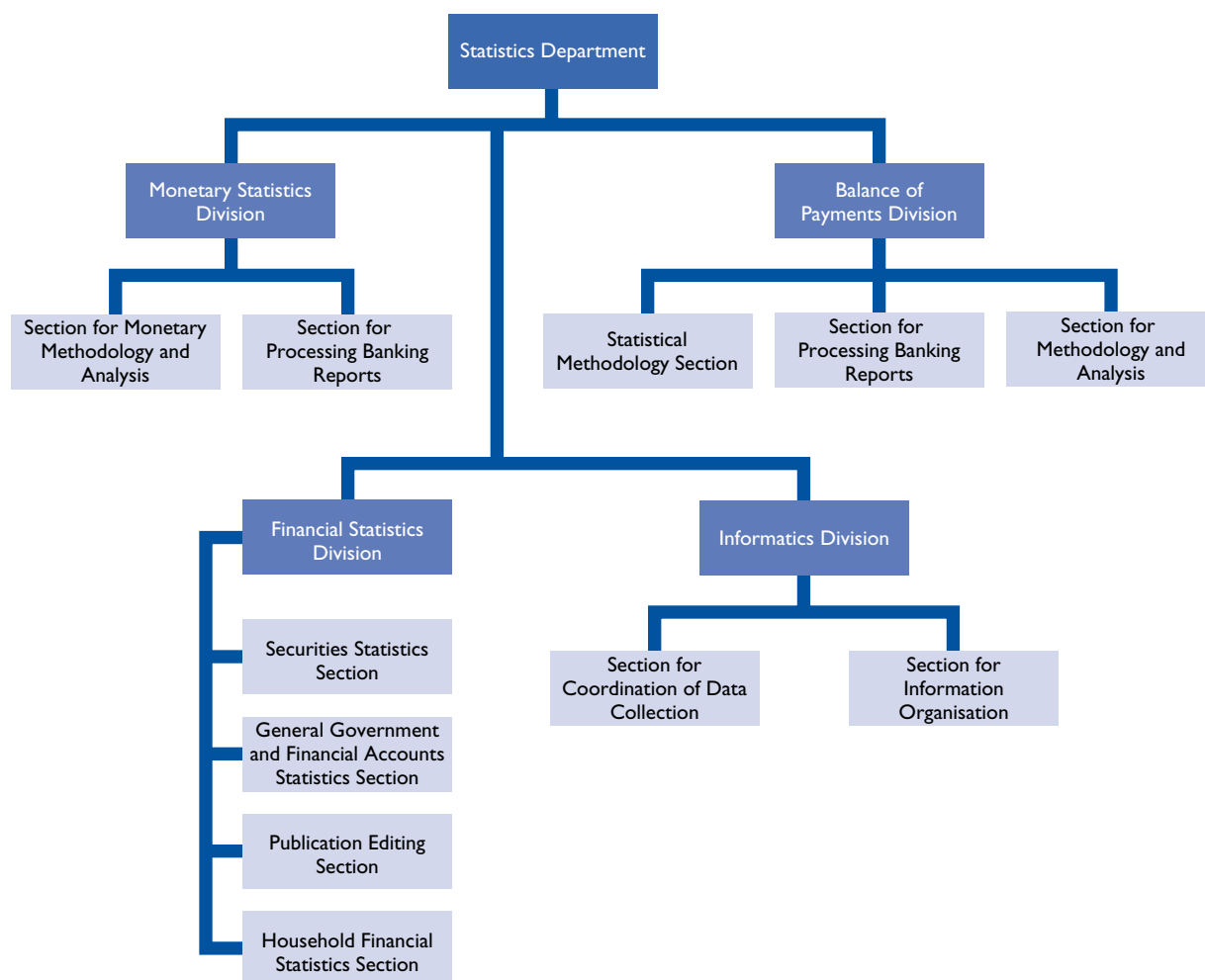
## Annexes

## I Organisation chart of the National Bank of Hungary (NBH)



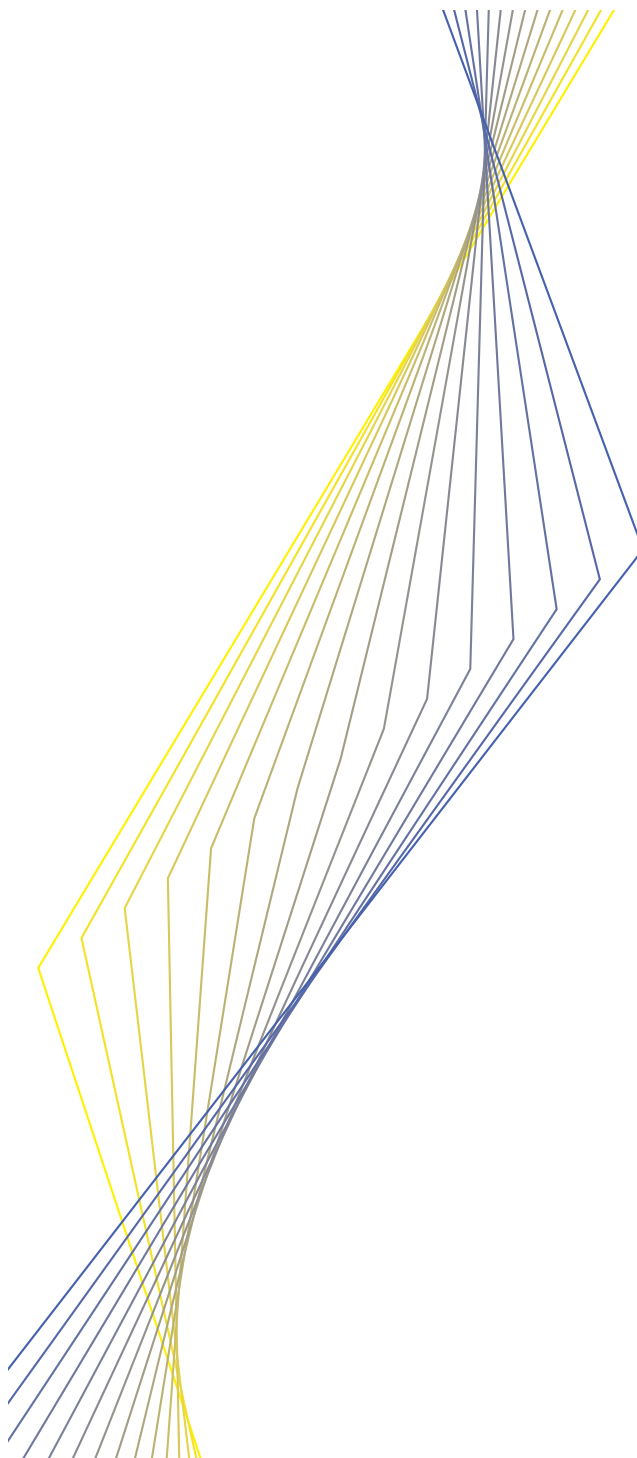
## Hungary

### 2 Organisation chart of the Statistics Department of the NBH





EUROPEAN CENTRAL BANK



**Latvia**



### List of abbreviations

<b>ECB</b>	European Central Bank
<b>EMI</b>	European Monetary Institute
<b>IMF</b>	International Monetary Fund
<b>LVL</b>	Latvian lats

## I Legal and institutional background

### I.1 Organisational structure

#### I.1.1 Organisation chart of the national central bank

The Governor of Latvijas Banka (the Bank of Latvia) is appointed by Parliament upon the recommendation of at least ten Members of Parliament. The Deputy Governor and members of the Board of Governors are appointed by Parliament upon the recommendation of the Governor of the Bank of Latvia. They are all appointed for a term of six years.

The Executive Board of the Bank of Latvia consists of six persons drawn from the Bank's senior management by the Board of Governors. The Executive Board manages the Bank's day-to-day activities and implements the directives of the Board of Governors.

See Annex 1.

#### I.1.2 Organisation of the statistical work at the national central bank

See Annex 2.

### I.2 Legal background

The Bank of Latvia, Latvia's central bank, is a public law entity established by Parliament (the *Saeima*, the former Supreme Council) and operates under the Law on the Bank of Latvia (adopted on 19 May 1992 and amended in 1997, 1998 and 1999).

The Law on the Bank of Latvia is available on the Bank's website at:  
[www.bank.lv/about/English/index.html](http://www.bank.lv/about/English/index.html).

### I.3 Institutional aspects

#### I.3.1 The role of the national central bank

##### I.3.1.1 Introduction

The Bank of Latvia is independent in the adoption of its decisions and in their practical implementation in accordance with Article 13 of the Law.

Under the Law on the Bank of Latvia, the Bank:

- is the sole bearer of the right to issue the national currency (banknotes and coin);
- sets the exchange rate of the national monetary unit against foreign currencies;
- supervises and audits credit institutions. Under the Law on the Financial and Capital Markets Commission, which will become effective on 1 July 2001, the credit institutions shall be regulated and supervised by a single authority, the Financial and Capital Markets Commission;
- issues licences to credit institutions and other legal entities listed in the Republic of Latvia Register of Enterprises for the purchase and sale of foreign currency as a business activity;
- collects, registers and compiles financial and balance of payments statistics, as well as publishes the compiled statistics;
- organises and ensures the operation of the settlement and payment systems in Latvia;
- upon receipt of specific authorisation from the Government, is entitled to act as the Government's financial agent in banking transactions.

##### I.3.1.2 General responsibilities of the national central bank

The main objective of the Bank of Latvia is to implement monetary policy by controlling the

amount of money in circulation with the aim of maintaining price stability in the country. The Bank of Latvia seeks to facilitate free competition, effective allocation and circulation of assets, and the stability, co-ordination and supervision of the financial system.

The Bank of Latvia is the consultant of the government and Parliament on monetary policy and banking operation policy.

The Bank of Latvia represents the Republic of Latvia in dealings with foreign central banks and international monetary institutions. The Governor of the Bank represents the Bank of Latvia in relations with other banks, central and local government institutions of Latvia and international financial organisations.

More information on the objectives of the Bank of Latvia is available on the Bank's website at [www.bank.lv](http://www.bank.lv) in the section "About the Bank of Latvia".

### **1.3.2 Macroeconomic statistics: main responsibilities of domestic public authorities**

#### *1.3.2.1 Main responsibilities of the national central bank in the field of macroeconomic statistics*

The Bank of Latvia collects, registers and compiles banking and monetary statistics and, since January 2000, balance of payments (b.o.p.) statistics (Law on the Bank of Latvia, Article 40). The Bank is also responsible for reserve base statistics and, until 30 June 2001, for the prudential supervision of credit institutions.

The Bank of Latvia publishes banking and monetary statistics on a monthly and quarterly basis in its Monetary Bulletin and its Monetary Review. The Bank also publishes an Annual Report. The publications are available to the public in hard copy and on the Bank of Latvia's website. B.o.p. statistics will be published on a quarterly basis and disseminated via the Bank's website and in the quarterly Balance of Payments Bulletin.

The Bank submits the collected data for publication in monthly International Financial Statistics of the International Monetary Fund (IMF) and in the monthly Economic Indicators of Eastern Europe of the Bank for International settlements (BIS), as well as in the Eurostat information system.

Since 1996, Latvia has been a subscriber to the IMF's Special Data Dissemination Standard (SDDS), which applies to the dissemination of key economic and financial data.

#### *1.3.2.2 Main responsibilities of other public authorities in the field of macroeconomic statistics and co-operation with the national central bank*

Under the Law on State Statistics, adopted on 6 November 1997 and amended in 1999 ([www.csb.lv/legalb.htm](http://www.csb.lv/legalb.htm)), the Central Statistical Bureau of Latvia is responsible for the collection and publication of the country's statistical information on economic, demographic and social phenomena and processes, and on the environment. The website address of the Central Statistical Bureau of Latvia is [www.csb.lv](http://www.csb.lv).

The Bank of Latvia has an agreement with the Central Statistical Bureau of Latvia on co-operation in the area of statistics and the exchange of macroeconomic data.

The Bank of Latvia also has an agreement with the Ministry of Finance of Latvia on the exchange of statistical data relating to government finances, international reserves and foreign currency liquidity.

The Bank of Latvia, the Riga Stock Exchange and the Latvian Central Depository exchange data relating to the securities market. These data include the amounts and types of securities issued and owned by legal and natural persons.

#### *1.3.2.3 Overview of statistical data collection and compilation*

See Table I.

Table I

Statistical areas:	Money and banking statistics		
	Bank balance sheet statistics/ monetary aggregates and counterparts	Interest rate statistics	Security issues statistics
<b>Data collected</b>	<p>“Credit Institutions’ Monthly Financial Position Reports” with supplements are submitted within six working days of the end of the reporting period. Preliminary aggregated data are available on the ninth working day, and the final data on the 18th working day following the reporting period. The data collected are stock data.</p> <p>Aggregated data for the Credit Institutions’ Monthly Financial Position Reports serve as the basis for the monetary aggregates calculation.</p>	<p>“Report on Interest Rates and Volumes of Non-bank Loans and Deposits” and “Report on Interest Rates and Volumes of Interbank Market Loans”. Market reports are submitted by non-banks by the fifth day of the following month by all credit institutions. Interbank market reports are submitted by banks on the next working day after the seventh, 15th, 23rd and last day of the reporting month.</p> <p>Final aggregated data are available on the third day after the reporting date.</p>	<p>Banks submit reports on the secondary market for Latvian government securities (a separate report for each security) by the seventh day of the following month.</p> <p>Aggregated data are available on the twelfth day after the reporting period.</p> <p>The Securities Market Commission of Latvia publishes daily updated reports on securities issues and periodical (annual) overviews of the Latvian securities market containing the following data: total number of securities accounts with a breakdown by type of account owner, amounts held in securities portfolios, and the Riga Stock Exchange turnover by security type.</p> <p>Data are available on the internet at <a href="http://www.vtk.gov.lv">www.vtk.gov.lv</a></p>
<b>Collecting agents</b>	Bank of Latvia	Bank of Latvia	Bank of Latvia Securities Market Commission of Latvia
<b>Users</b>	Bank of Latvia Central Statistical Bureau of Latvia Ministry of Finance of Latvia Association of Latvian Commercial Banks	Bank of Latvia Central Statistical Bureau of Latvia	Bank of Latvia Central Statistical Bureau of Latvia Association of Latvian Commercial Banks
<b>Description</b>	<p>Credit institutions’ balance sheet statistics are produced on the basis of surveys of the reporting population of credit institutions (with valid operating licences).</p> <p>Banks submit their reports electronically using the interbank data transmission network. Credit unions submit data on paper.</p> <p>Data are input electronically to obtain a version in the Microsoft Excel 97 environment. Data are stored by means of the Microsoft SQL server 7.0.</p>	<p>Reports include data on recently granted loans or attracted deposits. Interest rates are given as weighted averages.</p> <p>Data are submitted on paper.</p> <p>Data are input electronically to obtain a version in the Microsoft Excel 97 environment. Data are stored by means of the Microsoft SQL server 7.0.</p>	<p>Reports on secondary securities market transactions involving Latvian government securities are submitted to the Bank of Latvia on paper.</p> <p>Data are input electronically to obtain a version in the Microsoft Excel 97 environment. Data are stored by means of the Microsoft SQL server 7.0.</p> <p>The Securities Market Commission of Latvia registers data on securities issues.</p>

**Table I (continued)**

Statistical areas:	Reserve base	Financial accounts	Balance of payments	Prudential supervision
<b>Data collected</b>	<p>The reporting form entitled "Calculation of Reserve Needs" is submitted within five working days of the 15th day of the reporting month and the form "Comparison of Reserve Needs with Actual Performance" is submitted by banks by the fifth day of the following month.</p> <p>Aggregated data are available on the second working day after the reporting date.</p>	<p>The Central Statistical Bureau of Latvia collects non-bank balance sheets and profit and loss accounts, the general government consolidated budget, surveys on non-financial investments and construction, etc. Data are collected on an annual basis.</p> <p>The Bank of Latvia provides the Central Statistical Bureau of Latvia with its own balance sheet, the aggregated balance sheet of credit institutions and the aggregated balance sheet of banks, the licences of which have been revoked. The Bank of Latvia also provides profit and loss accounts from the banking sector and the balance of payments financial account.</p> <p>Final data are published in the 17th month after the reporting year.</p>	<p>The Bank of Latvia collects data on non-bank external payments submitted by banks on the third working day after the seventh, 15th, 23rd and last day of the month. Non-banks submit data relating to incoming external payments by the fifth working day of the following month.</p> <p>The Central Statistical Bureau of Latvia provides aggregated data on foreign trade the 50th day after the reporting month. The quarterly report on company external settlements is released on the 75th day after the reporting month and the survey of travellers' expenditure by 1 February, 15 April and 15 October.</p> <p>The balance of payments is available on the 90th day after the end of the reporting quarter.</p>	<p>Prudential returns:</p> <ul style="list-style-type: none"> <li>• calculation of capital adequacy;</li> <li>• report on the term structure of assets and liabilities ("maturity ladder");</li> <li>• calculation of the liquidity ratio;</li> <li>• report on large exposures;</li> <li>• report on exposures to persons connected with a credit institution;</li> <li>• report on foreign currency open positions;</li> <li>• report on country risk (exposures per country);</li> <li>• report on the evaluation of assets and off-balance-sheet items (loan classification and provisioning);</li> <li>• reports on investments of credit institutions;</li> <li>• qualifying holdings and fixed assets.</li> </ul> <p>These returns are submitted by credit institutions by the 15th day of the following month.</p> <p>Aggregated data are prepared only on loan classification and provisioning.</p>
<b>Collecting agents</b>	Bank of Latvia	Central Statistical Bureau of Latvia	Bank of Latvia	Bank of Latvia
<b>Users</b>	Bank of Latvia	Central Statistical Bureau of Latvia Ministry of Finance of Latvia Bank of Latvia	Bank of Latvia Central Statistical Bureau of Latvia	Bank of Latvia
<b>Description</b>	<p>Data are collected for the reserve requirements only. Reserve requirements are applied to the following attracted funds:</p> <ul style="list-style-type: none"> <li>• all types of non-bank deposits, excluding central government budget funds;</li> <li>• issued securities.</li> </ul> <p>Data are submitted in paper form.</p> <p>Data are input electronically to obtain a version of the reports in the Microsoft Excel 97 environment. Data are stored by means of the Microsoft SQL server 7.0.</p>	<p>Calculations are performed using the ESA 1995 methodology.</p> <p>All statistical surveys of enterprises and all aggregate information from banks and insurance companies are received on paper. Enterprise data are stored electronically in databases (ACCESS and FOX PRO). Financial accounts worksheets are calculated using EXCEL.</p>	<p>Within the International Transaction Reporting System, data on all non-bank external payments passing through the domestic banks are collected electronically (threshold: LVL 1,000).</p> <p>Reports from non-banks are submitted on paper.</p> <p>Data are input electronically to obtain a version of the reports in the Microsoft Excel 97 environment. Data are stored by means of the Microsoft SQL server 7.0.</p>	<p>Data are submitted on paper.</p> <p>Data are input electronically to obtain a version of the reports in the Microsoft Excel 97 environment.</p>

## 2 Monetary statistics

### 2.1 Legal background and statistical standards

#### 2.1.1 National legal aspects

The Law on State Statistics defines the organisational structure of State statistics in the Republic of Latvia and authorises the Bank of Latvia to collect data for monetary and banking statistics purposes, as well as for the balance of payments compilation (Articles 4 and 7).

In accordance with Article 39 of the Law on the Bank of Latvia, the Bank approves statistical reporting forms and the procedures for submitting such reports. Article 40 of the Law requires the Bank to collect, register and compile financial and balance of payments statistics, as well as publish the compiled statistics (see website at [www.bank.lv/about/English/index.html](http://www.bank.lv/about/English/index.html)).

#### 2.1.2 Statistical standards

The Bank of Latvia compiles banking and monetary statistics in accordance with the IMF recommendations set forth in the Manual on Monetary and Financial Statistics and the European Central Bank (ECB) recommendations with respect to banking statistics laid out in the publications entitled “Statistical Requirements for Stage Three of Monetary Union” (European Monetary Institute (EMI), July 1996) and “Money and Banking Statistics Compilation Guide” (EMI, 1998).

In order to provide for the publication of data in compliance with the internationally recognised classification, credit institutions in the Republic of Latvia are required to use the Statistical Classification of Economic Activities in the European Community (NACE), the Codes for the representation of names of countries and their subdivisions (ISO 3166) and the Codes for the representation of currencies and funds (ISO 4217) when preparing statistical reports.

### 2.2 Concepts and definitions

#### 2.2.1 Statistical definitions: economic territory and residency principles

The boundaries of the economic territory used for the purposes of monetary statistics are the same as those of Latvia’s present geographic territory.

In order to define the sectors “total economy” and “rest of the world” in the national accounts, definitions from the European System of Accounts (ESA 95) have been used.

The definitions of residents and non-residents in the Bank of Latvia “Regulation for the Preparation of Credit Institutions’ Monthly Financial Position Reports and Supplements” (adopted by the Bank of Latvia Board of Governors: Resolution No. 36/6 of 14 November 1996, as amended in accordance with Bank of Latvia Board of Governors Resolutions No. 56/4 of 11 March 1999 and No. 58/4 of 15 July 1999) are as follows:

- Residents include all institutions, including foreign ones, that are registered and operate in the territory of the Republic of Latvia. Private persons are considered residents if they have been residing in Latvia for more than one year. Diplomatic, consular and other official representative offices of the Republic of Latvia abroad are also considered residents.
- Non-residents include all institutions registered abroad. Latvian enterprises and their branches registered abroad are regarded as non-residents, as are private persons residing and working in Latvia for less than one year, as well as tourists, seasonal workers and foreign students. Non-residents also include foreign diplomatic and consular missions and representative offices of international institutions in Latvia.

## Latvia

- The foreign branches of domestic banks are treated as non-residents and, conversely, foreign banks' domestic branches are treated as residents.

### 2.2.2 Sectors in monetary statistics

#### 2.2.2.1 Definition and classification of sectors in monetary statistics

See Table 2.

#### 2.2.2.2 Comparison between the sectors of the national economy and the ESA 95

The sectoral breakdown for the purposes of the reporting form "Credit Institutions' Monthly Financial Position Report" differs slightly from the institutional breakdown in the ESA 95 (see Table 3):

- social security funds are classified under central government, whereas these are stated separately in the ESA 95;
- other financial institutions are not broken down into the institutional sub-sectors S123, S124 and S125, because the assets of institutions included therein are insignificant compared with the banking sector figures.

**Table 2**

Sector classification	Sectors		Definitions	
<b>Money-creating sector</b>	Central bank	Bank of Latvia	The Bank of Latvia is the central bank of the Republic of Latvia.	
	Credit institutions	Banks	A credit institution is a business venture that has been established to accept deposits and other repayable funds, and to grant loans on its own behalf. A credit institution operates as a bank or credit union, or a branch of a foreign bank.	
		Credit unions		
		Branches of foreign banks		
<b>Money-holding sector</b>	Other financial institutions	Public financial institutions <sup>1)</sup>	Financial institutions are undertakings (business ventures) established to render one or several financial services, except accepting deposits and other repayable funds, to conduct insurance operations or to acquire holdings in the equity of other undertakings (business ventures).	
		Private financial institutions		
	Non-financial enterprises	Public enterprises <sup>1)</sup>	An enterprise is a legal entity that produces goods for the market or provides non-financial services in order to gain profit or reap some other benefit.	
		Private enterprises		
	Private persons		Private persons are individuals who consume goods and use services and who may also be involved in economic activity.	
<b>Money-neutral sector</b>	Social and religious organisations		Non-governmental and religious organisations are non-profit institutions that produce goods or provide services to private persons free of charge or for a minimum fee and that are established with a goal that lacks the purpose and character of generating profit.	
	Government	Central government (including social security funds)	Central government is made up of governmental bodies, including ministries, embassies, representative offices, agencies, councils, educational establishments, as well as health care, jurisdictional, cultural and other governmental institutions that are financed from the central government budget.	
		Local government		
<b>Non-resident sector</b>	Non-residents <sup>2)</sup>	European Union (EU)	Non-residents include all institutions registered abroad. Latvian enterprises and their branches registered abroad are regarded as non-residents, as are private persons residing and working in Latvia for less than one year, as well as tourists, seasonal workers and foreign students.	EU
		Other countries and international organisations		Non-EU countries

1) A public enterprise is an enterprise, in which the State owns more than 50% of the paid-up share capital or voting rights, or which is directly or indirectly controlled by the State.

2) The institutional breakdown for the non-resident sector is the same as for the resident sector.

Table 3

National sector classification	National sectors		Sectors in the ESA 95		ECB sector classification		
Money-creating sector	Central bank	Bank of Latvia	S121 Central bank		Money-creating sector		
	Credit institutions	Banks	S122				
		Credit unions	Other monetary financial institutions				
		Branches of foreign banks					
Money-holding sector	Other financial institutions	Public financial institutions	S123 Other financial intermediaries, except insurance corporations and pension funds		Money-holding sector		
		Private financial institutions	S124 Financial auxiliaries				
			S125 Insurance corporations and pension funds				
	Non-financial enterprises	Public enterprises	S11				
		Private enterprises	Non-financial corporations				
	Private persons		S14 Households				
	Social and religious organisations		S15 Non-profit institutions serving households				
	Money-neutral sector	Government	Central government (including social security funds)	S1311 Central government		Money-neutral sector	
			n.a.	S1312 State/regional government		Money-holding sector	
			Local government	S1313 Local government			
n.a.		S1314 Social security funds					
Non-resident sector	Non-residents <sup>1)</sup>	European Union	S211 EU countries	S21 EU	S2 Rest of the world	Non-resident sector	
			S212 Institutions of the EU				
		Other countries and international organisations	S22 Third countries and international organisations				

1) The institutional breakdown for the non-resident sector is the same as for the resident sector.



## 2.3 Population of monetary institutions

### 2.3.1 Definition of a credit institution (bank) and categories of credit institutions

At the end of October 2000, there were 36 credit institutions operating under licences to conduct credit institution activities issued by the Bank of Latvia (see Table 4).

According to the Law on Credit Institutions, “(a) credit institution in the Republic of Latvia shall operate as a bank or as a credit union, or a branch of a foreign bank” (Article 3).

A “credit institution” is defined as a business venture that has been established to accept deposits and other repayable funds, and to grant loans on its own behalf (Article 1).

### 2.3.2 Definition of other monetary institutions

Not applicable.

### 2.3.3 Central government units with deposit liabilities included in measures of money

The Bank of Latvia does not include central government deposit liabilities in its measures of money.

**Table 4**

Institutions	Number of institutions
Bank of Latvia	1
<b>Credit institutions</b>	<b>36</b>
Banks	21
Credit unions	14
Branches of foreign banks	1
<b>Other monetary institutions</b>	<b>0</b>
<b>Total</b>	<b>37</b>

## 2.4 Banking business: general deposits/other products

The general outline of financial services provided by credit institutions is given in the Law on Credit Institutions (adopted on 5 October 1995 and amended in 1996, 1997 and 1998). According to Article 1, item 4, the financial services are as follows:

- accepting deposits and other repayable funds;
- lending, also under the terms of financial leasing;
- money transmission services;
- issuing and servicing payment instruments other than cash;
- trading money market instruments (cheques, bills of exchange, certificates of deposit, etc.), foreign currency, financial contracts and securities on its own and its customers' behalf;
- trustee operations;
- safekeeping and administration of securities;
- issuing guarantees (warranties) and other such statements of commitment that obligate the issuer to assume the responsibility for the debt of a third party;
- keeping of valuables;
- participation in the issue of shares and the rendering of related services;
- providing consultations to customers with regard to financial issues;
- intermediation in the market of money instruments;
- providing information related to the settling of customer liabilities;

- other transactions similar in nature to the above-mentioned financial services.

The types of deposit listed under Article 67 are:

- demand deposits of indefinite maturity, to be paid out on demand;
- time deposits;
- deposits with agreed maturities;
- deposits with indefinite maturities, requiring prior notice of withdrawal.

Time deposits placed with a credit institution for an indefinite term cannot be withdrawn any earlier than one month after the deposit is received. An application for withdrawal has to be submitted ten days prior to the withdrawal date unless the agreement specifies otherwise.

## **2.5 Statistical balance sheets of the monetary institutions**

### **2.5.1 Description of the main balance sheet items**

#### *Liabilities*

“Liabilities to central banks and credit institutions” cover all liabilities resulting from transactions with domestic and foreign central banks and credit institutions, except liabilities incurred as a result of issuing debt securities. Liabilities to the Bank of Latvia resulting from repurchase agreement (repo) transactions, collateralised (lombard) credits and other transactions are shown separately.

“Deposits with non-banks” include all liabilities to non-banks, except liabilities incurred as a result of issuing bonds or other debt securities.

“Debt securities issued” are liabilities resulting from the issuance of bonds and other debt securities (transferable notes and

certificates of deposit issued by the credit institution).

“Managed liabilities” are liabilities incurred by the credit institution when managing the assets of a customer.

“Transit funds” are liabilities to the Government of the Republic of Latvia resulting from the allocation of special funds to the credit institution for the granting of transit credits.

“Deferred income and accrued expenses” is income related to future periods, but received by the end of the reporting period. The goodwill of enterprises, if negative, is stated under this item. Accrued expenses relating to the reporting year and previous years that have been calculated and the exact amounts of which are known, but have not been paid by the end of the reporting period, are reported here.

“Loan-loss provisions” are specific provisions for loan losses. Accrued income and off-balance-sheet items are also stated here.

“Subordinated liabilities” are liabilities that, in the event of the credit institution’s liquidation (bankruptcy), may be repaid only after the claims of all other creditors have been met, but prior to the satisfaction of the shareholders’ claims.

“Capital and reserves” include all resources owned by shareholders invested in the paid-in share capital of the credit institution and accrued (lost) as a result of the credit institution’s activities. Within this item, there are separate sub-items for “Paid-in share capital”, “Share premium”, “Reserve capital”, “General risks reserve”, “Profit/losses” and “Revaluation reserve”.

“Other liabilities” are liabilities not included elsewhere. Liabilities to customers resulting from incomplete payments to customers and liabilities to credit institutions whose licences have been revoked by the Bank of Latvia are recorded here.

## Assets

“Vault cash” comprises legal tender, including foreign banknotes and coins.

“Claims on central banks and credit institutions” include all claims on domestic and foreign central banks and credit institutions.

“Loans” cover all claims resulting from transactions with non-banks, including advances, overdrafts, financial leasing and speculative investments (i.e. short-term credits granted on the condition that they will be remunerated with part of any profit). For the purposes of the reporting scheme, claims on enterprises, financial institutions, private persons and non-governmental and religious organisations (broken down into the following types of credit instrument: overdrafts, commercial loans, industrial loans, reverse repurchase agreements, promissory notes, financial leasing, credit card credit, hire-purchase, mortgage loans and factoring) are recorded hereunder.

“Debt securities”, i.e. transferable debt securities with a fixed income, are recorded hereunder. Securities with an interest rate that changes in accordance with special conditions (e.g. the interest rate in the interbank market) are also regarded as fixed-income securities.

“Shares and other equity” are investments of the credit institution in the paid-in share capital of enterprises. For the purposes of the reporting scheme, investments in the paid-in share capital of associated and related enterprises are recorded separately.

“Intangible assets” are intangible assets purchased by the credit institution, i.e. concessions, patents, licences, rights to use a trade mark, lease rights and other rights and assets, as well as the goodwill of enterprises acquired and advance payments for intangible assets.

“Fixed assets” cover all fixed assets belonging to a credit institution, including leased fixed assets which the institution has the right to purchase at residual cost, adjusted for the costs of reconstruction, improvement or renewal that may have influenced the accounting treatment of such fixed assets. The computer software used by the credit institution for the performance of financial activities is also included in this item.

“Managed assets” are those assets, including cash, managed by the credit institution in its own name, but on behalf of a customer.

“Transit credits” are government credits issued to customers through a credit institution for a specific purpose.

“Prepaid expenses and accrued income” are expenses relating to the ordinary business of a credit institution that are incurred in the reporting year, but apply to future periods. Interest and income that have been accrued in the reporting year and previous years, but have not yet been received, are also recorded hereunder.

“Other assets” are assets not included elsewhere.

### **2.5.2 Breakdown of the main balance sheet items by instrument/maturity, counterparty and currency**

The instrument and maturity categories of the “Credit Institutions’ Monthly Financial Position Report” are as follows:

#### *Liabilities*

- Liabilities to central banks and credit institutions:
  - demand deposits;
  - up to three months;
  - over three months and up to six months;

- over six months and up to one year;
  - over one year and up to five years;
  - over five years.
  - Non-bank deposits:
    - demand;
    - up to three months;
    - over three months and up to six months;
    - over six months and up to one year;
    - over one year and up to five years;
    - over five years.
  - Debt securities issued
  - Managed liabilities
  - Transit funds
  - Deferred income and accrued expenses
  - Loan loss provisions
  - Subordinated liabilities
  - Capitals and reserves
  - Other liabilities
- Assets
- Cash
  - Claims on central banks and credit institutions:
    - demand deposits;
    - up to three months;
    - over three months and up to six months;
    - over six months and up to one year;
  - over one year and up to five years;
  - over five years.
  - Loans to non-banks:
    - repayable on demand;
    - up to three months;
    - over three months and up to six months;
    - over six months and up to one year;
    - over one year and up to five years;
    - over five years.
  - Debt securities:
    - up to three months;
    - over three months and up to six months;
    - over six months and up to one year;
    - over one year and up to five years;
    - over five years.
  - Shares and other equity
  - Intangible assets
  - Fixed assets
  - Managed assets
  - Transit credits
  - Prepaid expenses and accrued income
  - Other assets
- The counterpart breakdown used for the items in the “Credit Institutions’ Monthly Financial Position Report” is as follows:
- Residents/non-residents;
  - Central banks, credit institutions;

- Non-banks:
  - central government;
  - local government;
  - financial institutions other than credit institutions (public/private);
  - enterprises (public/private);
  - private persons;
  - non-profit organisations.

The currency breakdown of items in the “Credit Institutions’ Monthly Financial Position Report” is as follows:

- National currency;
- OECD country currencies;
- Other currencies.

Likewise, the main balance sheet items are broken down by currency as shown in the special supplement of the “Credit Institutions’ Monthly Financial Position Report”.

## 2.6 Measure(s) of money: definitions and remarks

### 2.6.1 Definition of money and instrument breakdown of monetary aggregates

The Bank of Latvia has defined a narrow monetary aggregate (M1), an intermediate

one (M2D) and a broad one (M2X). Government deposit liabilities are not included in the definition of the monetary aggregates.

See Box I.

### 2.6.2 Sectoral allocation of holdings of negotiable instruments

Currency outside banks is a transferable instrument included in the money stock. As mentioned above, the central bank is the only issuer of banknotes and coins. The nature of this instrument implies that it is not possible to obtain any information concerning the sectorisation of its holders. Holdings of securities issued by the government sector and banks are reported on an ongoing basis by credit institutions via their balance sheets, but are not included in the monetary aggregates.

## 2.7 Counterparts of money

Loans to non-banks are of the following types:

- demand;
- up to three months;
- over three months and up to six months;
- over six months and up to one year;
- over one year and up to five years;
- over five years.

### Box I

**M1** includes:

- currency outside banks (currency in circulation, excluding banks’ cash balances);
- demand deposits of domestic enterprises and private persons in LVL.

**M2D** includes:

- M1;

- time deposits of domestic enterprises and private persons in LVL.

**M2X** includes:

- M2D;
- demand and time deposits of domestic enterprises and private persons in foreign currency.

The maturity shown is the original maturity and a maturity of less than one year is considered short-term.

See Box 2.

## Box 2

### Domestic credit to the government (net)

Covers credit to central and local government.

### Domestic credit to domestic enterprises

Includes credit to non-banks, excluding credit to government.

### Net external position

## 2.8 Reserve money

The Bank of Latvia Board of Governors adopted “The Procedure for Calculating a Credit Institution’s Reserve Requirements” with Resolution No. 33/4 of 17 May 1996, which was subsequently amended on 13 March 1997.

Reserve requirements concern funds attracted by banks that have been licensed by the Bank of Latvia and by foreign bank branches.

The following funds attracted by banks are defined as reserve money and are subject to reserve requirements:

- all kinds of non-bank deposits, except central government budget funds;
- issued securities.

Reserve requirements are calculated from the average balances of attracted funds over the period from the 16th day of the previous month to the 15th day of the reporting month. The average balances of the funds attracted over the respective period are calculated as the arithmetic mean of the balances on the 23rd day and the last day of

the previous month and on the seventh and 15th days of the reporting month. When calculating the reserve requirements, data from the credit institution’s monthly balance sheet are used.

## 2.9 Reporting procedures

### 2.9.1 Powers to collect statistics and collecting agents

Article 40 of the Law on the Bank of Latvia states:

“The Bank of Latvia shall collect, register and compile financial and balance of payments statistics, as well as publish the compiled statistics; such information shall not be published in a way that would make it possible to identify, directly or indirectly, any natural or legal person”.

The Statistics Department of the Bank of Latvia acts as the collecting agent.

### 2.9.2 Identification of the reporting population (reporting coverage)

See Table 5.

### 2.9.3 Reporting schemes

Reporting institutions for monetary statistics purposes are all licensed credit institutions of the Republic of Latvia.

“The Monthly Financial Position Report” with supplements (containing full balance sheet data) is collected from all credit institutions. The reporting form has to be submitted to the Bank of Latvia within six working days of the end of the reporting period. Preliminary aggregated data are available on the ninth working day after the reporting period and are used for analysis purposes. The final data are disseminated to the public on the 18th working day after the reporting period. Data are given in LVL and on a stock basis.

**Table 5**

	Reporting institutions		Total balance sheet
	Number	% (of the total category)	% (of the total balance sheet of all institutions)
<b>Bank of Latvia</b>	<b>1</b>	<b>100</b>	<b>24.2</b>
<b>Credit institutions</b>	<b>36</b>	<b>100</b>	<b>75.8</b>
Banks	21	100	73.3
Credit unions	14	100	0
Foreign bank branches in Latvia	1	100	2.4
<b>Other monetary institutions</b>	<b>0</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>37</b>	<b>-</b>	<b>100</b>

Valuation is carried out according to market values. Items denominated in foreign currencies are translated into LVL using the end-of-period exchange rate calculated by the Bank of Latvia. Banks submit data electronically using the interbank data transmission network. Credit unions submit data on paper. Data are input electronically to obtain a version of the reports in the Microsoft Excel 97 environment and are stored by means of the Microsoft SQL server 7.0.

The “Report on Interest Rates and Volumes of Non-bank Loans and Deposits” is also collected from all credit institutions and has to be submitted by the fifth day of the following month. Data are in LVL and comprise information about newly granted loans and new deposits with non-banks. Interest rate data are weighted averages. Aggregated data are available on the third day after the reporting date. A paper reporting form is used and the compilation environment is as described above.

The “Report on Interest Rates and Volumes of Interbank Market Loans” is collected only from banks and branches of foreign banks on specific days of the month (seventh, 15th, 23rd and the last day). Data are in LVL and comprise information about newly granted loans and new deposits with banks. Interest rates are given as weighted averages. A paper reporting form is used and the compilation environment is as outlined above.

Reports related to reserve statistics are collected only from banks and branches of foreign banks. The reporting form “Calculation of Reserve Requirements” is submitted within five working days of the 15th day of the reporting month and the form “Comparison of Reserve Requirements with Actual Performance” is submitted by the fifth day of the following month. Aggregated data are available on the second working day after the reporting date. Paper reporting forms are used and the compilation environment is the same as above.

#### **2.9.4 Special reporting procedures for the national central bank**

The Bank of Latvia prepares its balance sheet on a daily basis. The Bank of Latvia’s balance sheet at the close of business each month is made available to the public on the Bank’s website and in print by the 12th day of the following month.

The balance sheet of the Bank of Latvia is prepared in accordance with the historical cost basis of accounting, modified for the revaluation of certain assets and liabilities as referred to below:

- gold and financial instruments denominated in foreign currencies are marked to market;

- financial assets and financial liabilities arising from derivative financial instruments are revalued on a regular basis and reported in the balance sheet at their fair value;
- loans to credit institutions are recorded in the balance sheet at the outstanding principal balance, adjusted for any specific credit risk provisions for loan impairment;
- Latvian central government securities are carried in the balance sheet at cost, adjusted for the amortisation of discounts or premiums as appropriate.

The Bank of Latvia's balance sheet is structured in accordance with the principle of residency and sectors established by the ESA 95.

## **2.10 Data processing and compilation methods**

### **2.10.1 Basis of calculation**

Data are end-of-period figures, with the exception of data on new loans and deposits during the reporting period.

### **2.10.2 Revisions**

Preliminary aggregated data in a credit institution's Monthly Financial Position Report, which are compiled on the ninth working day after the close of the reporting period, can be revised as proposed by the credit institution. The final data are then disseminated via the Bank of Latvia's website. If revisions are made after the monthly publication, they are reported as such and are accompanied with explanatory notes. Quarterly data published in the quarterly "Monetary Review" are final.

At least one month's advance notice is given of changes in methodology via the Bank of

Latvia's website. Information about changes in methodology is also provided at the time the data compiled using the new method are first published.

## **2.10.3 Derivation of flow statistics**

### **2.10.3.1 Breaks in series**

Monthly flows are calculated using the Bank of Latvia's balance sheet data and credit institutions' aggregated monthly financial position report data. The flow statistics are compiled by the Bank of Latvia for its own use and are not published. Where breaks occur due to changes in classification, the stocks of data can be adjusted according to the characteristics of the time series. Other statistical breaks occur when there has been a change in the reporting population. In such cases, two sets of data are available for the Bank of Latvia's internal purposes. In other cases where adjustments are difficult, they are not made for past periods and the data remain incomparable. The breaks are highlighted in footnotes.

### **2.10.3.2 Other adjustments**

To obtain true flows for monetary analysis purposes, the main items of the credit institutions' aggregated balance sheet are adjusted for valuation effects arising from changes in the exchange rate of the LVL against foreign currencies.

### **2.10.3.3 Derivation of flows**

Monthly flows are calculated as the difference between the previous and current end-month amounts outstanding minus adjustments.

## **2.10.4 Seasonal adjustment**

Not applicable.



## 2.11 Publications

### 2.11.1 First release of data (including the medium)

The monetary statistics are first released by posting them on the Bank of Latvia's website at [www.bank.lv/FinancialData/English/index\\_LB.html](http://www.bank.lv/FinancialData/English/index_LB.html) in accordance with the Advance Release Calendar.

Data (given in LVL million) are released in the Analytical Accounts of the Banking Sector, which cover the Bank of Latvia and credit institutions.

The Analytical Accounts of the Banking Sector comprise the following information:

- M2X (currency outside banks, demand and time deposits of domestic enterprises and private persons);
- M2D;
- M1;
- gross foreign assets and the net external position.
- net domestic assets (short and long-term credits to domestic enterprises and private persons, net credit to the government).

The Analytical Accounts of the Bank of Latvia comprise the following information:

- the monetary base (currency in circulation, banks' deposits with the Bank of Latvia);
- the net external position;
- net domestic assets;
- credits (to banks, to government (net))
- other items (net).

The Analytical Accounts of the Bank of Latvia and the Analytical Accounts of the Banking Sector are compiled on a monthly basis. The former are available on the last business day

of the second week following the reference month and the latter on the last business day of the month following the reference month.

### 2.11.2 Core weekly/monthly publications

Since December 1994, monthly time series data have been published in the monthly Monetary Bulletin. In general, the monthly reports contain the same information that constitutes the first release (see Section 2.11.1); the consolidated balance sheet of credit institutions is also shown. The publication becomes available to the public in Latvian and English forty days after the reporting month in hard copy and on the Bank of Latvia's website.

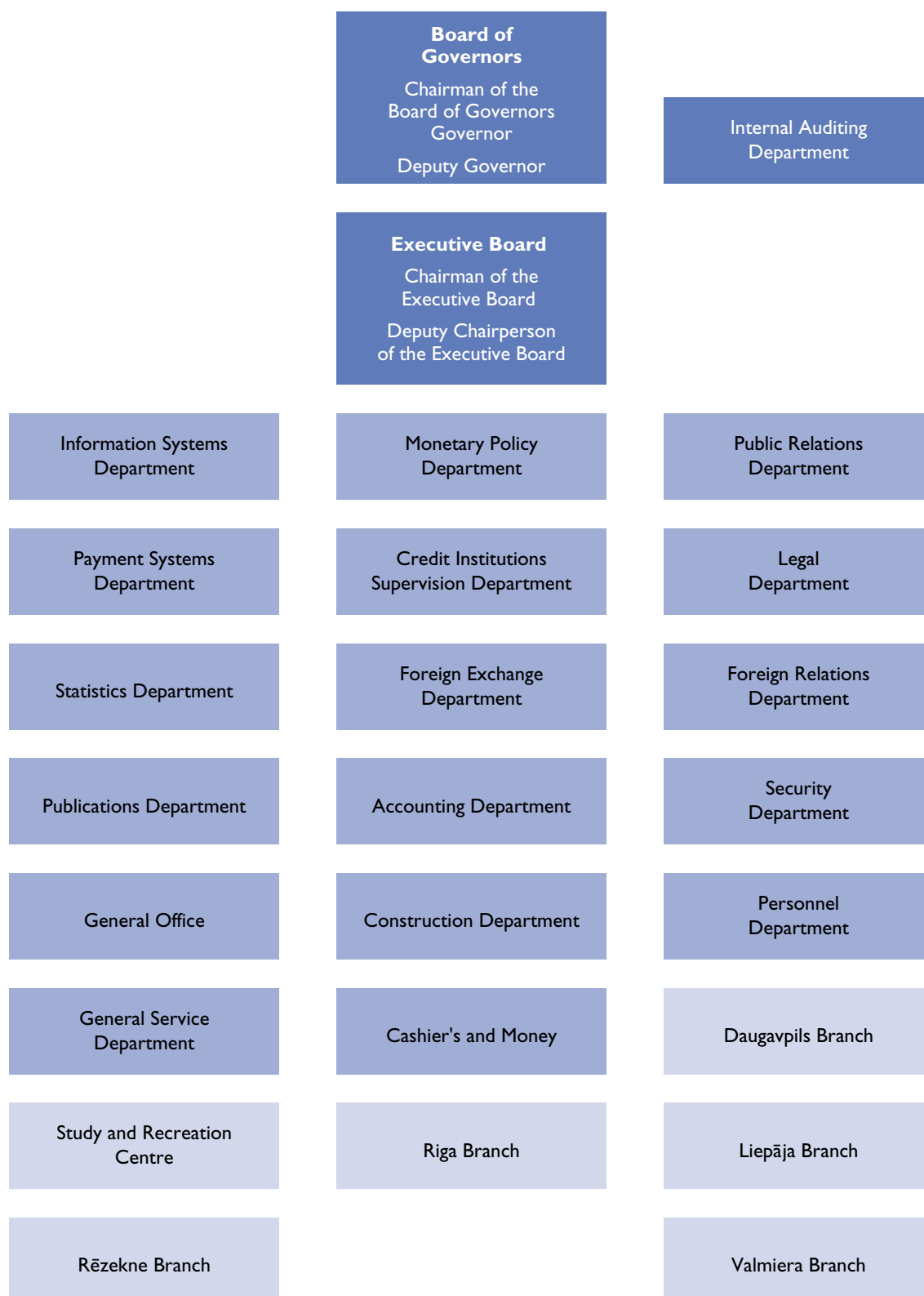
### 2.11.3 Other statistical publications

The quarterly Monetary Review has been publishing monthly time series data since January 1993 and includes a wide set of monthly flow and stock tables covering the monetary survey, the liquidity of the banking system, the structure of broad money, the consolidated balance sheet of credit institutions and deposits and credits of enterprises and private persons. The publication is available to the public in Latvian and English three months after the reporting quarter in hard copy and on the Bank's website.

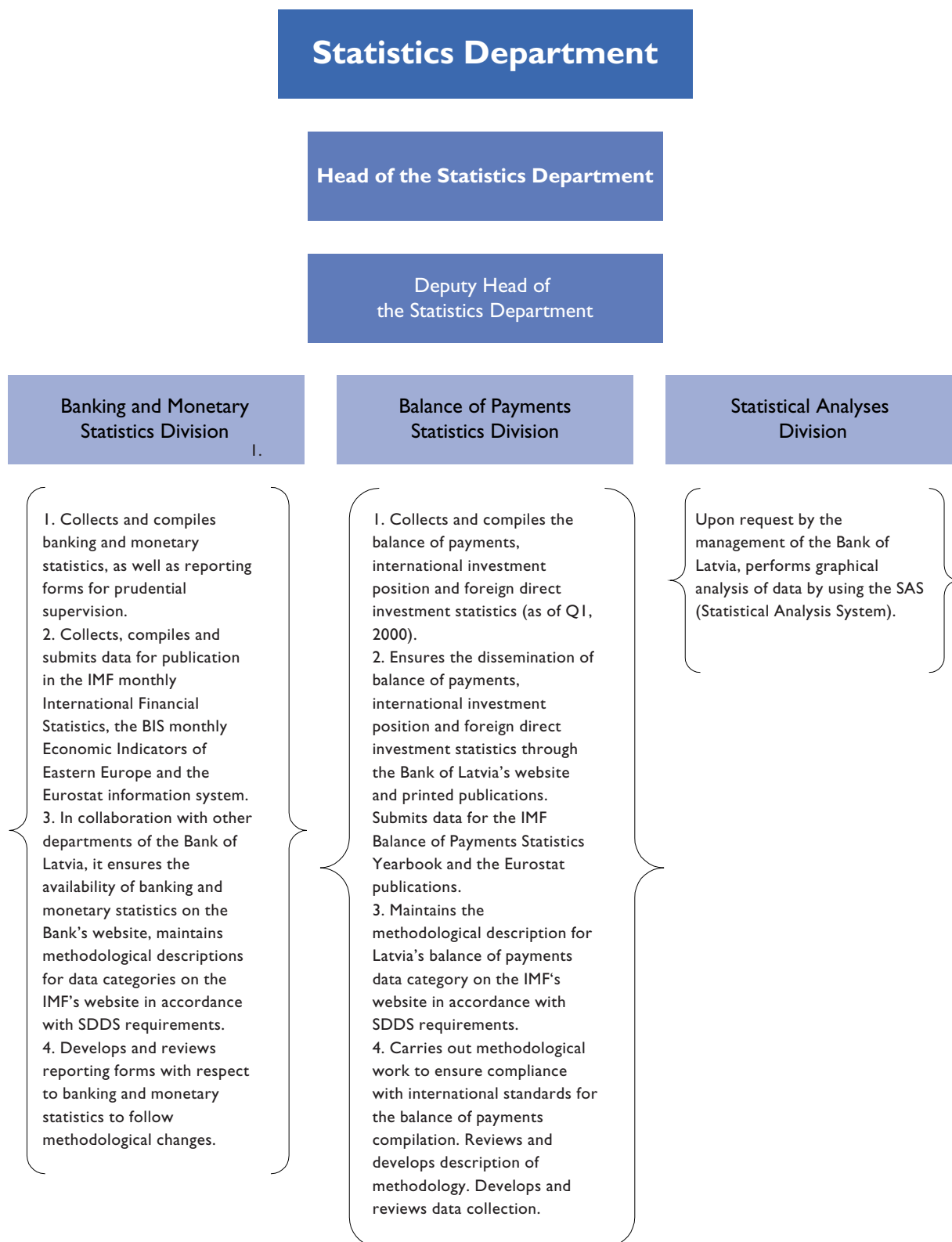
The Annual Report, the main publication covering the Bank of Latvia's activity, has been published in Latvian and English since 1992. This publication includes the annual financial statements, the Executive Board's report, as well as information on the monetary policy relating to economic indicators, developments in the banking sector, supervision of credit institutions, international co-operation and the Bank's organisational structure. The Annual Report also contains a monetary policy calendar and appendices with monetary indicators and data from the Bank's balance sheet and profit and loss account, as well as exchange rates and a complete list of Latvian credit institutions. The publication is released to the public on the Bank's website in April following the reporting year and in hard copy at the beginning of May.

## Annexes:

## I The structure of the Bank of Latvia

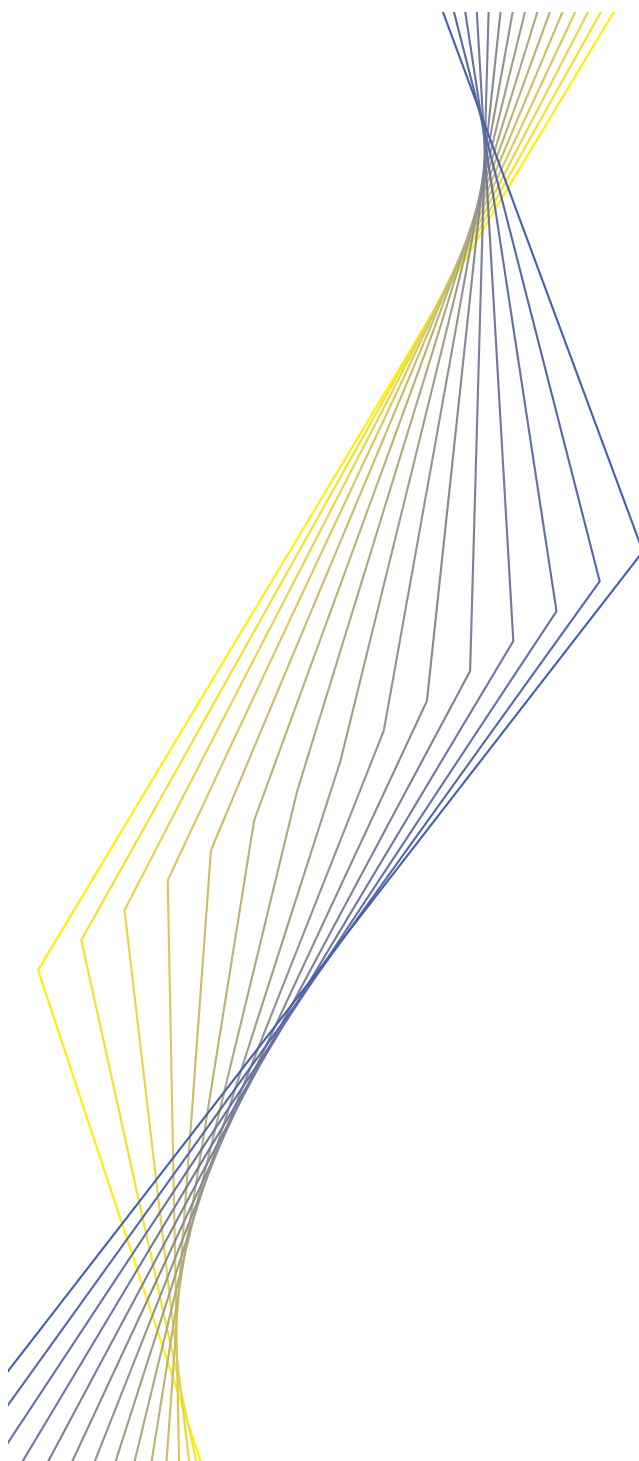


## 2 Structure of the Statistics Department at the Bank of Latvia





EUROPEAN CENTRAL BANK



**Lithuania**

## Lithuania

### List of abbreviations

<b>BoL</b>	Bank of Lithuania
<b>b.o.p.</b>	Balance of payments
<b>DoS</b>	Department of Statistics
<b>ECB</b>	European Central Bank
<b>EUR</b>	Euro
<b>i.i.p.</b>	International investment position
<b>IMF</b>	International Monetary Fund
<b>LTL</b>	Lithuanian litas
<b>MoF</b>	Ministry of Finance
<b>NSEL</b>	National Stock Exchange of Lithuania
<b>USD</b>	US dollar
<b>VILIBID</b>	Vilnius Interbank Bid Rate
<b>VILIBOR</b>	Vilnius Interbank Offered Rate

## I Legal and institutional background

### I.1 Organisational structure

The Monetary Statistics and Analysis Division compiles, disseminates and analyses the following data on money and banking statistics:

#### I.1.1 Organisation chart of the national central bank

Lietuvos bankas –the Bank of Lithuania (BoL) – is governed by the Board which consists of a Chairman, three Deputy Chairmen and ten members. The BoL consists of ten departments, five autonomous divisions and two branches.

See Annex I.

- the analytical balance sheet of the BoL on a daily basis;
- monetary aggregates on a monthly basis;
- the balance sheet of the monetary authority, the consolidated balance sheet of credit institutions and the banking survey on a monthly basis;
- international reserves and foreign currency liquidity on a monthly basis.

#### I.1.2 Organisation of the statistical work at the national central bank

Statistical work at the BoL is decentralised. Data are collected and processed by the Monetary Policy Department, the Credit Institutions Supervision Department and the Market Operations Department.

The Monetary Statistics and Analysis Division also prepares new statistical bank balance sheet report forms in order to meet ECB requirements for money and banking statistics.

The Monetary Policy Department compiles and disseminates data on the analytical balance sheet of the BoL, the consolidated balance sheet of credit institutions, the banking survey, monetary aggregates, deposits and loans, interest rates, open market operations, international reserves and foreign currency liquidity, the balance of payments (b.o.p.) and key indicators on the activities of commercial banks.

The main functions of the General Statistics Division are:

The Credit Institutions Supervision Department collects and processes the balance sheet reports of credit institutions and the prudential supervision statistics.

- the collection, compilation and analysis of data on deposits and loans, interest rates and data on the activity of credit institutions and non-bank financial institutions;
- the preparation of statistical report forms and instructions on methodology and compilation;
- the dissemination of statistics to users;
- the preparation of the Monthly and Quarterly Bulletins of the BoL, Annual Reports of the BoL and reports to the Seimas (Parliament) of the Republic of Lithuania;
- co-ordinating the application of IMF Special Data Dissemination Standard within the BoL, the Department of Statistics (DoS) and the Ministry of Finance (MoF).

The Market Operations Department disseminates data on the government securities market and the official foreign currency exchange rates.

Money and banking statistics are managed in two divisions of the Monetary Policy Department, i.e. the Monetary Statistics and Analysis Division and the General Statistics Division.

### 1.2 Legal background

The framework for the activities of the BoL is the Law on the Bank of Lithuania (Law on the BoL, adopted on 1 December 1994, No. I-678, the text of which can be found at [www.lbank.lt](http://www.lbank.lt)) and the Law on the Credibility of the Litas (adopted on 17 March 1994, No. I-407).

### 1.3 Institutional aspects

#### 1.3.1 The role of the national central bank

##### 1.3.1.1 Introduction

The central bank of the Republic of Lithuania is the BoL, which is owned by the State of Lithuania. The BoL represents the State of Lithuania in relations with the central banks of foreign countries, with international banks, and with other international financial institutions on matters of monetary, foreign exchange and credit policy. The BoL has the exclusive right to issue currency.

The principal objective of the BoL is the stability of the national currency.

The main functions of the BoL are:

- the formulation and implementation of monetary policy;
- the establishment and maintenance of the foreign exchange regime;
- the holding and management of the international reserves;
- the regulation and supervision of banks and other credit institutions;
- the collection and dissemination of monetary and financial statistics.

In implementing objectives and carrying out its functions, the BoL is governed by the Constitution and the laws of the Republic of Lithuania and is independent of the government

and other institutions of the executive. The BoL is accountable to the Seimas (Parliament). The BoL issues information bulletins on its activities once a month.

##### 1.3.1.2 General responsibilities of the national central bank

According to the Law on the BoL, “the principal objective of the Bank of Lithuania shall be to achieve stability of currency of the Republic of Lithuania. Implementing the principal objective, the Bank of Lithuania must: 1) ensure the reliable functioning of the currency market and the system of credit and settlements; and 2) support the economic policy carried out by the Government of the Republic of Lithuania, provided said policy is in compliance with the principal objective of the Bank.”

The Law on the Credibility of the Litas specifies that Lithuanian litas (LTL) put into circulation by the BoL must be fully backed by gold and foreign exchange reserves of the BoL. The official exchange rate of the LTL is set against the currency chosen as the anchor currency (currently the US dollar (USD)) according to the procedure laid down in this Law.

The general responsibilities of the BoL are as follows:

- to issue banknotes and coin;
- to service the accounts of state and government institutions of the Republic of Lithuania;
- to organise the sale and purchase of bonds issued by the Government of the Republic of Lithuania;
- to advise the government on matters relating to the money market, credit and settlements;
- to establish procedures for domestic and international payments, including clearing services for banks and other economic entities;

- to hold and manage the international reserves;
- to implement monetary policy through open market operations and other instruments;
- to monitor compliance with the foreign exchange regime;
- to act as lender of last resort in the banking system;
- to license and supervise banks and other credit institutions;
- to collect and publish monetary and financial statistics;
- to compile b.o.p. statistics.

### **1.3.2 Macroeconomic statistics: main responsibilities of domestic public authorities**

#### *1.3.2.1 Main responsibilities of the national central bank in the field of macroeconomic statistics*

The BoL is responsible for the collection, compilation and dissemination of statistics in the areas of bank balance sheets/monetary aggregates and counterparts, interest rates, issues of Treasury bills and government bonds, the reserve base, the b.o.p. and prudential supervision.

Statistics on bank balance sheets/monetary aggregates and counterparts are compiled and disseminated to both internal and external users by the Monetary Statistics and Analysis Division of the Monetary Policy Department, while the balance sheet report data used for this purpose are collected by the Credit Institutions Supervision Department.

Interest rate statistics on deposits, loans and interbank market transactions are collected, compiled and disseminated by the General Statistics Division of the Monetary Policy

Department. Statistics on interbank market interest rates, VILIBID (Vilnius Interbank Bid Rate) and VILIBOR (Vilnius Interbank Offered Rate), are compiled and disseminated by the Domestic Market Operations Division of the Market Operations Department.

Treasury bill and government bond issue statistics are compiled and disseminated to internal and external users by the Securities Division of the Market Operations Department.

Data on the reserve base are collected and compiled by the Monetary Policy Instruments Division of the Monetary Policy Department which is also responsible for the monitoring of the fulfilment of reserve requirements. The data comes from a special report from banks that is used only for reserve requirement purposes.

Data on the b.o.p. and on the international investment position (i.i.p.) are compiled and disseminated to internal and external users by the Balance of Payments Division of the Monetary Policy Department. The data used for this purpose are collected from various sources. Statistics on the international reserves and on the IMF Data Template on International Reserves and Foreign Currency Liquidity are compiled and disseminated by the Monetary Statistics and Analysis Division of the Monetary Policy Department.

Data for the prudential supervision of the banking sector are collected and compiled by the Credit Institutions Supervision Department. This information consists mainly of various breakdowns of balance sheet items.

#### *1.3.2.2 Main responsibilities of other public authorities in the field of macroeconomic statistics and co-operation with the national central bank*

The statistical activities of other public authorities are governed by the Law on Statistics (adopted on 12 October 1993; amended on 23 December 1999, No. VIII-1511). This law makes the DoS, its regional offices, ministries and other state and



## Lithuania

government institutions as well as the BoL responsible for managing official statistics. As the official statistics institution, the DoS implements general policy of the state in the areas of the methodology and organisation of statistics and co-ordinates the statistical activities of ministries and other institutions.

The DoS is responsible for statistics on national accounts (gross domestic product at current and constant market prices), production indices, the labour market (employment, unemployment, wages/earnings), price indices (consumer prices, producer prices), merchandise trade (total exports at f.o.b. value, total imports at c.i.f. value, trade balance) and population.

The MoF is responsible for general government statistics (general government operations, central government operations, central government debt).

The National Stock Exchange of Lithuania (NSEL) is responsible for stock market statistics.

In collecting data for the analysis of financial markets and for statistical publications, the BoL co-operates with the DoS, the MoF and the NSEL.

### 1.3.2.3 Overview of statistical data collection and compilation

See Table I.

**Table I**

Statistical areas:	Money and banking statistics		
	Bank balance sheet statistics/ monetary aggregates and counterparts	Interest rate statistics	Security issues statistics
<b>Collected data</b>	<p>1) Balance sheet report of banks provided by commercial banks, branches/subsidiaries of foreign banks and specialised financial institutions.</p> <p>Frequency: monthly.</p> <p>Timeliness: within eight days after the end of the reference period.</p> <p>2) Balance sheet report of credit unions.</p> <p>Frequency: quarterly.</p> <p>Timeliness: within ten days after the end of the reference period.</p>	<p>1) Interest rates on demand deposits, time deposits and savings deposits (weekly data collected by the Tuesday after the end of the week; monthly data within ten days after the end of the month). Interest rates on loans (weekly data collected by the Tuesday after the end of the week; monthly data within ten days after the end of the month). Interest rates on interbank market transactions (weekly data collected on the Monday after the end of the week).</p> <p>2) Interbank market interest rates, VILIBID and VILIBOR.</p> <p>Frequency: daily.</p> <p>Timeliness: at 12 noon local time.</p>	<p>1) Treasury bill and government bond issues.</p> <p>Frequency: whenever an auction takes place, usually from one to three times per week.</p> <p>Timeliness: at 2 p.m. local time on the auction day.</p> <p>2) Secondary market turnover of Treasury bills and government bonds, equities and corporate bonds.</p> <p>Frequency: whenever a trading session takes place, usually daily.</p> <p>Timeliness: within a day after the trading session.</p>
<b>Collecting agents</b>	BoL	BoL	<p>1) BoL</p> <p>2) NSEL</p>
<b>Users</b>	BoL, DoS	<p>1) BoL, DoS, ministries, international organisations and other users.</p> <p>2) All interested parties.</p>	<p>1) BoL, MoF, Lithuanian Securities Commission, market participants and other users.</p> <p>2) NSEL, Lithuanian Securities Commission, BoL, market participants, investors.</p>

Table I (continued)

Statistical areas:	Money and banking statistics		
	Bank balance sheet statistics/ monetary aggregates and counterparts	Interest rate statistics	Security issues statistics
<b>Description</b>	<p>1) Balance sheet reports reflect the positions of banks as at the end of the reporting month. All balance sheet items are reported with a breakdown into residents and non-residents and then into LTL and foreign currency. Data are received electronically. Users at the BoL have access to the internal database.</p> <p>2) Balance sheet reports reflect the positions of credit unions as at the end of the reporting quarter. All balance sheet items are reported with a breakdown into LTL and foreign currency. Data are received electronically. Users at the BoL have access to the internal database.</p>	<p>1) Interest rates on new time deposits are calculated as a weighted average and broken down by counterparty (non-residents, residents, households), maturity (up to one month, one to three months, three to six months, six to 12 months, one to two years, over two years) and currency (Lithuanian litas (LTL), US Dollar (USD), euro (EUR) and euro area currencies, other foreign currencies). Interest rates on all demand deposits and savings deposits are calculated as a weighted average and broken down by counterparty (non-residents, residents, households) and currency (LTL, USD, EUR and euro area currencies, other foreign currencies). Interest rates on new loans are calculated as a weighted average and broken down by counterparty (non-residents, residents, enterprises, households), maturity (up to one month, one to three months, three to six months, six to 12 months, one to five years, over five years) and currency (LTL, USD, EUR and euro area currencies, other foreign currencies). Interest rates on interbank market transactions are calculated as a weighted average and broken down by counterparty, by maturity (one day, two to seven days, eight days to one month, one to three months, three to six months, over six months) and by currency (LTL, USD, EUR and euro area currencies, other foreign currencies).</p> <p>2) VILIBID and VILIBOR are based on the quotes of no fewer than five local commercial banks designated by the BoL which are most active in Lithuanian money market. The highest and the lowest rates are eliminated and an average of the remaining quotes is taken. Rates are fixed daily at 11 a.m. local time. VILIBID and VILIBOR are announced by 12 noon on Reuters page "LTBANK08" and the BoL website. Term structure of rates: overnight, one week, two weeks, one month, three months, six months, 12 months.</p>	<p>1) Data are entered into an Oracle database and Excel spreadsheets and disseminated on the BoL website. Statistics are also available in the Monthly Bulletin of the BoL.</p> <p>2) The summary of trading results on the NSEL, statistics on transactions on the OTC market, changes in indices, and other information are published in periodic bulletins (weekly, quarterly, and annual) of the NSEL. Weekly and quarterly bulletins are available by e-mail in pdf format. Daily information about trading results is available in dbf, txt, and xls formats. Trading results showing transactions in, market prices of and turnovers of issuers' securities, as well as data sets of issuers' economic and financial information are available in dbf format. Statistics are also disseminated on the NSEL's website.</p>

**Table I (continued)**

Statistical areas:	Reserve base	Financial accounts	Balance of payments	Prudential supervision
<b>Collected data</b>	Report on banks' liabilities in LTL and in foreign currencies for the purpose of calculating required reserves. Frequency: monthly. Timeliness: within ten days after the end of the month.	Data sources: banking survey, banks' balance sheets, b.o.p., registers of government securities issues and debt, statistical reports on non-financial enterprises, brokerage firms and insurance companies; information provided by the NSEL. Frequency: annual.	B.o.p. data are compiled and disseminated by the BoL. Frequency: quarterly. Timeliness: within three months after the end of the reference period. The main data sources are: DoS: data on the export and import of goods, data on the activities of non-bank economic entities and surveys on services. MoF: data on foreign loans and on privatisation revenues. Ministry of Economics: data on joint ventures and enterprises with foreign capital. Central Securities Depository of Lithuania: data on trading in equities and other securities. Commercial banks: data on banks' activities with non-residents. BoL: data on international reserves, interest, income and expenditure.	1) Report on Structure of Bank Assets and Liabilities by Maturity. Frequency: monthly. Timeliness: within 11 days after the end of the reference period. 2) Report on Foreign Exchange Exposure Account. Frequency: monthly. Timeliness: within 11 days after the end of the reference period. 3) Report on Maximum Exposure. Frequency: monthly. Timeliness: within 11 days after the end of the reference period. 4) Report on Capital Adequacy of the Bank. Frequency: quarterly. Timeliness: within 11 days after the end of the reference period.
<b>Collecting agents</b>	BoL	DoS	BoL, DoS, ministries, other official agencies	BoL
<b>Users</b>	BoL	Draft prepared for 1996-1998 was submitted to Eurostat but was not published domestically.	All interested users	BoL
<b>Description</b>	The reserve base is calculated as the average (of the 7th, the 15th, the 23rd and last days of the previous month) of liabilities (demand deposits, time and savings deposits, and other specified liabilities) to residents' non-banks and non-residents' banks and non-banks in LTL and in foreign currencies.	Information is collected by mail or electronically. Data are stored and compiled in MS Excel files.	Data are compiled in accordance with the Fifth edition of the IMF Balance of Payments Manual and Eurostat classifications (Balance of Payments Vade-mecum). Data are published in the Quarterly Bulletin of the BoL and in the special quarterly bulletin "Balance of Payments of the Republic of Lithuania". Data are also disseminated on the BoL website.	The data are used for supervision purposes only.

## 2 Monetary statistics

### 2.1 Legal background and statistical standards

#### 2.1.1 National legal aspects

According to the Law on Statistics, the BoL is responsible for managing official statistics within its areas of responsibility. Pursuant to Article 8 (6) of the Law on the BoL, the BoL collects and disseminates monetary and financial statistics.

Responsibility for general policy of the state in the field of methodology and the organisation of statistics lies with the DoS.

The text of the Law on the BoL can be found on the BoL website at [www.lbank.lt](http://www.lbank.lt).

#### 2.1.2 Statistical standards

The basis for monetary statistics is *A Guide to Money and Banking Statistics in International Financial Statistics (Draft)*, IMF, 1984. However, the sectorisation of economic units does not fully comply with international statistical standards. The differences are shown in Table 3.

In the area of data dissemination, Lithuania applies the IMF Special Data Dissemination Standard.

### 2.2 Concepts and definitions

#### 2.2.1 Statistical definitions: economic territory and residency principles

At present the economic territory of the Republic of Lithuania is not defined in

**Table 2**

Sector classification	Sectors		Definitions	
Money-creating sector	BoL		Central bank	
	Deposit money banks		Commercial banks and branches of foreign banks	
	Other banking institutions	Credit unions	A credit union is a credit institution organised on co-operative basis which has been established independently by natural persons.	
		Other	The Lithuanian Development Bank and Turto bankas. Turto bankas was established to reconstruct, manage and sell non-performing loans redeemed from commercial banks identified by the Government.	
Money-holding sector	Non-bank financial institutions		Other financial institutions	
	Local government		A municipality is an administrative unit of the territory of the state whose residents have a right of self-government guaranteed by the state.	
	Non-financial public enterprises		Enterprises under the absolute control of governmental units	
	Private sector	Non-financial private enterprises	Non-financial private sector	All enterprises other than those under the absolute control of governmental units. This includes sole proprietorships.
		Private households		Natural persons only
		Non-profit institutions		All non-profit organisations
Money-neutral sector	Central government		Central government, including counties	
	Social security funds		Social and health insurance funds	
Non-resident sector	Non-residents		Legal entities and natural persons who reside and operate in another country	

## Lithuania

legislation. The concept of economic territory used for purposes of money and banking statistics includes:

- the geographic territory administered by the Government of the Republic of Lithuania;
- the national airspace, territorial waters and the continental shelf lying in international waters, over which the Republic of Lithuania enjoys exclusive rights;
- territorial enclaves – i.e. geographic territories situated in the rest of the world and used, under international treaties or agreements between states, by general government agencies of the Republic of Lithuania (embassies and consulates).

The economic territory of the Republic of Lithuania does not include extraterritorial enclaves within Lithuania (i.e. parts of the geographic territory of the Republic of Lithuania used by general government agencies of other countries or by international organisations under international treaties or agreements between states).

The classification of economic units by residents/non-residents is based on the provisions of the IMF Balance of Payments Manual (fifth edition). Branches/subsidiaries of Lithuanian banks located abroad are regarded as non-residents, whereas branches of foreign banks located in Lithuania are regarded as residents for the purposes of money and banking statistics.

### 2.2.2 Sectors in monetary statistics

#### 2.2.2.1 Definition and classification of sectors in monetary statistics

Sectors in monetary statistics for Lithuania are presented in Table 2.

#### 2.2.2.2 Comparison between the sectors of the national economy and the ESA 95

A comparison between the sectors in the Lithuanian monetary statistics and the ESA 95 is provided in the Table 3.

## 2.3 Population of monetary institutions

### 2.3.1 Definition of a credit institution (bank) and categories of credit institutions

According to Article 33 of the Law on the BoL, “Activities of credit institutions are activities based on public acceptance of monetary resources in any form and lending thereof at the expense of the institutions”.

In Lithuania the list of credit institutions consists of commercial banks, branches of foreign banks, credit unions and specialised financial institutions.

A commercial bank is an enterprise operating on the basis of share capital, which accepts deposits and other repayable funds and extends loans and assumes all the risks and responsibilities related thereto, and has been licensed by the BoL to engage in these and in other activities as specified by Article 25 of the Law on Commercial Banks (adopted on 21 December 1994, No. I-720).

A credit union is a credit institution organised on co-operative basis which has been established independently by natural persons and which pools money from its members with the aim of satisfying the business and social needs of its members as provided for in its bylaws by advancing loans to members and assuming the related risks and liabilities and which has been licensed by the BoL to engage in these and in other activities as specified by Article 7 of the Law on Credit Unions (adopted on 21 February 1995, No. I-796).

Table 3

National sector classification	National sectors		Sectors in the ESA 95			ECB sector classification	
Money-creating sector	BoL		S121 Central bank		S12 Financial corporations (part)	Money-creating sector	
	Deposit money banks		S122 Other monetary financial institutions				
	Other banking institutions	Credit unions	S123 Other financial intermediaries, except insurance corporations and pension funds			Money-holding sector	
		Other	S125 Insurance corporations and pension funds				
Money-holding sector	Non-bank financial institutions		S124 Financial auxiliaries		S11 Non-financial corporations (part)	Money-neutral sector	
			S14 Households				
			S15 Non-profit institutions serving households				
	Non-financial public enterprises		S11 Non-financial corporations (part)		S12 Financial corporations (part)		
	Private sector	Non-financial private enterprises	S1313 Local government (part)				
		of which: sole proprietorships	S1311 Central government				
		Private households	S1314 Social security funds				
	Non-profit institutions		S1312 State government				S13 General government
			S1313 Local government (part)				
			Central government				S21 EU countries
	Social security funds		S212 Institutions of the EU				
	n/a		S22 Third countries and international organisations				
Money-neutral sector	Central government		S21 EU countries		S2 Rest of the world	Non-resident sector	
	Social security funds		S212 Institutions of the EU				
Money-holding sector	n/a		S21 EU countries				S2 Rest of the world
	Local government		S212 Institutions of the EU				
Non-resident sector	Non-residents		S21 EU countries		S2 Rest of the world	Non-resident sector	
			S212 Institutions of the EU				
			S22 Third countries and international organisations				

## Lithuania

Two specialised financial institutions, i.e. the Lithuanian Development Bank and the joint-stock company Turto bankas, operate under special laws.

The principal activity of the Lithuanian Development Bank is financing the capital investment and related permanent working capital requirements of financially profitable, creditworthy private enterprises.

Turto bankas was established by the Government in order to manage, utilise and otherwise dispose of non-performing and other assets taken over from restructured banks as well as to realise the said assets.

### 2.3.2 Definition of other monetary institutions

Not applicable.

### 2.3.3 Central government units with deposit liabilities included in measures of money

Not applicable.

deposits (without fixed maturity) accepted in accordance with bank account agreements; time deposits (with fixed maturity) and demand deposits (without fixed maturity) accepted in accordance with deposit agreements; time deposits (with fixed maturity) and demand deposits (without fixed maturity) accepted in accordance with deposit custody agreements.

## 2.5 Statistical balance sheets of the monetary institutions

### 2.5.1 Description of the main balance sheet items

The balance sheet report provides end of month stock data on assets and liabilities. The main asset items are as follows: claims on central banks, claims on banks and other credit and financial institutions, loans to the non-financial sector, securities and other assets. The main liability items are as follows: liabilities to central banks, liabilities to banks and other credit and financial institutions, deposits and letters of credit of the non-financial sector, special and lending funds of international organisations and governments, reserves and bank capital.

### 2.5.2 Breakdown of the main balance sheet items by instrument/maturity, counterparty and currency

All data on assets/liabilities are broken down by residency (residents, non-residents) and then by currency (LTL, foreign currency). Interbank and financial institutions' claims and liabilities are broken down by instrument (demand deposits, time deposits, overnight deposits, repurchase agreements and loans). Loans extended to the financial and non-financial sectors are broken down by maturity: short-term (up to one year) and long-term. Debt securities and equities on the asset side are broken down by issuer (Treasury bills, government securities with a maturity of over one year, government securities for the restructuring of banks,

**Table 4**

Institutions	Number of institutions
National central bank	1
Credit institutions	49
Commercial banks and branches of foreign banks	13
Credit unions	34
Specialised financial institutions	2
Other monetary institutions	0
<b>Total</b>	<b>50</b>

## 2.4 Banking business: general deposits/other products

Resolution No. 48 of the Board of the BoL on the Management of Deposit Accounts (22 April 1999) defines the following deposits in credit institutions in Lithuania: demand

securities of banks, securities of financial institutions and securities of the private sector). The counterparties are broken down as presented in Table 2.

## 2.6 Measure(s) of money: definitions and remarks

### 2.6.1 Definition of money and instrument breakdown of monetary aggregates

In Lithuania the following monetary aggregates are compiled and disseminated: M1 and M2.

See Box I.

### 2.6.2 Sectoral allocation of holdings of negotiable instruments

The BoL is the sole issuer of banknotes and coin. Other negotiable instruments exist de jure, but their amounts are negligible.

It is not possible to distinguish holders of negotiable instruments from the data provided by credit institutions.

## 2.7 Counterparts of money

The counterparts of money in the banking survey are net foreign assets, domestic credit and other net items.

The classification of domestic credit is as follows:

By sector:

- central government;
- social security funds;
- local government;
- non-financial public enterprises;
- non-financial private enterprises;
- private households;
- non-profit institutions;
- non-bank financial institutions.

By type:

- Treasury bills;
- government bonds;
- loans and advances;
- discounted bills;
- debt securities;
- equities.

### Box I

**M1 (money)** includes:

- currency in circulation;
- demand deposits.

**M2 (broad money)** includes:

- M1 (money);
- time and savings deposits;
- deposits in foreign currencies.



**Box 2****Net foreign assets**

Foreign assets on a net basis, including IMF credit to central government.

**Domestic credit**

Counterparts are broken down into claims on central government (on a net basis), claims on local government, claims on non-financial public enterprises, claims on the private sector, and claims on non-bank financial institutions.

By maturity:

- short-term (up to one year);
- long-term.

By currency:

- in LTL;
- in foreign currency.

See Box 2.

**2.8 Reserve money**

In Lithuania the published monetary base includes currency outside the BoL, the reserves of commercial banks in LTL and required reserves in foreign currencies deposited with the BoL.

**2.9 Reporting procedures****2.9.1 Powers to collect statistics and collecting agents**

The BoL has the right to obtain the information necessary for the performance of its supervisory function (Article 36 of the Law on the BoL), and this information is also used for monetary statistics purposes.

Furthermore, the BoL, as one of the institutions responsible for managing official statistics, collects, processes, compiles, analyses and disseminates statistical information.

**2.9.2 Identification of the reporting population (reporting coverage)**

The reporting population covers all operational credit institutions.

See Table 5.

**Table 5**

	Reporting institutions		Total balance sheet
	Number	% (of the total category)	% (of the total balance sheet of all institutions)
<b>National central bank</b>	<b>1</b>	<b>100</b>	<b>28.9</b>
<b>Credit institutions</b>	<b>49</b>	<b>100</b>	<b>71.1</b>
Commercial banks and branches of foreign banks	13	100	64.3
Credit unions	34	100	0.1
Specialised financial institutions	2	100	6.7
<b>Other monetary institutions</b>	<b>0</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>50</b>	<b>-</b>	<b>100</b>

### 2.9.3 Reporting schemes

The main data source for monetary statistics is the balance sheet report managed by the Credit Institutions Supervision Department of the BoL. These balance sheet reports are provided to the BoL by all operational commercial banks, branches of foreign banks and specialised financial institutions. The Monetary Policy Department, which is responsible for the compilation of monetary statistics, has access to the database of the balance sheet reports.

Banks provide a complete balance sheet report form (form No. 6001) electronically within eight days after the end of the month. Credit unions provide a complete balance sheet report form (form No. 7051) electronically within ten days after the end of the quarter.

According to Resolution No. 230 of the Board of the BoL (15 August 1996), credit institutions have to prepare financial accounts and reports as required by International Accounting Standards as long as this is not contrary to the laws and other legal acts of Lithuania.

The reporting data are provided in LTL. Balance sheet items denominated in foreign currencies are converted into LTL at the official exchange rates on the reference date.

Accounting of investments into securities is regulated by Resolution No. 253 of the Board of the BoL (20 November 1997) which lays down the classification of securities and applicable accounting rules. Credit institutions are responsible for choosing their own accounting policy for securities.

### 2.9.4 Special reporting procedures for the national central bank

The accounting balance sheet of the BoL is available on a daily basis.

Accounting and recording practices are based on International Accounting Standards and internal accounting provisions of the BoL.

The balance sheet items denominated in foreign currencies are converted into LTL at the official exchange rate on the reference date. Gold is revalued once per year on the last working day at the lowest value of London gold fixings during the year if this value is lower than the existing book value. Interest-bearing securities are revalued once per month on the last working day and discount securities are revalued once per year on the last working day at the bid price prevailing in the secondary market.

## 2.10 Data processing and compilation methods

### 2.10.1 Basis of calculation

The bulk of monetary statistics are collected monthly on an end of period basis. Monthly figures for the balance sheets of credit unions are estimated from quarterly reporting forms. The balance sheet of the BoL is compiled on a daily basis for internal use.

### 2.10.2 Revisions

The data for the latest reporting date for the monetary aggregates published in the Monthly Bulletin of the BoL are provisional and marked with an asterisk, but are rarely revised. In principle, other published monetary statistics are final. In the event of substantial methodological changes, revised data are highlighted in explanatory footnotes.

### 2.10.3 Derivation of flow statistics

#### 2.10.3.1 Breaks in series

Breaks in series are caused by changes in the reporting population, changes in reporting instructions and changes in methodology. Changes in the reporting population only occur when a newly established credit institution is included in the list, when a credit institution under bankruptcy is removed from the list or in the case of a merger between

banks. No adjustments are made for any types of break in stock series.

### *2.10.3.2 Other adjustments*

Assets and liabilities denominated in foreign currencies are converted into LTL by the reporting institutions at the official exchange rates at the end of the period. Stock data are not adjusted to eliminate the effects of changes in exchange rates.

### *2.10.3.3 Derivation of flows*

Flow statistics from the balance sheet of the BoL are calculated as the difference between stocks at the end of the current and the previous months minus reclassifications and minus exchange rate changes. These flow statistics are only used for internal analysis and are not officially published.

Flow statistics are not calculated from the balance sheet of the credit institutions. Some information about large reclassifications is gathered directly from credit institutions. End-of-month data from the balance sheets of institutions which have joined or left the reporting population are also available for internal use.

### *2.10.4 Seasonal adjustment*

The BoL carried out some preliminary investigations into the seasonal adjustment of monetary aggregates using an ad hoc approach, X-12-ARIMA, and a model-based approach, TRAMO/SEATS. But the problem of choosing the seasonal adjustment method, the aggregation method and the publication and revision policies, as well as deciding on the treatment of outliers and calendar effects, have not yet been resolved. For this reason seasonally adjusted monetary aggregates are not published.

## **2.11 Publications**

### ***2.11.1 First release of data (including the medium)***

The BoL releases analytical accounts for the BoL (the analytical balance sheet of the BoL) and analytical accounts for the banking sector (the banking survey) to the media in the form of a press release (hard copy) and publishes them at the same time on its website in the form of a time series. The consolidated balance sheet of credit institutions is also published as a time series on the BoL website.

Monthly data from the analytical balance sheet of the BoL are disseminated within two weeks after the end of the reference period. Monthly data from the banking survey are disseminated within one month after the end of the reference period. The precise dates of data dissemination are given in the advance release calendar on the BoL website and in the Monthly Bulletin of the BoL for the subsequent four months.

### ***2.11.2 Core weekly/monthly publications***

The banking survey, the monetary aggregates, the analytical balance sheet of the BoL and the consolidated balance sheet of credit institutions are also published in the Monthly and Quarterly Bulletins of the BoL (both are on hard copy). The Monthly and Quarterly Bulletins are published within one month and two months respectively after the end of the reference period.

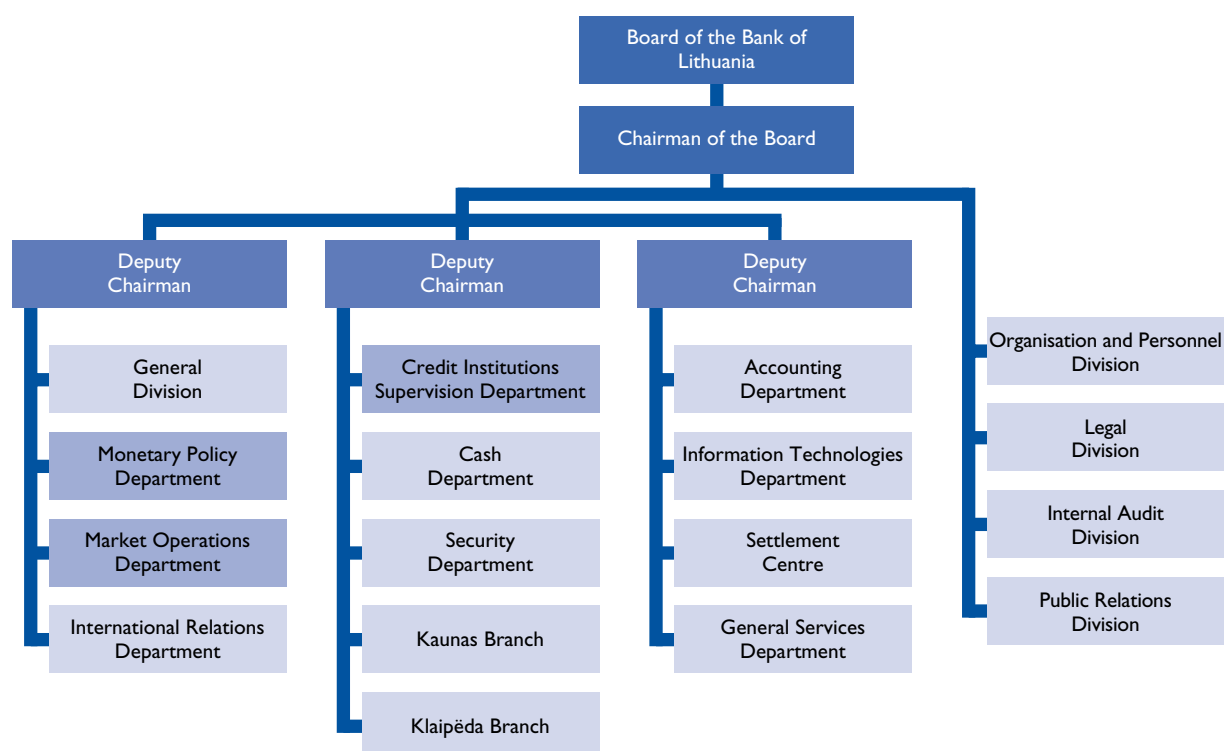
### ***2.11.3 Other statistical publications***

The banking survey, the monetary aggregates, the analytical balance sheet of the BoL and the consolidated balance sheet of credit institutions are published by the BoL in the Banking Statistics Yearbook (hard copy).

The banking survey, the analytical balance sheet of the BoL and the consolidated balance sheet of deposit money banks are published by the DoS in the Statistical Yearbook of Lithuania (hard copy).

## Annex

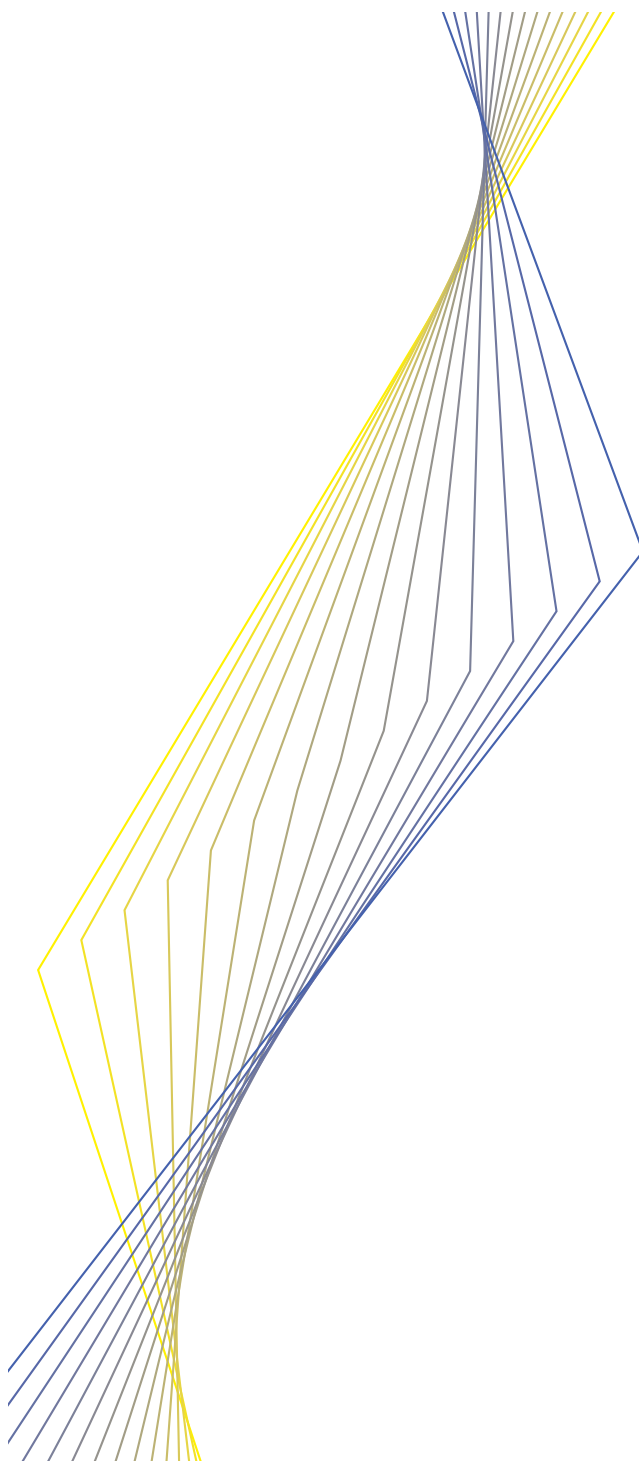
## Organisation chart of the Bank of Lithuania (BoL)



## Lithuania



EUROPEAN CENTRAL BANK



**Malta**

### List of abbreviations

<b>b.o.p.</b>	Balance of payments
<b>CBM</b>	Central Bank of Malta
<b>COS</b>	Central Office of Statistics
<b>DMBs</b>	Deposit money banks
<b>IAS</b>	International Accounting Standards
<b>IBIs</b>	International banking institutions
<b>IMF</b>	International Monetary Fund
<b>MFSC</b>	Malta Financial Services Centre
<b>MSE</b>	Malta Stock Exchange
<b>MTL</b>	Maltese liri
<b>OBIs</b>	Other banking institutions

## I Legal and institutional background

### I.1 Organisational structure

#### I.1.1 Organisation chart of the national central bank

Annex I shows the organisational structure of the Central Bank of Malta (CBM). The Governor, the Deputy Governor and five Deputy General Managers are responsible for the divisions within the Bank. These are Banking Supervision and Audit, Finance and Banking, Financial Markets, Research Management and Resource Management. The Correspondent Banking Office falls under the direct responsibility of the Deputy Governor.

Responsibility for policy and general administration at the CBM lies with the Board of Directors, which is composed of the Governor (as Chairman), the Deputy Governor and three other Directors. The Executive Management Committee is responsible for all decisions relating to the CBM's internal management and administration. This Committee is composed of the Governor (as Chairman), the Deputy Governor and the five Deputy General Managers.

See Annex I.

#### I.1.2 Organisation of the statistical work at the national central bank

The main statistical work is carried out by the Statistics Section within the Economics Department, while statistical work in connection with the compilation of balance of payments (b.o.p.) data is carried out by the Data Compilation Section within the Balance of Payments Department (BoP Department). Annex 2 shows the organisation chart of the Statistics Section and the Data Compilation Section within the BoP Department.

The Statistics Section is responsible for research on the statistical methodology,

data collection, verification, aggregation, processing and dissemination. The Statistics Section is made up of two main units, one of which is responsible for the compilation of monetary and financial statistics, while the other is entrusted with the compilation of domestic, fiscal and public debt statistics.

The Monetary and Financial Statistics Unit is involved in the compilation of primary data on money and banking statistics, and thus plays a role in the preparation of such data for the CBM's Quarterly Review and Annual Report, of detailed monthly statistics for the CBM's Monetary Policy Council and the Governor's briefing committee and the publication of the Monthly Release on Money and Banking Statistics. The Section is also responsible for disseminating statistical information to the senior management of the CBM, international agencies, selected local government departments and the media.

The bulk of the monetary information is retrieved from the statutory returns received from credit and financial institutions in accordance with the Banking Act of 1994 and the Financial Institutions Act of 1994 respectively. The international (offshore) banking institutions' returns are received from the Malta Financial Services Centre (MFSC), while data on selected financial institutions (referred to as other banking institutions (OBIs)) are collected from institutions licensed under the Financial Institutions Act of 1994. The CBM's own balance sheet details are received from its Financial Control Department.

Once these schedules have been consolidated, monetary and broad money surveys are compiled and the main monetary indicators are retrieved. A thorough verification of this information follows. Subsequently, the main monetary indicators are disseminated to the senior management of the CBM, the main local banks, the Central Office of Statistics (COS), the Government's Economic Planning Division, Eurostat, the



IMF, international credit agencies and the general public on request. An abridged version of the monetary data is released in the local press and published in the CBM's official publications.

The Statistics Section has also been collaborating with the MFSC in a project to create a set of returns in respect of the activities of the locally-based collective investment schemes (SICAVs), and is currently retrieving and aggregating data on such units.

Other financial information, such as data on securities issued, is received mainly from the Financial Markets Division of the CBM. Additional financial statistics are received from the Malta Stock Exchange (MSE).

The Domestic, Fiscal and Public Debt Statistics Unit is engaged in the compilation of domestic data, fiscal statistics, exchange rates and selected international indicators. This unit is also responsible for compiling statistics on public debt for internal use and for submission to the World Bank. Moreover, the unit is responsible for compiling government finance statistics for onward submission to the IMF. The two latter tasks were taken over from the Ministry of Finance in 1998. Data on selected social and international macroeconomic indicators are also collected, mainly for comparative purposes. This unit relies heavily on data received from various local government departments, public sector companies, local and foreign publications and other internal sources at the CBM. Substantial information is subsequently diffused locally and abroad.

See Annex 2.

### 1.2 Legal background

The Central Bank of Malta Act (CBM Act) of 1967 established the CBM as a corporate body having a distinct legal personality. The CBM was formally established with the promulgation of a Legal Notice in April 1968

which brought most sections of the CBM Act into force. This Act is not included on the CBM's website.

### 1.3 Institutional aspects

#### 1.3.1 The role of the national central bank

##### 1.3.1.1 Introduction

The CBM plays an important part in economic policy-making and is a key agent in the Maltese financial sector. It has two main objectives: the maintenance of monetary stability and the development of a sound and efficient financial sector.

##### 1.3.1.2 General responsibilities of the national central bank

The CBM is responsible for the conduct of monetary policy in Malta. It also plays an important part in the formulation of exchange rate policy. The CBM is also responsible for promoting a sound financial structure and for fostering an orderly capital market in Malta. Furthermore, as the competent authority under the terms of the Banking Act of 1994 and the Financial Institutions Act of 1994, the CBM has the duty to license, regulate and supervise banks and financial institutions. In addition, under the Malta Stock Exchange Act of 1990, it is also responsible for supervising the MSE so as to protect investors and promote a sound securities market.

As banker to the Government and to the domestic banking system, the CBM provides various banking services to government departments, public sector corporations and credit and financial institutions. The CBM also advises the Government and public corporations on financial matters and provides a limited range of banking facilities to its own staff.

### **1.3.2 Macroeconomic statistics: main responsibilities of domestic public authorities**

#### *1.3.2.1 Main responsibilities of the national central bank in the field of macroeconomic statistics*

The fulfilment of the CBM's statutory functions to conduct its monetary policy effectively, to promote a sound financial structure in Malta and to advise the Government on economic and financial matters implies constant analysis of the economic and financial situation both locally and abroad. The exercise of these functions is carried out mainly on the basis of the macroeconomic information that is compiled by the Statistics Section. It is the policy of the section to produce statistics in an objective, scientific and unbiased manner, to maintain confidentiality, to maintain the relevance of statistical activities to the needs of the CBM, the Government and the wider community and to continuously seek to improve its professional competence. Although the CBM is not a government department, the statistics it produces are considered to be "official statistics". In this regard, the CBM attempts to promote high standards of statistics and to maintain public confidence in the statistics it produces.

Apart from the compilation of money and banking statistics as described above, the CBM compiles data on the monetary base, which consists of currency in issue and banks' deposits with the CBM, including required reserves.

According to the CBM Act (Section 37), "the (Central) Bank may require banks carrying on the business of banking to maintain reserve deposits with the Bank". At present, reserve deposit requirements are equivalent to 5% of the average of the opening and closing deposit liabilities of the reference month. Deposit liabilities include resident and non-resident deposits, other repayable funds, deposits due to credit and financial institutions, other borrowed money, subordinated loan capital, inter-branch transactions, but exclude uncleared effects. The information on the

banks' deposit liabilities is collected by the Banking Supervision Department of the CBM, while the Financial Control Department administers the banks' reserve deposit accounts.

In the area of prudential supervision, the Banking Supervision Department compiles monthly and quarterly information (the latter in more detail) according to the schedules received under the Banking and Financial Institutions Acts. Data gathered comprise information on own funds, large exposures, solvency ratios, capital adequacy, liquidity requirements and other statutory information on various on-balance-sheet and off-balance sheet items. The compilation of such information is generally in line with the standards set in the Basel Accord and EU Directives.

The BOP Data Compilation Office compiles monthly b.o.p. statistics on a cash basis settled through the local banking system. It also compiles the external position of selected sectors, including private sector debt statistics, in conjunction with the COS. It also collaborates with the COS to compile the quarterly and annual accrual b.o.p.

#### *1.3.2.2 Main responsibilities of other public authorities in the field of macroeconomic statistics and co-operation with the national central bank*

The COS is the national statistical authority in Malta. It is responsible for compiling and publishing the national accounts and other macroeconomic indicators.

The Statistics Section relies heavily on data received from various government departments, such as the COS, the Treasury and the Ministry of Finance. It is also dependent on local public sector authorities/companies for data on the public debt. The MSE is another important partner as it provides the Statistics Section with substantial financial information. Moreover, the Domestic Unit of the Statistics Section relies on the voluntary collaboration of the major public sector companies for the provision of various

## Malta

statistics. These include the Employment and Training Corporation for the provision of labour market data, the Malta Tourism Authority for the provision of tourism data and various other public sector companies for the provision of external public debt statistics.

The CBM and the COS co-operate in compiling the b.o.p. While the COS is responsible for compiling the b.o.p. on an accruals basis at quarterly and annual intervals, the CBM's task is to compile the cash-based b.o.p. on a monthly basis. The COS also compiles b.o.p. data on a regional basis. It is currently in the process of bringing its b.o.p. data into line with Eurostat requirements, as outlined in the Vade-mecum.

In the area of prudential supervision, the MFSC, through the provisions of the MFSC Act, is responsible for monitoring and supervising the activities of offshore companies. The MFSC is also responsible for

advising the Government on financial services and related matters, and for supervising insurance and investment services. The Board of Governors of the MFSC must include the Governor of the CBM as a member. The MFSC plays an important role in monetary data compilation since it provides the Statistics Section of the CBM with the returns of the offshore banking institutions.

Financial accounts are not compiled in Malta at present. The Statistics Section is currently assisting the COS in a project to commence compiling financial accounts for Malta.

Public authorities outside the CBM play no role in the area of reserve base statistics.

### *1.3.2.3 Overview of statistical data collection and compilation*

See Table I.

Table I

Statistical areas:	Money and banking statistics		
	Bank balance sheet statistics/ monetary aggregates and counterparts	Interest rate statistics	Security issues statistics
<b>Collected data</b>	<p>Monthly/quarterly information as per statutory financial information received from credit institutions no later than 15 days following the reference period. The statements detail the financial position of these institutions in a balance sheet, profit and loss accounts and the appropriation account. In addition, a series of additional descriptive tables contain more detailed information on selected balance sheet items such as investment securities, trading and other investments, loans and advances and deposit liabilities.</p> <p>CBM balance sheet (monthly) within one week of the reference month. The main items on the assets side of the balance sheet comprise total external assets, IMF-related assets, holdings of securities, tangible fixed and other remaining assets. The main items on the liabilities side of the balance sheet include banknotes and coin in circulation, IMF-related liabilities, deposits of the banks, Government and others, other liabilities, capital and reserves.</p>	<p>Interest rates on:</p> <ul style="list-style-type: none"> <li>• Deposits (monthly, as per statutory data received from credit institutions).</li> <li>• Loans (monthly, as per statutory data received from credit institutions).</li> <li>• Official interest rates (received on real-time basis).</li> <li>• Money and capital market yields (weekly).</li> </ul>	<p>Treasury bills (weekly/monthly).</p> <p>Government stocks (monthly, on request).</p> <p>Listed corporate bonds and equity (quarterly, on request).</p>
<b>Collecting agents</b>	CBM.	CBM.	Malta Stock Exchange, CBM.
<b>Users</b>	CBM.	CBM.	CBM.
<b>Description</b>	See further details of the banks' stock positions in Section 2.9.3.	<p>Deposits (various maturities): weighted average interest rate; minimum rate; maximum rate.</p> <p>Loans (various maturities): weighted average interest rate; minimum rate; maximum rate.</p> <p>Rates on the discount, overnight, repo facilities.</p> <p>Inter-bank offered rates; yields on Treasury bills and government bonds.</p>	<p>Treasury bills (various maturities).</p> <p>Government stocks (various maturities).</p> <p>Listed corporate bonds and equities (various maturities).</p>

**Table I (continued)**

Statistical areas:	Reserve base	Financial accounts	Balance of payments	Prudential supervision
<b>Collected data</b>	Monthly details on deposit liabilities constituting the reserve base on separate forms (by no later than ten days following the reference period).	This project is currently being set up by the COS, with the assistance of the CBM.	Monthly b.o.p. (on a cash basis) from banks within four weeks of the reference period.  Joint COS/CBM compilation of quarterly b.o.p. (on accrual basis) within one quarter.  Quarterly/annual external position of selected sectors within one quarter/year.	Assets acquired in satisfaction of debt, investments in other banks, companies or groups of connected persons, contingent liabilities, pledged assets, past due and doubtful loans and advances, classification of the lending portfolio, limit excesses, rescheduled loans, loans to directors and staff members, shareholders owning more than 5% of shares, detailed profit and loss accounts, interest rate risk exposure and "shock scenario", an overall foreign currency open position exposure, classified also by currency (as per statutory financial information), other data collected during on-site inspection.
<b>Collecting agents</b>	Banking Supervision Department.	n.a.	CBM (monthly), CBM and the COS jointly.	Banking Supervision Department (acting as the Competent Authority under the Banking Act)
<b>Users</b>	Financial Control Department, Statistics Section, Financial Markets Division (CBM).	n.a.	CBM, COS, local government agencies and foreign institutions.	Banking Supervision Department (CBM)
<b>Description</b>	Monthly data on specific deposit liabilities.  Information received by post or by messenger.	n.a.	Monthly data on Excel spreadsheets attached to e-mail messages and transferred to Aremos. Quarterly data through survey data (stored in Paradox).	In Excel format on floppy disk obtained by courier, messenger or by post.  A signed hard copy.

## 2 Monetary statistics

### 2.1 Legal background and statistical standards

#### 2.1.1 National legal aspects

The CBM is authorised to collect data from banks under the CBM Act of 1967. Section 38C (1) of the Act stipulates that the CBM "may require banks to submit such information as the Bank may require in the discharge of its duties under this Act".

Moreover, all credit and financial institutions in Malta are required to submit the statutory statements on their financial position to the competent authority under the Banking and Financial Institutions Acts of 1994. As the competent authority, the CBM has issued Banking Directive No. 6 which lays down the reporting requirements. In addition, Section 19 (2) of the Banking Act stipulates that a "bank shall submit to the Central Bank such information as the Central Bank may require in the discharge of its duties". At present, the

CBM Act of 1967 is not included on the CBM's website. The website does, however, provide a summary of the Banking and Financial Institutions Acts of 1994.

The MFSC is responsible for the collection of information from the international (offshore) banking institutions. However, the CBM is authorised to receive such information under Schedule 3, Section 8 (1), of the MFSC Act of 1994, which states that "the CBM may request the Centre to pass to it information in the possession of the latter which is necessary for the discharge by the Central Bank of its duties under the CBM Act, and the Centre shall comply with such a request".

### **2.1.2 Statistical standards**

The methodology underlying the compilation of Maltese monetary and banking statistics is generally consistent with internationally agreed concepts, definitions and classifications, as published in the IMF's "A Guide to Money and Banking Statistics in International Financial Statistics" (1984). Details of the applied concepts and methodologies can be found primarily in Section 2.9.3.

## **2.2 Concepts and definitions**

In mid-2000 the CBM adopted a strategy to revise the bank returns, concepts and methodologies so as to conform to ECB Regulations, the European System of Accounts 1995 (ESA 95) and the IMF's Monetary and Financial Statistics Manual. This strategy specified that the period from September 2000 to March 2001 would be dedicated to the training of new staff, methodological research and the formulation of a new draft summary balance sheet. Subsequently, the summary balance sheet will be introduced to the local financial sector by a technical committee created specifically for the task, which will comprise representatives

of the financial sector and the official data compilation agencies. The creation, presentation and implementation of the whole set of new schedules will be carried out from mid-2001 to 2003.

### **2.2.1 Statistical definitions: economic territory and residency principles**

The domestic territory refers to the geographical territory administered by the Government of Malta, which comprises the Maltese Islands.

Money and banking data are based on the classification of transactions by the residence of the transactors. The residence criterion is based on the transactor's "centre of economic interest" within Malta. Thus, an institutional unit is defined as having a centre of economic interest in Malta when there exists some location within the economic territory of Malta on or from which the unit engages and intends to continue engaging, either indefinitely or over a finite but long period of time, in economic activities and transactions on a significant scale. A guideline of one year or more is applied flexibly. Domestic branches of foreign banks are thus deemed to be residents of the country, while foreign branches of domestic banks are deemed to be non-residents of the country. Diplomatic missions, embassies, consulates, military establishments and other entities of a foreign government located in Malta are treated as non-resident units. Offshore banks are considered to have a centre of economic interest in Malta and are therefore deemed to be resident units of Malta. Other offshore non-banking institutions are treated as resident or non-resident units, depending on whether they are considered to have a centre of economic interest in Malta. A list of all offshore companies, identifying the resident offshore institutions separately, is issued by the CBM periodically and sent to the local banks for proper classification purposes.

## 2.2.2 Sectors in monetary statistics

### 2.2.2.1 Definition and classification of sectors in monetary statistics

As shown in Table 2, the Maltese economy is broken down, for statistical and economic analysis purposes, into five sectors by the primary activity of those sectors. The sectors include (a) the banking sector; (b) the government sector; (c) public (non-banking) corporations/authorities; (d) the private corporate (non-banking) sector; and (e) the personal (households) sector. The non-resident sector is classified separately.

On the other hand, for banking supervision purposes, the banking and financial sectors are broken down into three main sectors. These comprise credit institutions, financial institutions (mainly exchange bureaux, but excluding collective investment institutions and insurance companies) and international (offshore) banking institutions.

See Table 2.

### 2.2.2.2 Comparison between the sectors of the national economy and the ESA 95.

See Table 3.

## 2.3 Population of monetary institutions

### 2.3.1 Definition of a credit institution (bank) and categories of credit institutions

As indicated above, the credit and financial institution definitions are not in use for the compilation of money and banking statistics. However, Section 2 (1) of the Banking Act of 1994 adopted the concept of a credit institution as stipulated in the First and Second Co-ordination Directives of the European Union. Thus, credit institutions falling under the Banking Act are granted a general authorisation, which covers all the activities of the Second Co-ordination Directive. The principal activity of

credit institutions is the carrying out of the “business of banking” in or from Malta. In turn, the business of banking is defined in the Banking Act as the receipt of deposits of money or other repayable funds from the public and the reinvesting or lending of such funds.

The international offshore banking institutions operating in the country are licensed and supervised by the MFSC under the MFSC Act (Cap. 330). Under Section 23 (3) of the MFSC Act of 1994, “a banking offshore company is an offshore company which expressly restricts its objects to the business of banking (“business of banking” has the meaning assigned to it by Section 2 of the Banking Act) or is an offshore overseas or an offshore subsidiary company ... or is an offshore local company, and in any case limits its operation from Malta to the business of banking”. In May 2000, there were four registered offshore banking institutions. In 1994 matters relating to the establishment and supervision of international or offshore banks became the responsibility of the MFSC appointed in terms of the MFSC Act of 1994. This Act also established that the distinction between onshore and offshore financial institutions was eliminated and all offshore companies are thus required to convert to onshore companies by 2004.

The MFSC is also the supervisor of insurance companies and investment licence holders. The latter include local and foreign-based unit trusts, SICAVs (variable capital companies), mutual funds and certain investment partnerships and investment companies. At the end of May 2000, there were 26 licensed Malta-based and 144 overseas-based collective investment schemes, including sub-funds.

Unlike credit institutions, financial institutions are precluded from taking deposits or other repayable instruments from the public to fund their activities, although they can carry out various other kinds of banking activities. They are regulated by the Financial Institutions Act of 1994 and are not considered part of the money-creating sector. The activities of the financial institutions include lending, financial



leasing, the provision of venture capital, foreign exchange dealing and underwriting. The majority of these institutions are

exchange bureaux that are involved in administering means of payment and trading in foreign exchange.

**Table 2**

Sector classification	Sectors	Definitions
<b>Money-creating sector</b>	CBM	The CBM, which was set up by the CBM Act in 1967, is assigned the responsibilities normally assigned to the monetary authority of a country.
	Deposit money banks (DMBs)	DMBs are banks that offer liabilities in the form of deposits payable on demand, transferable by cheque or that can otherwise be used for making payments to non-bank enterprises and households. Their role as creators of deposit money makes them distinct from the OBIs.
	International banking institutions (IBIs)	IBIs are banks that accept deposits primarily from non-residents. They offer international "offshore" banking facilities. Since such banking institutions are permitted to offer demand deposits to their customers, their assets and liabilities are consolidated with those of the DMBs in order to derive the statistical data for the <i>Monetary and Banking Surveys</i> .
<b>Money-holding sector</b>	OBIs	The OBIs have as their primary function the granting of long-term loans. One of these institutions is a bank that specialises in mortgage lending and offers limited deposit facilities to its clients. None of the other institutions in this category offers any deposit facilities.
	Public (non-financial) corporations	Public (non-financial) corporations and authorities include all non-bank public sector corporations/authorities that are subject to control by the government, whereby "control" is defined as the ability to determine general corporate policy. In some cases, these corporations and authorities are specifically established by law. In other cases, control is established by applying the 50%+1 shareholding criteria.
	Private corporate (non-banking) sector	The private corporate (non-banking) sector consists of those resident non-bank companies under private ownership or control that are principally engaged in the production of market goods and non-bank services. These entities are collectively owned by shareholders that have the authority to appoint directors responsible for general management and may be a source of profit or other financial gain to their owners. The main difference from the ESA 95 is that this category incorporates the collective investment institutions, insurance companies and exchange bureaux. This sector also incorporates the non-profit institutions.
	Household sector	The household sector includes resident individuals or groups of individuals.
<b>Money neutral sector</b>	Central government	Central government <sup>1)</sup> comprises the central government and the local councils. The central government units covered by the general budget include the House of Representatives, the National Audit Office, the Office of the Ombudsman, the President's Office, the Prime Minister's Office and 13 ministries. For statistical purposes, local councils are not considered to be separate institutional units but a part of Central Government because they are not able to raise funds or incur liabilities by borrowing on their own account. The main difference from the ESA 95-recommended general government sector (S13) is that the current government sector does not include the central government units covered by individual budgets. The latter are included in the public corporations/authorities sector.
<b>Non-resident sector</b>		All other units of an economy not meeting the above criteria are considered as non-resident units.

1) A revision of the concepts and methodology for the compilation of government finance statistics is currently under way. It is anticipated that the exercise will be completed by the end of 2000.



## Malta

There is also one representative office operating in Malta. The business of a representative office is confined solely to liaison activities and does not include the engagement in financial activities.

### 2.3.2 Definition of other monetary institutions

Not applicable.

**Table 3**

National sector classification	National sectors	Sectors in the ESA 95		ECB sector classification
Money-creating sector	Central Bank of Malta (CBM)	S121 Central bank	S12 Financial corporations	Money-creating sector
	Deposit money banks (DMBs) International banking institutions (IBIs)	S122 Other monetary financial institutions		
Money-holding sector	Other banking institutions (OBIs)	S123 Other financial intermediaries, except insurance corporations and pension funds		Money-holding sector
	n.a.	S124 Financial auxiliaries		
	n.a.	S125 Insurance corporations and pension funds		
	Classified as public (non-financial) or private corporate (non-banking) sector.	S11 Non-financial corporations		
	Household sector	S14 Households		
	n.a.	S15 Non-profit institutions serving households		
Money-neutral sector	Central government	S1311 Central government	S13 General government	Money-neutral sector
	n.a.	S1312 State/regional government		Money-holding sector
	n.a.	S1313 Local government		
	n.a.	S1314 Social security funds		
Non-resident sector <sup>1)</sup>		S211 EU countries	S2 Rest of the world	Non-resident sector
		S212 Institutions of the EU		
		S22 Third countries and international organisations		

1) The non-resident sector is not classified. However, loans and deposits are classified by selected major currencies of the EU and other major international currencies.

### 2.3.3 Central government units with deposit liabilities included in measures of money

Central government units do not issue liabilities that are included in measures of money.

**Table 4**

Institutions	Number of institutions <sup>1)</sup>
National central bank	1
Credit institutions	20
Credit institutions	16
International (offshore) banking institutions licensed under the MFSC Act	4
Other monetary institutions	0
<b>Total</b>	<b>21</b>

1) Not included is a credit institution which has recently been licensed but has not yet commenced operating.

### 2.4 Banking business: general deposits/other products

Deposit business of banks includes a broad range of interest-bearing and non-interest-bearing deposit services, such as current (demand) accounts with cheque facilities, savings deposits, term and foreign currency deposits. Savings deposits bear interest and, technically speaking, can only be withdrawn after due notice has been given. Banks also provide foreign exchange and money transmission services, including the execution of payments by means of cheques, electronic transfers or direct credits.

Credit products offered by banks include all types of credit and/or mortgage loans to households, industry and other banks, whereby the maturity, interest repayment and interest schedules vary according to the customer. Banks may also place funds in short-term and long-term securities, equity shares and participations in associated or subsidiary companies.

Other products offered by the banks comprise financial leasing, issuing of guarantees and commitments, trading for

their own account or for the account of customers in money market instruments, operations in futures and options, interest rate instruments and transferable instruments and participation in share issues.

### 2.5 Statistical balance sheets of the monetary institutions

#### 2.5.1 Description of the main balance sheet items

The main items on the assets side of the CBM's balance sheet comprise (i) total external assets (including cash and bank balances, gold, placements with banks, securities and other foreign currency assets), (ii) IMF-related assets, (iii) holdings of securities (including Treasury bills and other domestic debt securities), (iv) tangible fixed assets and (v) remaining other assets (including accrued interest receivable). The main items on the liabilities side of the balance sheet include (i) banknotes and coin in circulation, (ii) IMF-related liabilities, (iii) deposits of banks, government and others, (iv) other liabilities (including accrued interest payable) and (v) capital and reserves.

The main items on the assets side of the rest of the banking sector's balance sheets comprise (i) cash, uncleared effects and other balances, (ii) investment securities, (iii) repurchase agreements, (iv) trading investments, (v) loans and advances, (vi) tangible fixed assets, (vii) investments in other banks, companies or groups of persons, (viii) intangible assets and (ix) other assets. On the liabilities side, the principal components include (i) deposit liabilities, (ii) securities sold under agreement to repurchase, (iii) CBM borrowings, (iv) other borrowed money, (v) secured indebtedness, (vi) subordinated loan capital, (vii) notes and debentures, (viii) redeemable preference shares and (ix) other liabilities. Items in the shareholders' funds section comprise: (i) perpetual preference shares, (ii) ordinary shares, (iii) share premium account, (iv) reserves and (v) profit and loss account.

### **2.5.2 Breakdown of the main balance sheet items by instrument/maturity, counterparty and currency**

The CBM's classification of the main balance sheet items by instrument/maturity, counterparty and currency is as follows:

- (a) Placements with banks are subdivided by remaining maturity in the following manner: (i) up to one month, (ii) over one month up to three months and (iii) over three months up to one year.
- (b) Investment securities are categorised by remaining maturity into: (i) up to three months, (ii) three months up to one year, (iii) over one year up to five years and (iv) over five years.
- (c) Holdings of Treasury bills are classified by remaining maturity as: (i) up to one month, (ii) over one month up to three months and (iii) over three months up to one year.
- (d) Holdings of domestic debt securities are broken down by remaining maturity into: (i) up to one year, (ii) over one year but under five years and (iii) over five years.
- (e) Government and other deposits are categorised by Maltese lira or foreign currency. Furthermore, these are classified into (i) those repayable on demand and (ii) those repayable within three months.
- (f) The CBM's foreign currency holdings are grouped by main currency and by residency. These instruments are classified in detail and a monthly report is submitted to the IMF.

On the liabilities side of the balance sheet, deposits are categorised into those placed by banks, government and others. A similar classification is adapted to categorise accrued

interest payable. On the assets side, domestic securities and accrued income are also categorised in this manner. Foreign currency reserves are classified by residents of issuing currencies.

## **2.6 Measure(s) of money: definitions and remarks**

### **2.6.1 Definition of money and instrument breakdown of monetary aggregates**

The monetary aggregates currently published by the CBM are M0, M1 and M3. M2 figures are compiled and forwarded to Eurostat, but they are not currently published.

See Box 1.

### **2.6.2 Sectoral allocation of holdings of negotiable instruments**

Details of banknotes and coins issued by and paid into the CBM are published in the CBM's Annual Report. At present, the banks do not issue other types of freely transferable and negotiable instruments.<sup>1</sup> However, they do make use of bills payable instruments. For statistical reporting purposes, such bills are added to cash and uncleared effects, the latter being deducted from demand deposits. Repos and term deposits (instruments that are used in open market operations) are not freely transferable since these are transactions conducted specifically between the CBM and individual banks.

## **2.7 Counterparts of money**

See Section 2.9.3 for the classification of credit to domestic residents by sector, type and maturity.

See Box 2.

<sup>1</sup> On one occasion a bank issued a marginal amount of certificates of deposits to depositors as pledges against loans.

**Box I**

**Monetary Base (M0)** comprises:

- Currency in issue plus
- banks' deposits with the CBM.

Note that term deposits are not included in the definition of M0.

**M1, or narrow money**, comprises:

- currency in circulation (banknotes and coin outside the banking sector) plus
- transferable deposits (i.e. demand deposits) of the non-bank domestic sectors (demand deposits exclude deposits from the Maltese Government, balances belonging to non-residents, as well as uncleared effects drawn on the CBM and the DMBs).

**M2** comprises:

- M1 plus
- domestic savings and time deposits with an original maturity of up to two years.

Note that M2 is not used for monetary policy purposes, but it is compiled solely for statistical comparison purposes.

**M3, or broad money**, comprises:

- M1 plus
- savings and time deposits belonging to residents (savings and time deposits are netted of government deposits, deposits belonging to non-residents and interbank balances).

Note that M3 is the broadest measure of money in use.

## 2.8 Reserve money

The official measure of the CBM's monetary liabilities is the Monetary Base (M0): currency in issue and banks' deposits with the CBM.

## 2.9 Reporting procedures

### 2.9.1 Powers to collect statistics and collecting agents

The CBM is authorised to collect data from banks under Section 38 of the CBM Act of 1967. Moreover, all credit institutions in Malta are required to submit periodic returns to the competent authority under the Banking Act of 1994 (Section 19).

The MFSC is responsible for the collection of information from the international (offshore) banking institutions. It is also responsible for the collection of information on investment firms/collective investment institutions and for the collection of annual data on the activities of insurance companies. Schedule 3 (8.1) of the MFSC Act of 1994 states that the MFSC shall provide the CBM with information necessary for the CBM to discharge its duties.

### 2.9.2 Identification of the reporting population (reporting coverage)

For the purposes of consolidating money and banking statistics, the CBM collects monthly and quarterly information from all institutions classified as DMBs, OBLs and IBIs. The CBM

## Box 2

**“Total credit to the economy”, or total domestic credit** includes:

- net claims on the government (includes credit to government from the monetary authorities, DMBs and OBIs in the form of Treasury bills and government stock holdings, minus government deposit liabilities);
- claims on the private and public non-financial corporations (includes loans and advances to residents, bills discounted and investments in other securities in Malta by the DMBs, IBIs and OBIs, excluding interbank transactions); and
- government deposits (total government deposits held with the CBM and the banks. These include deposit liabilities belonging to the local councils).

**“Net foreign assets”** is the difference between foreign assets and foreign liabilities belonging to the monetary authorities and the rest of the banking system, including:

Foreign assets of the monetary authorities:

- gold holdings;
- the IMF’s reserve tranche position (less fund holdings of national currency); and
- SDRs and convertible exchange and other foreign assets. At present, the CBM does not report any foreign liabilities.

Foreign assets of the rest of the banking system:

- holdings of foreign currency;
- claims on other foreign banks;
- uncleared effects drawn on banks abroad;
- money at call abroad;
- holdings of foreign government treasury bills;
- government and other securities;
- bills discounted;
- loans and advances to non-residents; and
- foreign securities purchased under agreements to resell and other foreign assets.

“Net foreign assets” excludes

Foreign liabilities:

- non-resident deposits;
- foreign securities sold under agreement to repurchase; and
- foreign subordinated loan capital and deposits of foreign banks.

**“Other items (net)”** comprises those instruments that are regarded as incidental to the function of the institutions as financial transactors, such as:

- capital accounts (including preference and ordinary shares, capital, foreign exchange valuation and undistributed profits and losses and provisions);
- net balances within a financial sub-sector (for the purposes of consolidation); and
- fixed and other unclassified assets or liabilities.

also receives quarterly information on collective investment institutions from the MFSC; however, such data are not consolidated with money and banking statistics. Such data are currently used for analytical purposes. The CBM collects monthly data from branches, agencies and offices in Malta of those credit institutions which are not incorporated in Malta. Although there are currently no credit institutions incorporated in Malta that have branches overseas, if such a case were to exist, these overseas branches would also be obliged to submit regular information to the CBM.

See Table 5.

### 2.9.3 Reporting schemes

Money and banking statistics are extracted from prudential supervisory reporting forms that are submitted to the CBM in accordance with Section 19 (4) of the Banking and Financial Institutions Acts of 1994. Branches, agencies and offices in Malta of credit institutions which are not incorporated in Malta are also obliged to fill in the requested forms. All credit institutions (licensed under the Banking Act of 1994), financial institutions (licensed under the Financial Institutions Act of 1994), representative offices and offshore banking institutions (licensed under the MFSC Act) are obliged to submit periodic statements to the respective authorities. The above-mentioned institutions provide full balance sheets and details on the main components.

The monthly reporting statements have to be submitted to the CBM no later than the 15th calendar day following the reference period. The same deadline applies to quarterly statements. The IBIs' returns are submitted to the MFSC on a monthly basis within one month of the reference period, while all quarterly returns are submitted within one month of the quarter-end.

The monthly statements for credit institutions and financial institutions are incorporated in Banking Directive BD06 of the Banking Act of 1994 and FID02 of the Financial Institutions Act of 1994 respectively. The statements detail the financial position of these institutions in a balance sheet, profit and loss accounts and the appropriation account. In addition, a series of additional descriptive tables contain more detailed information on selected balance sheet items, such as investment securities, trading and other investments, loans and advances and deposit liabilities (see below).

The banking returns submitted to the MFSC include a balance sheet, with additional details for loans and advances classified by size and interest rate, and deposits by ownership and maturity. Additional quarterly information comprises details on core and supplementary capital, the profit and loss account and details on the provisions for bad and doubtful debts.

Operations in deposits and loans are classified by main currency. This categorisation includes

**Table 5**

	Reporting institutions		Total balance sheet
	Number	% (of the total category)	% (of the total balance sheet of all institutions)
<b>National central bank</b>	<b>1</b>	<b>100</b>	<b>12</b>
<b>Credit institutions</b>	<b>20</b>	<b>100</b>	<b>88</b>
Credit institutions	16	100	78
International (offshore) banking institutions licensed under the MFSC Act	4	100	11
<b>Other monetary institutions</b>	<b>0</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>21</b>	<b>-</b>	<b>100</b>

details on operations in the major European Union currencies or in other major non-EU currencies. Investment securities are categorised by main local or foreign issuer.

Credit institutions are expected to prepare all returns on an accruals basis and in accordance with the requirements of the International Accounting Standards (IAS). However, for statistical purposes, net foreign assets are shown on a cash basis. Money and banking data collected are stock data, i.e. data on outstanding balances at the end of the month or quarter. Assets and liabilities are reported at book value. In the case of investment securities, the book value includes the amortisation of premium and accretion of discount on securities purchased at other than par or face value. Investment securities are also reported at market value. The market value is calculated at the middle market price as at the date of the report. Trading investments are valued at cost or market value, whichever is the lower.

The monthly/quarterly returns are submitted by means of Excel worksheets on a floppy disk, either by courier, by messenger or by post. A hard copy printout of the information is provided to the CBM, duly endorsed by the institutions' authorised signatories.

#### **2.9.4 Special reporting procedures for the national central bank**

Figures for the monetary authorities are obtained from the balance sheet of the CBM. The balance sheet is compiled by the Financial Control Department of the CBM and provided to the Statistics Section on a monthly basis, once it has been approved by the CBM's Board of Directors. A project is currently underway to provide such information electronically to the Statistics Section.

The financial statements of the CBM are prepared in such a way so as to give a true and fair view of the state of affairs of the CBM at the end of each financial year, ending

on 31 December each year. This financial statement is prepared in compliance with the IAS issued by the International Accounting Standards Committee in so far as these are appropriate to a central bank and applicable in terms of the CBM Act of 1967.

## **2.10 Data processing and compilation methods**

### **2.10.1 Basis of calculation**

Data provided by the reporting agents are end-of-month positions. Asset and liability items which are denominated in foreign currencies are converted into Maltese liri (MTL) at the middle exchange rate valid at the end of the reporting period. End-of-month exchange rates of the Maltese lira represent the closing mid-point rates of the last working day of the month, where a mid-point rate is calculated as the arithmetic mean of the buying and selling rates.

### **2.10.2 Revisions**

Following the publication of provisional monthly statistics, data can be amended. Statistics are theoretically final once they have been published in the Quarterly Review. If, however, reporting errors are discovered at a later stage, they are corrected. In principle, the latest published data are considered to be the most up-to-date information available and only substantial revisions would be highlighted in a footnote.

### **2.10.3 Derivation of flow statistics**

#### **2.10.3.1 Breaks in series**

Major breaks in series generally occur because of methodological changes, changes in reporting regulations and changes in the reporting population (e.g. bank mergers). Minor breaks occur frequently as a result of the evolution of the reporting population. Explanations for the break are usually given

in a footnote or are indicated specifically in a note in the Quarterly Review, depending on the scale and effect of the revision. When data are available, series are amended as far back as possible. In the case of a recalculation of the series not being feasible, or of a series expiring as a result of conceptual changes, the new series are published from the date of the break together with data for the old series for a number of years, if possible.

#### *2.10.3.2 Other adjustments*

Guidelines on such policies are either included in the Notes to Banking Directive No. 6 or issued specifically by means of a Notice. With regard to assets held as trading securities, for instance, these are valued at cost or market value, whichever is the lower. Investment securities are reported at book and market value. Moreover, banks must abide with a consistent policy of revaluing their fixed assets.

With regard to the CBM's balance sheet, foreign currency assets and liabilities are reported using closing rates of exchange against the Maltese lira. Exchange differences arising from such conversion are recognised as income or expense in the period in which they arise.

#### *2.10.3.3 Derivation of flows*

Flows statistics are currently not compiled.

#### **2.10.4 Seasonal adjustment**

Published data are not seasonally adjusted. Occasionally, however, deseasonalised data are used in the graphical illustration of certain monetary statistics. Such data are seasonally adjusted using the Census-X 11 calculation method.

## **2.11 Publications**

### **2.11.1 First release of data (including the medium)**

Monetary statistics are first released to the public by means of a monthly issue entitled "Release of Monetary Aggregates and their Determinants". This release, which is published on the 7th day of the second month following the reference period, is published in the local newspapers and placed on the CBM's website. Before being released, the figures are seen by the CBM's Monetary Policy Council. The Council usually meets on the last Thursday of the month. Information released includes the provisional monetary aggregates, their determinants and the main items in each category. The Governor's Office (within the CBM) submits this information electronically as a Word document to a private publicity firm, which is responsible for forwarding such information to the local media.

### **2.11.2 Core weekly/monthly publications**

Weekly money and banking statistics are not released by the CBM. Apart from the Release mentioned in Section 2.11.1, the CBM does not release other monthly publications on money and banking data.

### **2.11.3 Other statistical publications**

The CBM publishes a range of monetary and financial statistics in its Quarterly Review. The Statistical Tables in the Review show extensive information on Maltese money and banking statistics, together with a brief methodological note on the compilation of such information. The "Statistical Tables" section comprises five parts, namely Money and Banking, Government Finance, Public Debt, External Transactions and Real Economy Indicators. The Quarterly Review is released within three to four months of the reference quarter. It is submitted by post to interested parties and also placed on the CBM's website.



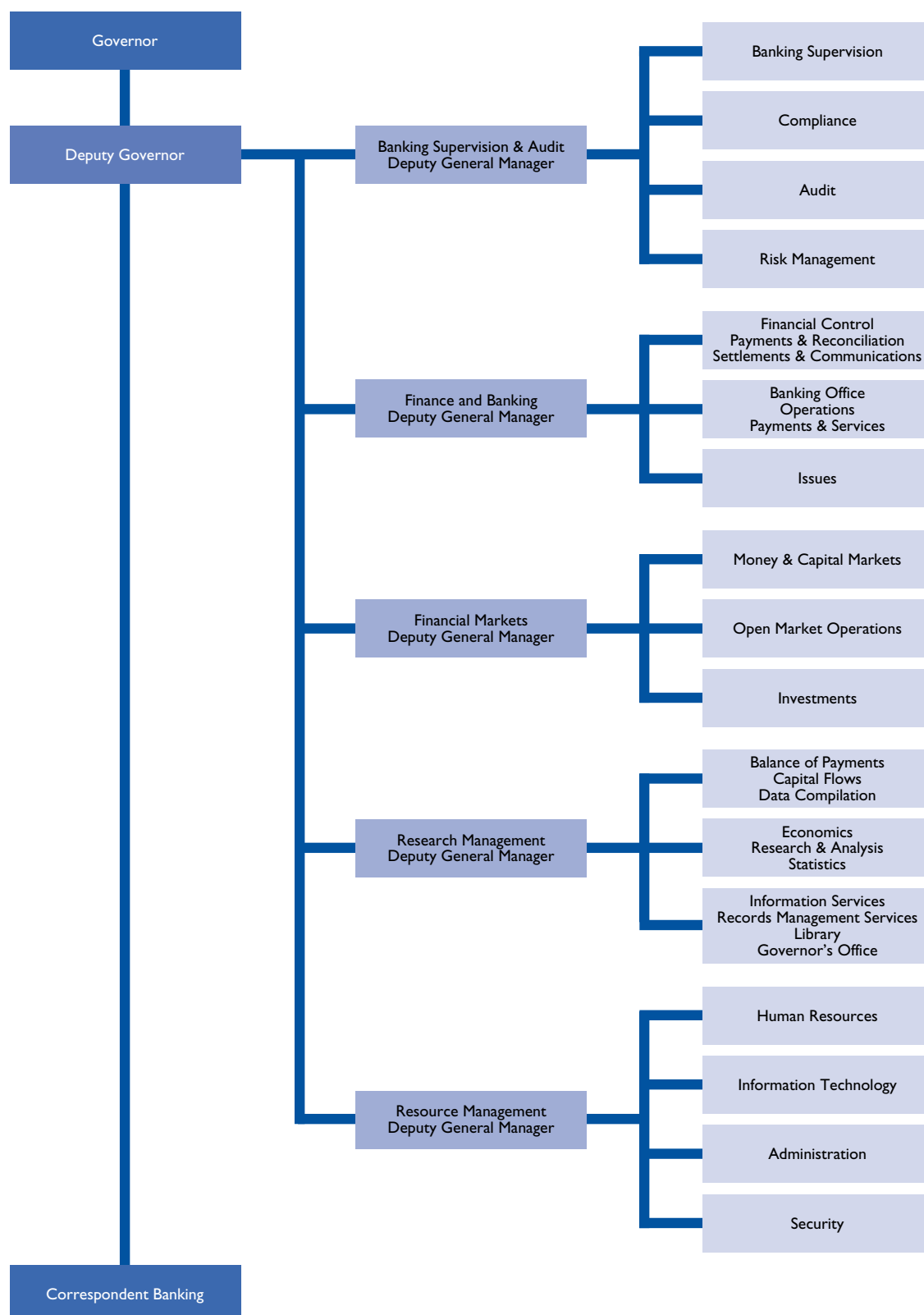
## Malta

Although the CBM's Annual Report does not include an annex with statistical information, a number of tables containing statistical information are shown. In accordance with Section 23 (1) of the CBM Act of 1967, a copy of the annual accounts, as certified by the auditors, and a report on the operations during that year have to be transmitted to the Minister of Finance no later than three months after the close of each financial year.

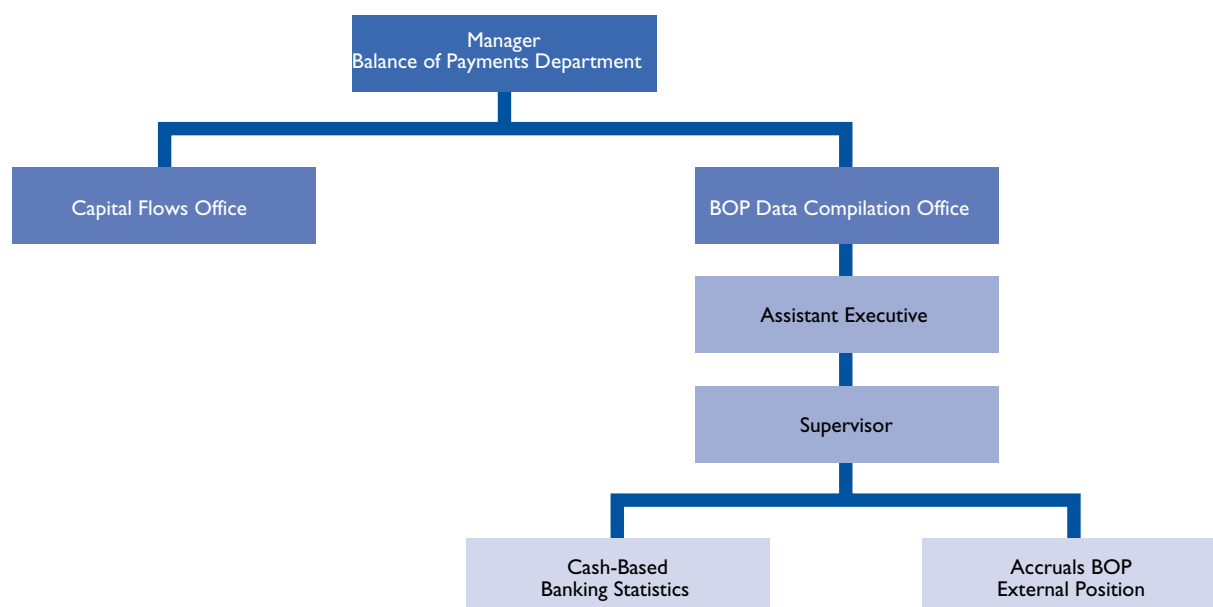
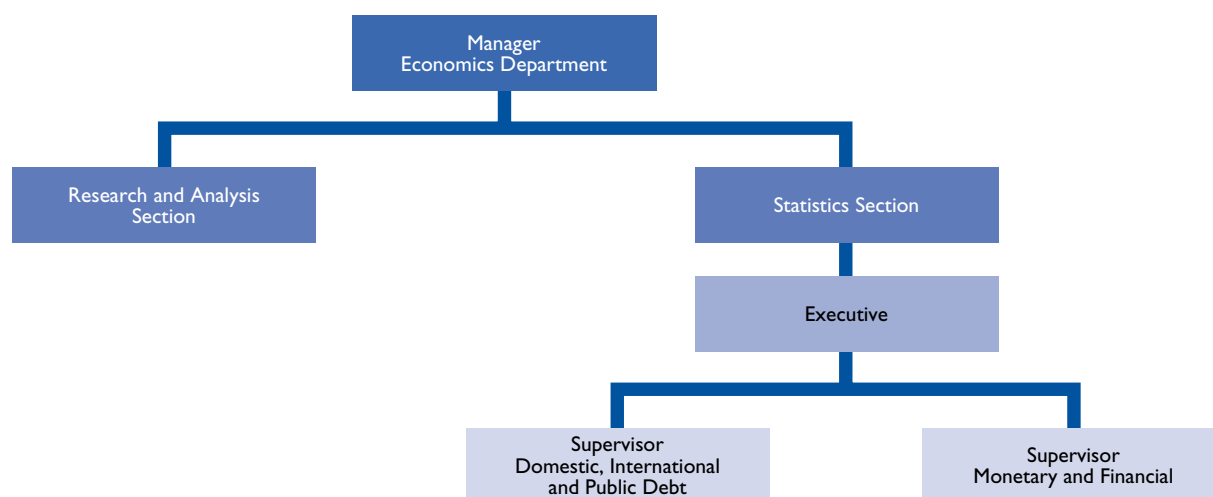
By the time of the first sitting of the House of Representatives after 7 April, the Minister of Finance should have placed a copy of these accounts before the House of Representatives. A copy of these accounts is also published in the Government Gazette. The CBM also provides copies of the Annual Report by post to interested parties and places a copy on its website.

## Annexes:

## I Organisation chart of the Central Bank of Malta (CBM)

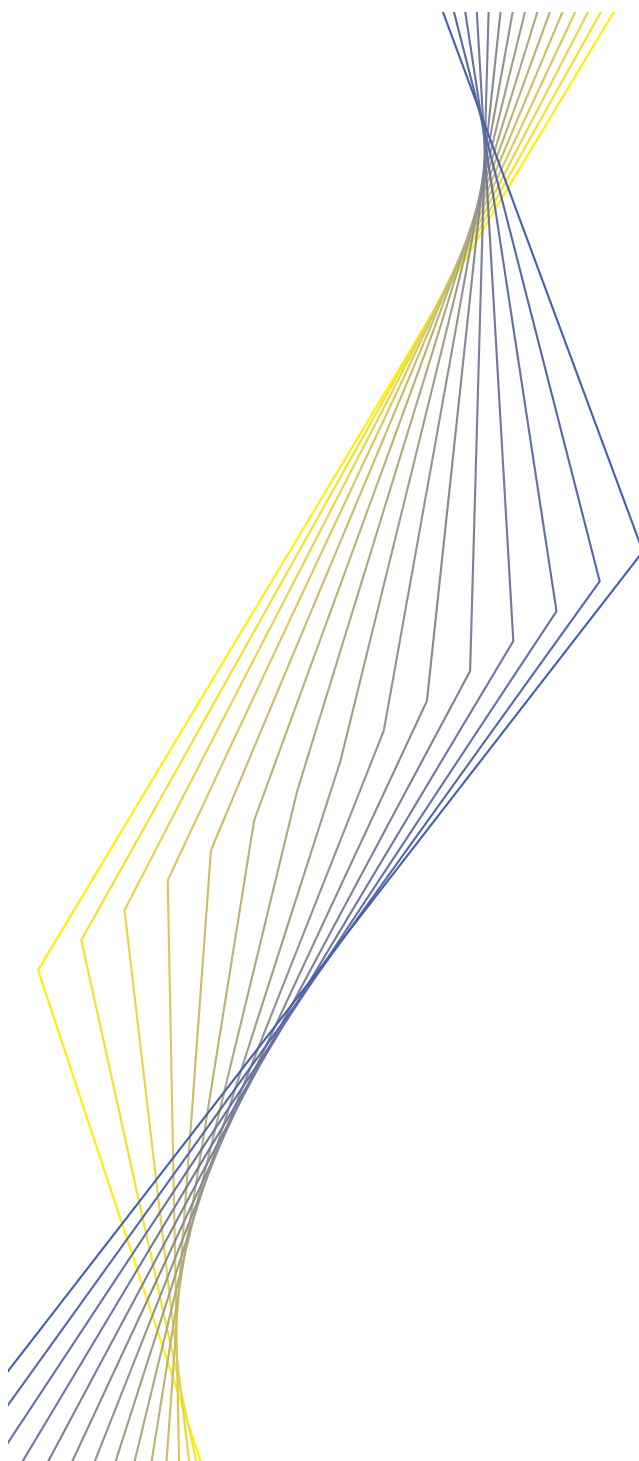


## 2 Organisation chart of the Statistics Section (within the Economics Department) of the Central Bank of Malta





EUROPEAN CENTRAL BANK



**Poland**

### List of abbreviations

<b>BFG</b>	Banking Guarantee Fund
<b>BH</b>	Bank Handlowy w Warszawie S.A.
<b>BIS</b>	Bank for International Settlements
<b>BISS</b>	Bank Statistical Information System
<b>b.o.p.</b>	Balance of payments
<b>CRBS</b>	Central Register of Treasury Bills
<b>GINB</b>	General Inspectorate for Banking Supervision
<b>GUS</b>	Central Statistical Office
<b>IBRD</b>	International Bank for Reconstruction and Development
<b>i.i.p.</b>	International investment position
<b>IMF</b>	International Monetary Fund
<b>KNB</b>	Commission for Banking Supervision
<b>MF</b>	Ministry of Finance
<b>MFIs</b>	Monetary Financial Institutions
<b>NBP</b>	National Bank of Poland
<b>OECD</b>	Organisation for Economic Co-operation and Development
<b>PLN</b>	Polish zloty
<b>SDDS</b>	Special Data Dissemination Standard
<b>SKOKs</b>	Co-operative savings and credit unions

## I Legal and institutional background

### I.1 Organisational structure

#### I.1.1 Organisation chart of the national central bank

See Annex I.

The basic decision-making bodies of Narodowy Bank Polski – the National Bank of Poland (NBP) – are the President, the Monetary Policy Council and the Management Board.

The President is appointed by the Parliament for a term of six years. The President chairs the Monetary Policy Council, the Management Board and the Commission for Banking Supervision.

The Monetary Policy Council is a body established under the Act on the National Bank of Poland (Act on the NBP) of 29 August 1997. It is composed of nine members appointed in equal numbers by the President of Poland and two chambers of the Parliament for a term of six years. The Council is responsible for drawing up the annual monetary policy programme and the basic principles for implementing that programme. The Council sets the official base interest rates, determines the principles to be applied to open market operations and sets the reserve ratio. Furthermore, it approves the NBP's financial plan and its report of operations.

The Management Board manages the activities of the NBP. Its primary responsibilities involve implementing the resolutions of the Council, adopting the NBP's plan of operations and financial plan and performing other duties with respect to exchange rate policies.

#### I.1.2 Organisation of the statistical work at the national central bank

See Annex 2.

The responsibilities of the Statistics Department involve collecting, processing and disseminating statistical information and reviewing it on an ongoing basis in relation to monetary issues, the balance of payments (b.o.p.), the international investment position (i.i.p.) and corporate finances in the Polish non-financial sector. The Department comprises nine divisions/sections and five independent positions. The divisions/sections are as follows:

- a) the Banks' Balance Sheet Division is responsible for the collection, revision, control and analysis of the monthly and quarterly information submitted by banks and the NBP, as well as for the maintenance, updating and modification of the database;
- b) the Analysis Division deals with the analysis of monetary data based on information available internally and externally, the preparation of analytical materials for internal and external users and methodological work related to monetary statistics;
- c) the Preliminary Information Section's tasks are to collect, process and disseminate monetary developments information derived from the preliminary ten-day data received from the banking system;
- d) the Balance of Payments Compilation Division collects, processes and analyses the data necessary to compile Poland's b.o.p., external debt and i.i.p.;
- e) the Non-banking Statistics Division collects the data necessary to compile the b.o.p. on a transaction basis;
- f) the Balance of Payments Methodology and Analysis Section is responsible for any methodological and analytical tasks related to the b.o.p. or the i.i.p.;

- g) the Non-financial Sector Section collects and analyses data on the non-financial sector response to monetary developments;
- h) the Administration Section deals with staff affairs and general organisational issues; and
- i) the Information Technology Section provides IT services to the Department.

## 1.2 Legal background

Under the Constitution of the Republic of Poland of 2 April 1997 (Article 227), the NBP is the central bank of the State and has the exclusive right to issue legal tender as well as to develop and pursue monetary policy. The NBP acts in accordance with the Act on the NBP of 29 August 1997 (*Dziennik Ustaw* (Journal of Laws) No. 140, item 938).

## 1.3 Institutional aspects

### 1.3.1 The role of the national central bank

#### 1.3.1.1 Introduction

The basic objective of the NBP is to maintain price stability, while – at the same time – acting in support of the Government's economic policies, insofar as this does not impair the pursuit of the basic objective of the NBP (Act on the NBP, Article 3.1.). This objective is pursued by:

- a) developing and implementing monetary policy;
- b) creating the institutional basis for ensuring the requisite level of financial safety and stability within the banking sector; and
- c) regulating the relevant principles and mechanisms for guaranteeing the liquidity of monetary settlements within the country.

#### 1.3.1.2 General responsibilities of the national central bank

According to the Act on the NBP, the responsibilities of the NBP also include:

- a) organising monetary settlements;
- b) managing the official foreign currency reserves;
- c) conducting foreign currency operations within the bounds stipulated by the Statute;
- d) providing banking services to the central government;
- e) regulating the liquidity of banks and providing them with refinancing facilities;
- f) establishing the conditions necessary for the development of the banking system; and
- g) drawing up the balance of payments and balances of foreign assets and liabilities of the State.

The NBP is responsible for the safety and soundness of the entire banking system. In its capacity as the bankers' bank, the NBP exercises supervision over the operations of commercial banks and, in particular, monitors their compliance with the provisions of the Banking Act through the intermediation of the Commission for Banking Supervision. The Commission is headed by the President of the NBP. The executive agency of the Commission is the General Inspectorate of Banking Supervision, which is an autonomous institution within the structure of the NBP. In addition to its supervisory functions, the NBP also performs regulatory functions in relation to commercial banks with a view to ensuring the safety of those banks and the deposits they have taken, and the maintenance of liquidity within the banking industry as a whole. The issues covered by these standards include the definition of capital components, asset classification and specific provisioning, as well as risk-based

capital requirements. In this latter function, the NBP also acts as a lender of last resort. In the event of a commercial bank suffering temporary liquidity problems, it may apply to the NBP for financial assistance in the form of either a rediscount or a lombard loan.

In discharging its responsibilities, the NBP collaborates with the appropriate central government bodies to develop and implement national economic policies, contributes to the development of central government financial plans and presents its opinion on draft legislation relating to economic policy and banks' operations, thus striving to ensure the proper implementation of the monetary policy guidelines.

### **1.3.2 Macroeconomic statistics: main responsibilities of domestic public authorities**

#### *1.3.2.1 Main responsibilities of the national central bank in the field of macroeconomic statistics*

The NBP's responsibilities in the field of statistics are entrusted to the Statistics Department, whose main tasks are as follows:

- organising and co-ordinating monthly reporting under the Bank Statistical Information System (BISS) that provides data for both monetary policy and supervisory purposes and the system of interim (ten-day) reports on selected monetary aggregates that characterise the performance of monetary policy;
- maintaining statistical records of the balance of payments (on a monthly and ten-day basis), indebtedness and foreign obligations on the basis of bank and non-bank reports (including collaboration with NBP regional branches in collecting and analysing the statistical data required to compile the balance of payments and the balance of foreign assets and liabilities of the central government);
- presenting and outlining economic statistics on non-financial counterparties with reference to the principal characteristics of their economic situation (including collaboration with NBP regional branches in surveys of the corporate sector);
- conducting monthly analyses of changes in basic monetary aggregates, including Divisia indexes, and developments affecting particular items of the balances of central government assets and liabilities;
- preparing and publishing aggregate data and periodic assessments of the assets and liabilities of commercial banks, the NBP and the banking system as a whole, of the balance of payments and of balances of foreign assets and liabilities of the State;
- conducting methodological studies regarding monetary statistics, the balance of payments and the international investment position;
- co-ordinating the performance of tasks arising from Poland's participation in the Special Data Dissemination Standard (SDDS) of the International Monetary Fund (IMF), including, in particular, work related to updating the meta-data contained on the IMF's online Dissemination Standards Bulletin Board;
- compiling monthly publications: Preliminary Information and Information Bulletin;
- organising and disseminating statistical data to internal and external users; and
- submitting statistical information to international organisations (the IMF, the World Bank, the Organisation for Economic Co-operation and Development (OECD), Eurostat, the Bank for International Settlements (BIS)).



## Poland

### 1.3.2.2 Main responsibilities of other public authorities in the field of macroeconomic statistics and co-operation with the national central bank

The Central Statistical Office (GUS) is authorised to collect data from all available sources and to gather statistical data from and about economic entities and their operations as well as from and about individuals and their situations (Act on public statistics of 29 June 1995, *Journal of Laws* No. 88). The main areas of statistical research conducted by the GUS are: population, structure of the state, economy, science and technical progress, external economic relations, enterprises' performance, money and national accounts. The scope of research areas for subsequent years is defined on an annual basis in the Programme for Public Statistics, issued in the form of the Resolution of the Council of Ministers.

The Ministry of Finance (MF) is responsible (under the Act on public finance of 26 November 1998, *Journal of Laws* No. 155, item 1014) for collecting and disseminating data on the total financial operations of the public finance sector, including, in particular, income and expenditure, claims and liabilities, guarantees and sureties.

The NBP co-operates with domestic organisations (mainly the GUS and the MF) and foreign institutions in data exchange and other tasks related to monetary statistics, the b.o.p., the i.i.p. and banking sector statistics (in the case of the GUS, this includes the methodology of statistical research).

### 1.3.2.3 Overview of statistical data collection and compilation

See Table I.

**Table I**

Statistical areas:	Money and banking statistics		
	Bank balance sheet statistics/ monetary aggregates and counterparts	Interest rate statistics	Security issues statistics
<b>Collected data</b>	<ul style="list-style-type: none"> <li>Bank balance sheet.</li> <li>Additional information to bank balance sheet.</li> <li>Off-balance sheet liabilities.</li> <li>Preliminary data on main assets and liabilities of banks.</li> <li>NBP balance sheet.</li> </ul>	<ul style="list-style-type: none"> <li>Basic NBP interest rates.</li> <li>Yield on Treasury securities.</li> <li>Interbank rates.</li> <li>Interest rates on deposits and loans offered by banks.</li> </ul>	<ul style="list-style-type: none"> <li>Volume of security issues and financial operations related to Treasury securities issued in domestic and foreign markets.</li> <li>Bank liabilities on the issue of own securities.</li> </ul>
<b>Collecting agents</b>	NBP	NBP, MF	MF, NBP
<b>Users</b>	NBP, GUS, BFG	MF, NBP	MF, NBP
<b>Description</b>	<ul style="list-style-type: none"> <li>Detailed data provided by banks on a monthly basis (with a two-week time lag) and aggregated by the NBP.</li> <li>Preliminary data provided by banks on a ten-day basis (with a two-day time lag) related to basic monetary aggregates.</li> </ul>	<ul style="list-style-type: none"> <li>Decisions on basic NBP interest rates (rediscount and lombard loans) are taken by the Monetary Policy Council and immediately announced by the press and other media.</li> <li>Data on the prices and yield of Treasury securities are collected and provided to the NBP by the MF on a monthly basis.</li> <li>Interest rates on basic categories of deposits and loans (denominated in Polish zloty (PLN) and foreign currencies) offered by 15 major commercial banks submitted on a monthly basis.</li> </ul>	<ul style="list-style-type: none"> <li>Data collected by the MF.</li> <li>Data collected within the framework of the BIS system on a monthly basis (with a two-week time lag).</li> </ul>

**Table I (continued)**

Statistical areas:	Reserve base	Financial accounts	Balance of payments	Prudential supervision
<b>Collected data</b>	Data on outstanding demand and time deposits as of each day of a month collected within the framework of the BIS system.	Financial assets and liabilities arising from transactions among domestic entities, and these entities and abroad.	Data on the current account (imports, exports, income, current transfers), capital account and financial account.	<ul style="list-style-type: none"> <li>• Bank balance sheet.</li> <li>• Additional information to bank balance sheet.</li> <li>• Profit and loss account.</li> <li>• Additional information to the profit and loss account.</li> <li>• Bank exposure.</li> <li>• Risk-weighted assets and liabilities structure.</li> </ul>
<b>Collecting agents</b>	NBP	GUS, NBP, MF	NBP, BH	NBP
<b>Users</b>	NBP	GUS, NBP, MF	NBP, GUS, MF	NBP, GUS, MF
<b>Description</b>	The reserve base is calculated as an arithmetic mean of the stock of the above deposits as of each day of any month. This information is required on a monthly basis.	Financial accounts are compiled by the GUS.	The above data are collected on a cash basis (monthly) and on a transaction basis (annually). The first data are received within five working days and the latter within five months following the end of the reporting period.	Data collected within the framework of the BIS system on a monthly basis (with a two-week time lag).

## 2 Monetary statistics

### 2.1 Legal background and statistical standards

#### 2.1.1 National legal aspects

Banks are obliged to report information to the NBP under the Act on the NBP and Resolution No. 15/1999 of the Management Board of the NBP of 23 April 1999 on the manner and detailed principles of submission by banks to the NBP of data necessary for the development of monetary policy, the periodic evaluation of the state's monetary stance and the evaluation of banks' financial situation and banking sector risk.

An integrated, standard reporting system was developed under the Accountancy Act of 29 September 1994 (*Journal of Laws* No. 121, item 591, as amended) and the following executive regulations issued under the above act:

- Resolution No. 1/98 of the Commission for Banking Supervision of 3 June 1998 on the specific principles of banks' accounting rules and compilation of additional information (*Dziennik Urzędowy NBP (Official Journal of the NBP)* No. 14, item 27); and
- Regulation of the NBP President No. 4/95 of 22 February 1995 on model charts of accounts for banks (*Official Journal of the NBP* No. 6, item 11, as amended).

#### 2.1.2 Statistical standards

The methodology underlying the compilation of Poland's monetary statistics is, in general, in line with internationally agreed concepts and definitions as published in the IMF's "Guide to Money and Banking Statistics in International Financial Statistics" (1984).

## 2.2 Concepts and definitions

### *Financial sector*

### 2.2.1 *Statistical definitions: economic territory and residency principles*

- Central bank
- Commercial banks
- Non-bank financial institutions

According to the Foreign Exchange Law of 18 December 1998 (*Journal of Laws* No. 160, item 1063) the term “resident” refers to:

### *Non-financial sector*

a) a natural person with a permanent residence in the country and a legal person with a permanent residence in the country, as well as any other entity with a permanent residence in the country having the ability to incur obligations and acquire rights in its own name; and

- Businesses from the non-financial sector
- Households

b) Polish diplomatic representative offices, consulates and other Polish representative offices and special missions granted diplomatic or consular immunities and privileges.

### *General government*

- Central government
- Local government
- Extra-budgetary funds

According to the Foreign Exchange Law, branches of domestic banks abroad are considered to be non-residents, while branches of foreign banks in Poland are treated as residents.

### *Non-resident*

- Financial sector
- Non-financial sector
- General government

The term “domestic economic territory” refers to the territory of the Republic of Poland.

A detailed description of the above sectors is presented in Table 2.

## 2.2.2 *Sectors in monetary statistics*

### 2.2.2.1 *Definition and classification of sectors in monetary statistics*

In the banking and financial statistics in Poland, the following categorisation of economic entities is applied:

Table 2

Sector classification	Sectors		Definitions	
Money-creating sector	Financial sector	Central bank	Entities which are principally engaged in financial intermediation, i.e. acquiring financial assets and at the same time incurring liabilities on their own account by engaging in financial transactions, and in	NBP
		Banks	auxiliary financial services, i.e. activities closely related to financial intermediation but which are not financial intermediation themselves.	A legal person established pursuant to the provisions of the Statute, operating on the basis of authorisation to conduct banking operations that expose to risk funds which have been entrusted to the bank and which are in any way repayable.
Money-holding sector	Non-financial sector	State-owned enterprises and companies	Entities whose principal activity is the production of goods and non-financial services, entities engaged in non-financial activity and households.	Enterprises operating under the Act on state-owned enterprises of 25 September 1981 ( <i>Journal of Laws</i> of 1991 No. 18, item 80) and state-owned companies, i.e. companies: <ul style="list-style-type: none"> <li>– in which the state Treasury holds at least 50% of capital;</li> <li>– in which a state-owned company holds at least 50% of capital;</li> <li>– in which a state Treasury company holds at least 50% of capital;</li> <li>– in which the state Treasury, a state-owned company and a state Treasury company hold in total at least 50% of capital.</li> </ul>
		Private enterprises and co-operatives		Enterprises and companies wholly held by the private sector and companies that fail to meet the criteria set for state-owned companies, as well as all co-operatives and companies established under civil law.
		Individual entrepreneurs		Natural persons conducting economic activity on their own account under the Act on economic activity of 23 December 1988 ( <i>Journal of Laws</i> No. 41, item 324), to whom a reporting bank grants services related to their activity.
		Households		Natural persons other than those classified as individual entrepreneurs or farmers.
		Farmers		Natural persons whose principal source of income is agricultural production.
		Other non-financial entities		Entities which, as a result of their specific activity, have not been classified in any of the above sub-sectors. This group comprises funds, foundations, agencies, trade unions, associations, political parties, churches and religious groups, etc.

**Table 2 (continued)**

Sector classification	Sectors		Definitions	
Money-holding sector	Non-bank financial institutions	Insurance companies		Entities offering insurance protection (insurance products) and accomplishing their objectives and tasks through an insurance company having the form of a share company or mutual insurance association, which operate under the Act on insurance activity of 28 July 1990 (Journal of Laws No. 59, item 344). This group also comprises pension funds whose principal activity is to gather and invest funds with the aim of repaying them to the fund's members after they have retired.
		Investment funds		Legal persons whose sole activity is to invest funds collected from the public in securities and corporeal rights.
		Trust funds		Financially autonomous mutual capital amounts of funds participants with a changing value and permanent economic destination, i.e. collective investing of funds in securities, managed by the association of trust funds.
		Other financial institutions		Entities not classified in any of the above groups of non-bank financial institutions. This group comprises, inter alia, stock exchanges, brokerage houses, exchange offices, post offices, associations of trust funds, leasing companies, insurance agents, etc.
Neutral sector	General government	Central government	Public finance sector other than agencies	General government sector in the definition of the Act on public finance, including heads of provinces and excluding agencies. This sector comprises central administration bodies and subordinated public central government units, auxiliary units and special-purpose funds, as well as public organisational units.
		Local government		Self-government sector in the definition of the Act on public finance excluding heads of provinces. It comprises administrative units, local government units, auxiliary units and special-purpose funds, as well as public organisational units.
		Extra-budgetary funds		Public special-purpose funds with a statutory obligation to perform tasks other than those specified for central and local government.
Non-resident sector	Non-resident			A natural person with a permanent residence outside the country and any other entity with a permanent residence outside the country having the ability to incur obligations and acquire rights in its own name.

## 2.2.2.2 Comparison between the sectors of the national economy and the ESA 95

See Table 3.

**Table 3**

National sector classification	National sectors		Sectors in the ESA 95		ECB sector classification
Money-creating sector	Financial sector	Central bank	S121 Central bank	S12 Financial corporations	Money-creating sector
		Banks	S122 Other monetary financial institutions		
Money-holding sector		Non-bank financial institutions	S123 Other financial intermediaries, except insurance corporations and pension funds		Money-holding sector
			S124 Financial auxiliaries		
			S125 Insurance corporations and pension funds		
	Non-financial sector	Non-financial corporations	S11 Non-financial corporations		
		Households	S14 Households		
			S15 Non-profit institutions serving households		
Money-neutral sector	General government	Central government	S1311 Central government	S13 General government	Money-neutral sector
		n.a.	S1312 State government		Money-holding sector
		Local government	S1313 Local government		
		Extra-budgetary funds	S1314 Social security funds		
Non-resident sector	Non-resident	Financial sector	S211 EU countries	S2 Rest of the world	Non-resident sector
		Non-financial sector	S212 Institutions of the EU		
		General government	S22 Third countries and international organisations		

## 2.3 Population of monetary institutions

### 2.3.1 Definition of a credit institution (bank) and categories of credit institutions

In Poland the reporting population comprises banks and branches of foreign banks operating in Poland.

In addition, there are the co-operative savings and credit unions (known as SKOKs), which have marginal activity by comparison with banks and do not report to the NBP. According to a preliminary analysis, the criteria for monetary financial institutions (MFIs) are also fulfilled by some investment funds. The NBP does not currently collect any information from the above institutions.

According to the Banking Act of 29 August 1997 (*Journal of Laws* No. 140, item 939), "a bank shall constitute a legal person, established pursuant to the provisions of the Statute, operating on the basis of authorisation to conduct banking operations that expose to risk funds which have been entrusted to the bank and which are in any way repayable. Banking operations shall comprise:

- 1) accepting deposits payable on demand or at a specified maturity, and operating such deposit accounts;
- 2) operating other bank accounts;
- 3) extending loans;
- 4) extending bank guarantees;
- 5) issuing bank securities;
- 6) performing bank settlements; and
- 7) performing other operations reserved exclusively for banks under separate legislation."

Existing regulations do not provide for the concept of a credit institution. In addition to

banks, the SKOKs also meet the criteria of a "credit institution".

### 2.3.2 Definition of other monetary institutions

Not applicable.

### 2.3.3 Central government units with deposit liabilities included in measures of money

Not applicable.

**Table 4**

Institutions	Number of institutions
National central bank	1
<b>Credit institutions</b>	<b>858</b>
State-owned banks	7
Private banks	70
Co-operative banks	781
<b>Other monetary institutions</b>	<b>n.a.</b>
<b>Total</b>	<b>859</b>

## 2.4 Banking business: general deposits/other products

The majority of banks in Poland are universal banks offering traditional banking products and services to individual and corporate customers. For individual customers, banks offer current accounts and a wide range of PLN-denominated and foreign currency-denominated deposits with fixed or floating interest rates with the option of placing funds on any terms, even those that are non-standard. Banks also accumulate funds through the issue of savings bonds and certificates of deposits acquired mainly by households.

Banks grant different types of consumer and investment loans, e.g. hire-purchase, housing, for the purchase of cars, for economic activity, preferential for agricultural activity, etc. Banks specialising in servicing the

corporate sector offer companies packages of services comprising basic banking services, including a simplified procedure for quick access to current account credit.

## **2.5 Statistical balance sheets of the monetary institutions**

### **2.5.1 Description of the main balance sheet items**

#### *Assets*

- 1) Foreign assets: claims on non-residents denominated in convertible currencies and in PLN.
- 2) Claims on banks: credits and loans, debt purchased, guarantees and sureties, interest due on performing and non-performing claims, extraordinary operations and other claims on banks.
- 3) Claims on non-bank financial institutions: credits and loans, debt purchased, guarantees and sureties, interest due on performing and non-performing claims, extraordinary operations and other claims on insurance companies, investment and trust funds and other financial institutions, i.e. stock exchanges, brokerage houses, exchange offices, post offices, trust fund associations, institutions exercising supervision over the financial market and entities creating infrastructure for the financial market.
- 4) Claims on general government: credits and loans, debt purchased, guarantees and sureties, interest due on performing and non-performing claims, extraordinary operations and other claims on central government, local government and extra-budgetary funds, including claims on securities issued by the general government and held by the banking sector.
- 5) Claims on the non-financial sector: credits and loans, debt purchased, guarantees and

sureties, interest due on performing and non-performing claims for households, as well as credits and loans, debt purchased, guarantees and sureties, interest due on performing and non-performing claims, debt securities and repurchase agreement transactions for the corporate sector.

- 6) Repurchase agreement (repo) transactions: credit/deposit transactions pledged by securities other than transactions between commercial banks and the NBP.
- 7) Securities: debt securities issued by banks, non-bank financial institutions, general government and the non-financial sector, privatisation vouchers, pre-emptive rights and participation units in trust funds held by banks.
- 8) Other assets: include fixed assets, interest not due on claims, settlement accounts, deferred income and expenditure, settlements with sundry counterparties.

#### *Liabilities*

- 9) Foreign liabilities: claims to non-residents in convertible and non-convertible currencies and in PLN, except for banks' capital and supplementary funds paid by non-residents.
- 10) Claims to banks: claims on current accounts, time deposits operated for other banks, loans and credits received as well as traveller's cheques and bankers' acceptances issued.
- 11) Claims to non-bank financial institutions: current accounts, time and escrow deposits, accounts with bank brokerage houses, loans and credits received from non-bank financial institutions.
- 12) Claims to general government: current accounts, time and escrow deposits, accounts with bank brokerage houses of central government, local government and extra-budgetary funds.



- 13) Claims to the non-financial sector: current accounts (including savings books of households), time and escrow deposits, investment accounts with bank brokerage houses and savings bonds and certificates of deposits (non-negotiable) of households and businesses.
- 14) Repo transactions: deposit transactions pledged by securities other than transactions between commercial banks and the NBP.
- 15) Issue of securities: issue of own debt securities by banks.
- 16) Own funds: tier-one capital, reserves and subordinated liabilities.
- 17) Other liabilities: include interest accrued on deposits, settlement accounts, settlements with sundry counterparties, deferred income and expenditure, profit/loss to be approved, profit/loss of the current year, provisions and depreciation.

### **2.5.2 Breakdown of the main balance sheet items by instrument/maturity, counterparty and currency**

The balance sheet items of commercial banks are broken down by sector, type of operation, currency (PLN and foreign currencies), residency (residents and non-residents), original and remaining maturity.

On the assets side, banks report the stock of outstanding claims on each sector (broken down into sub-sectors), subdivided into performing claims, claims under surveillance and non-performing claims (the latter broken down further into substandard, doubtful and loss). The original maturities of claims are presented in the following ranges: up to one year (including current accounts); over one year up to two years; over two years up to three years; over three years up to five years; and over five years. For remaining maturities, claims are subdivided into the following time ranges: up to one month; over one month up to three months; over three

months up to six months; over six months up to one year; over one year up to three years; over three years up to five years; over five years; and past-due claims. Debt securities held in banks' portfolios are broken down by type (i.e. quoted and unquoted; held for trade and investment purposes), issuer, original maturity (up to three months; over three months up to six months; over six months up to nine months; over nine months up to one year; bonds up to one year; over one year up to three years; over three years up to five years; over five years) and the currency of issue (PLN and foreign currencies).

Liabilities-side instruments are broken down by type (demand, time and escrow deposits, investment accounts, credits and loans received), currency of denomination (PLN and foreign currencies) and sector. Term liabilities are broken down by remaining maturity range (up to one month; over one month up to three months; over three months up to six months; over six months up to one year; over one year up to three years; over three years up to five years; over five years), as well as by original maturity range (up to one month; over one month up to three months; over three months up to six months; over six months up to one year; over one year up to two years; over two years). Liabilities arising from securities issued are broken down by type (bonds, certificates, other) and remaining maturity (the same as for other liabilities).

## **2.6 Measure(s) of money: definitions and remarks**

### **2.6.1 Definition of money and instrument breakdown of monetary aggregates**

Under its strategy of direct inflation targeting, the NBP does not determine an intermediary objective in terms of money supply growth; however, it calculates and publishes three monetary aggregates: M0, M1 and M2. Broader aggregates are not disclosed in official NBP publications.

See Box I.

**Box 1****M0** includes:

Money in circulation (including vault cash)  
Banks' current accounts

**M1** includes:

Money in circulation (excluding vault cash)

## PLN demand deposits of:

- Households,
- Businesses from the non-financial sector and
- Non-bank financial institutions

## Foreign currency demand deposits of:

- Households,
- Businesses from the non-financial sector and
- Non-bank financial institutions

Savings books (a vista) of households

**M2** includes:

M1

## PLN time deposits of:

- Households,
- Businesses from the non-financial sector and
- Non-bank financial institutions

## Foreign currency time deposits of:

- Households,
- Businesses from the non-financial sector and
- Non-bank financial institutions

Savings bonds

## Certificates of deposits (non-negotiable)

## Repurchase agreements of:

- Businesses from the non-financial sector and
- Non-bank financial institutions

**M3** includes:

M2

## Certificates of deposits (negotiable)

Bonds issued by banks

**M3 extended** includes:

M3

## Interest due

- on banks' claims to households,
- on banks' claims to businesses from the non-financial sector and
- on banks' claims to non-bank financial institutions

### 2.6.2 Sectoral allocation of holdings of negotiable instruments

Negotiable instruments included in monetary aggregates comprise cash, certificates of deposits and bonds issued by banks. Owing to the nature of negotiable instruments such as banknotes and coins in circulation, certificates of deposits and short-term securities (bills), it is not possible to produce a full breakdown by sector of these instruments, and such information is generally not available in the reports submitted by banks. The amount of banknotes and coin held by the non-financial sector is derived by

deducting the value of banks' vault cash from the value of cash in circulation. Certificates of deposits are shown as a separate item only for households and banks. In the statistics of securities issued by banks and purchased in the primary market, only the value of securities held by banks may be distinguished.

### 2.7 Counterparts of money

See Box 2.

The following classification of credit to domestic residents is available:

## Poland

By sector	By type	By maturity	Other
<ul style="list-style-type: none"> <li>– Financial sector</li> <li>– Banks</li> <li>– Insurance corporations</li> <li>– Investment funds</li> <li>– Trust funds</li> <li>– Other financial institutions</li> <li>– Non-financial sector</li> <li>– State-owned enterprises and companies</li> <li>– Private companies and co-operatives</li> <li>– Individual entrepreneurs</li> <li>– Households</li> <li>– Farmers</li> <li>– Other non-financial entities</li> <li>– General government</li> <li>– Central government</li> <li>– Local government</li> <li>– Extra-budgetary funds</li> </ul>	<ul style="list-style-type: none"> <li>– Current account loans</li> <li>– Discount loans</li> <li>– Loans for financing external trade operations</li> <li>– Domestic economy development loans</li> <li>– Housing loans</li> <li>– Credit card-related loans</li> <li>– Other loans</li> </ul>	<ul style="list-style-type: none"> <li>– Original maturity</li> <li>– Up to one year</li> <li>– One to two years</li> <li>– Two to three years</li> <li>– Three to five years</li> <li>– Over five years</li> <li>– Residual maturity</li> <li>– Current accounts</li> <li>– Up to one month</li> <li>– One to three months</li> <li>– Three to six months</li> <li>– Up to one year</li> <li>– One to three years</li> <li>– Three to five years</li> <li>– Over five years</li> </ul>	<ul style="list-style-type: none"> <li>– Domestic/foreign currency</li> <li>– Performing/non-performing (substandard, doubtful, loss)</li> </ul>

## 2.8 Reserve money

Reserve money of the NBP includes:

1. cash in circulation (including vault cash); and
2. banks' current accounts.

## 2.9 Reporting procedures

### 2.9.1 Powers to collect statistics and collecting agents

Monetary statistics are collected by the NBP in accordance with Article 23.4 of the Act on the NBP of 29 August 1997 (*Journal of Laws* No. 140, item 938, of 1998 and No. 160, item 1063) and issued in accordance with Resolution No. 15/1999 of the Management Board of the NBP of 23 April 1999 on the manner and detailed principles of submission by banks to the NBP of data necessary for

### Box 2

**Foreign assets (net)** comprise claims on non-residents in convertible and non-convertible currencies and in PLN less claims to non-residents in convertible and non-convertible currencies and in PLN, except for banks' capital and supplementary funds paid by non-residents.

**Claims on households and businesses from the non-financial sector** in the banking system comprise credits and loans, debt purchased, guarantees and sureties and interest due on performing and non-performing claims on households, as well as credits and loans, debt purchased, guarantees and sureties, and interest due on performing and non-performing claims on, debt securities of and repurchase agreement transactions with businesses (including non-bank financial institutions).

**Credit to general government (net)** in the banking system comprises total claims on central government, local government and extra-budgetary funds, including claims on securities issued by the general government sector and held by banks, less liabilities to the general government sector.

**Other items (net)** comprise the following major items: banks' income and expenditure, banks' funds, interbank and intrabank settlements, settlement accounts, liabilities arising from the issue of securities, interbank balances, specific provisions and fixed assets.

the development of monetary policy, the periodic evaluation of the State's monetary stance and the evaluation of banks' financial situation and banking sector risk.

### 2.9.2 Identification of the reporting population (reporting coverage)

In Poland, the reporting obligation is binding upon banks and branches of foreign banks operating in Poland.

See Table 5.

### 2.9.3 Reporting schemes

Banks prepare reports with the following frequency:

- ten-day: selected assets and liabilities of the respective bank;
- monthly: general information on the respective bank, balance sheet, additional information, off-balance sheet liabilities and appendixes to the balance sheet; and
- quarterly: profit and loss account, supervisory appendixes.

Banks submit the above data to the NBP's Statistics Department by the following deadlines:

- by the end of the second working day following the tenth, twentieth and last day of each reporting month;
- by the end of the fifteenth working day following each reporting month; and
- by the end of the fifteenth working day following the month ending the reporting quarter in question.

Monthly reporting is compiled by an IT system called WEBIS that was designed specifically for this purpose and provided by the NBP to each reporting agent. The system generates the reports in electronic form. The ten-day reporting is received by the Statistics Department on hard copy (by fax).

Co-operative banks submit their reporting to the NBP indirectly through their respective regional or associate banks. Other commercial banks submit their reports directly to the NBP's Statistics Department.

The standard reporting system is regulated by the Accountancy Act of 29 September 1994 (*Journal of Laws* No. 121, item 591, as amended) and the following executive regulations:

- Resolution No. 1/98 of the Commission for Banking Supervision of 3 June 1998 on the specific accounting principles for banks and the compilation of additional

**Table 5**

	Reporting institutions		Total balance sheet
	Number of reporting agents	% (of the total category)	% (of the total balance sheet of all institutions)
National central bank	1	100	26.2
Credit institutions	858	100	73.8
State-owned banks	7	100	17.4
Private banks	70	100	53.4
Co-operative banks	781	100	3.0
Other monetary institutions	0	-	-
<b>Total</b>	<b>859</b>	<b>-</b>	<b>100</b>

information (*Official Journal of the NBP* No. 14, item 27); and

- Regulation of the NBP President No. 4/95 of 22 February 1995 on model charts of accounts for banks (*Official Journal of the NBP* No. 6, item 11, as amended).

#### **2.9.4 Special reporting procedures for the national central bank**

The NBP's balance sheet is compiled on a daily basis. It includes detailed information about the NBP's activities. In accordance with SDDS requirements, the NBP disseminates its balance sheet on a monthly basis with a seven-day time lag. It is presented on the NBP's website ([www.nbp.pl/statystyka/index.html](http://www.nbp.pl/statystyka/index.html)) and comprises selected items of the NBP's balance sheet, i.e. official reserves, loans granted, open market operations (net), net credit to general government, reserve money of the NBP, cash in circulation and PLN-denominated liabilities to domestic banks. The NBP's balance sheet includes selected items such as basic assets (gold, cash denominated in foreign currencies, Poland's contributions to the IMF and in the International Bank for Reconstruction and Development (IBRD), foreign currency deposits, refinancing, rediscount and lombard loans, credit to general government, Treasury securities) and other assets, cash in circulation, NBP securities, deposits, other liabilities and deferred income, funds and reserves. This balance sheet is presented net, i.e. liabilities are shown net of provisions.

According to the Act on the NBP, the accounting principles of the NBP must comply with the International Accounting Standards.

### **2.10 Data processing and compilation methods**

#### **2.10.1 Basis of calculation**

Data submitted to the NBP by reporting agents are presented as the stock of assets

and liabilities as of the end of the reporting period at their balance sheet value.

#### **2.10.2 Revisions**

The database operated by the NBP is "live" and subject to change resulting from revisions made by the banks. Published data are also subject to change and revision. For example, recent data on the consolidated balance sheet of the banking system published under "Preliminary Information" are indeed preliminary and subject to revision in subsequent issues. Data presented in the "Information Bulletin" are final, with the exception of the data for December, which are subject to revision. December data are finalised only when the annual balance sheet has been audited and any revisions have been submitted to the NBP.

#### **2.10.3 Derivation of flow statistics**

##### **2.10.3.1 Breaks in series**

The NBP provides information about any methodological changes implemented in the banking reporting procedure resulting in a break in series (recent changes were introduced in January 1997). Such information is also published in the methodological notes to the "Information Bulletin". Data time series have not been not adjusted backwards, except for the data for the end of December 1996.

##### **2.10.3.2 Other adjustments**

Not applicable.

##### **2.10.3.3 Derivation of flows**

Not applicable.

### 2.10.4 Seasonal adjustment

Since December 1999, monthly “Information Bulletins” have included seasonally adjusted time series for the following aggregates: monetary aggregates M0, M1 and M2, claims of commercial banks on households and business, liabilities of commercial banks to households and businesses. Calculations of seasonally adjusted time series are performed under the application called SAS (Statistical Analysis System) using the X-11 method of seasonal correlation and decomposition.

- banking system –assets, liabilities;
- measures of money;
- consolidated balance sheet of the banking system;
- reserve money and counterparts to reserve money;
- Poland’s balance of payments on a cash basis;
- official reserve assets;

## 2.11 Publications

### 2.11.1 First release of data (including the medium)

The NBP’s Statistics Department provides equal access to data for all users according to the calendar of data dissemination published on the NBP’s website ([www.nbp.pl](http://www.nbp.pl)), which is the first available source of data for external users. The following monetary statistics data are available:

- the consolidated balance sheet of the banking system (preliminary data) (published on a monthly basis with a 14-day time lag);
- selected items of the NBP’s balance sheet (published on a monthly basis with a seven-day time lag); and
- interest rates (published daily).

In addition, the NBP’s website contains the following monthly data:

- central bank instruments;
- exchange rates (USD, DEM and EUR);
- lending and deposit rates;
- commercial banks –assets, liabilities;
- NBP –assets, liabilities;

- Poland’s external debt;
- Poland’s balance of payments on a transaction basis; and
- international investment position.

The NBP’s website also provides the following daily data:

- exchange rates (average, bid and offer);
- financial markets ratios;
- interest rates; and
- stock price index.

### 2.11.2 Core weekly/monthly publications

The core NBP reports published on a monthly basis are as follows:

- Preliminary Information: a short monthly publication including preliminary data on economic developments, the banking system and the NBP’s balance sheets. This publication is available in hard copy.
- The NBP Information Bulletin: a monthly release with a three-month delay, it presents basic data related to general economic and financial developments and the NBP’s policies. The Bulletin is also

## Poland

available in electronic form on the NBP's website ([www.nbp.pl/publikacje](http://www.nbp.pl/publikacje)).

- Report on the savings and indebtedness of households and businesses with commercial banks: a monthly report prepared by the NBP's Statistics Department including detailed data on the structure of outstanding loans and deposits of the non-financial sector. It is available in a hard-copy on request.

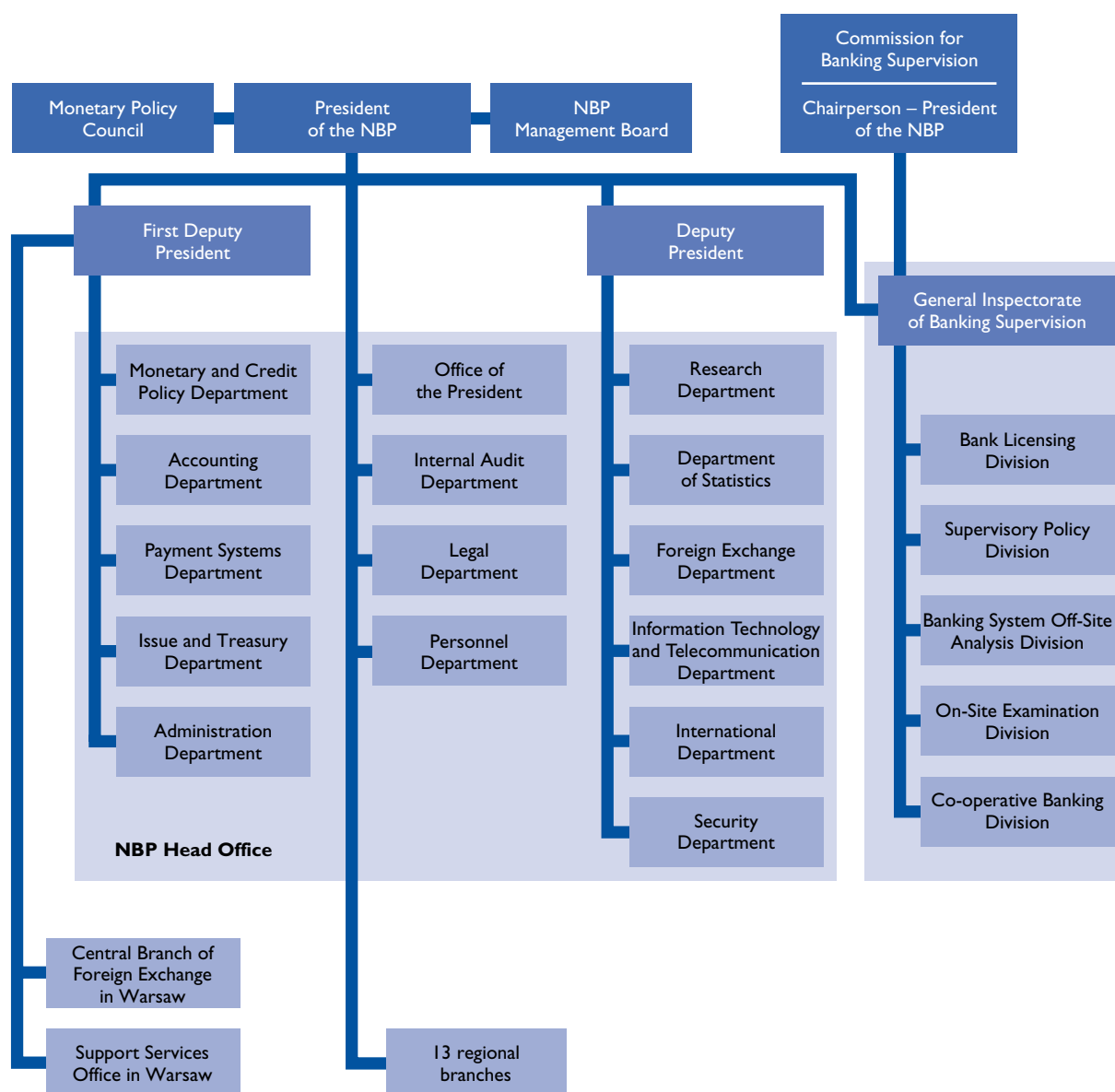
All the publications listed above are available in both Polish and English.

### **2.11.3 Other statistical publications**

- Annual Report: this yearly publication includes data on general economic and financial developments and banking sector developments, as well as the balance sheets of the NBP and the banking system and Poland's balance of payments. The Annual Report is published in Polish and English.
- Inflation Report: a publication dealing with inflationary trends, the monetary aspects of inflation and the non-monetary factors, external and internal, that affect inflation. The Inflation Report is published in Polish and English.

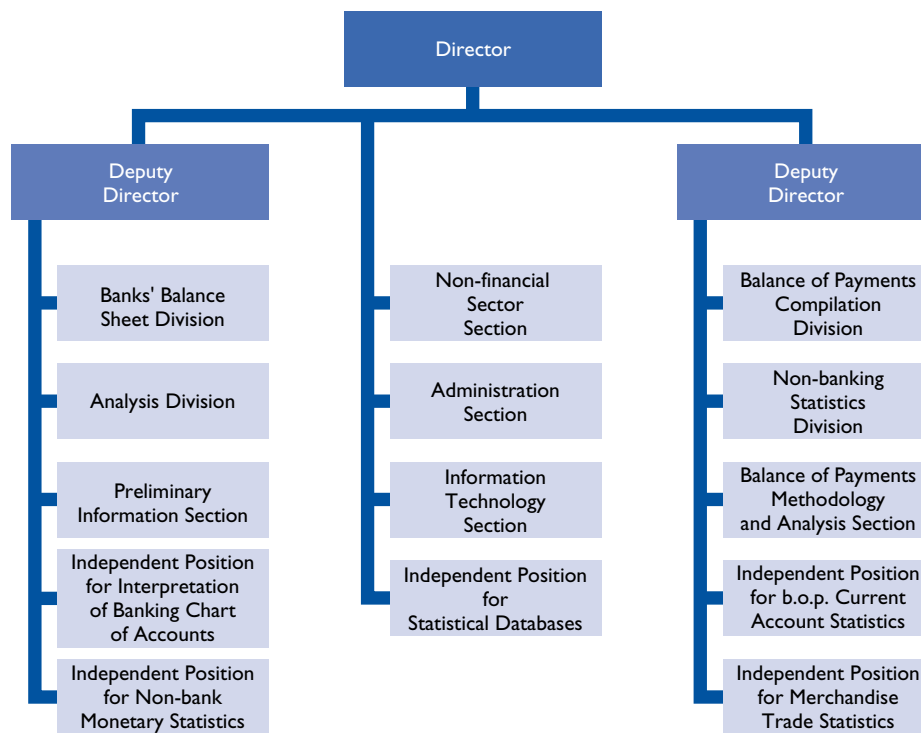
## Annexes:

## I Organisation chart of the National Bank of Poland (NBP)



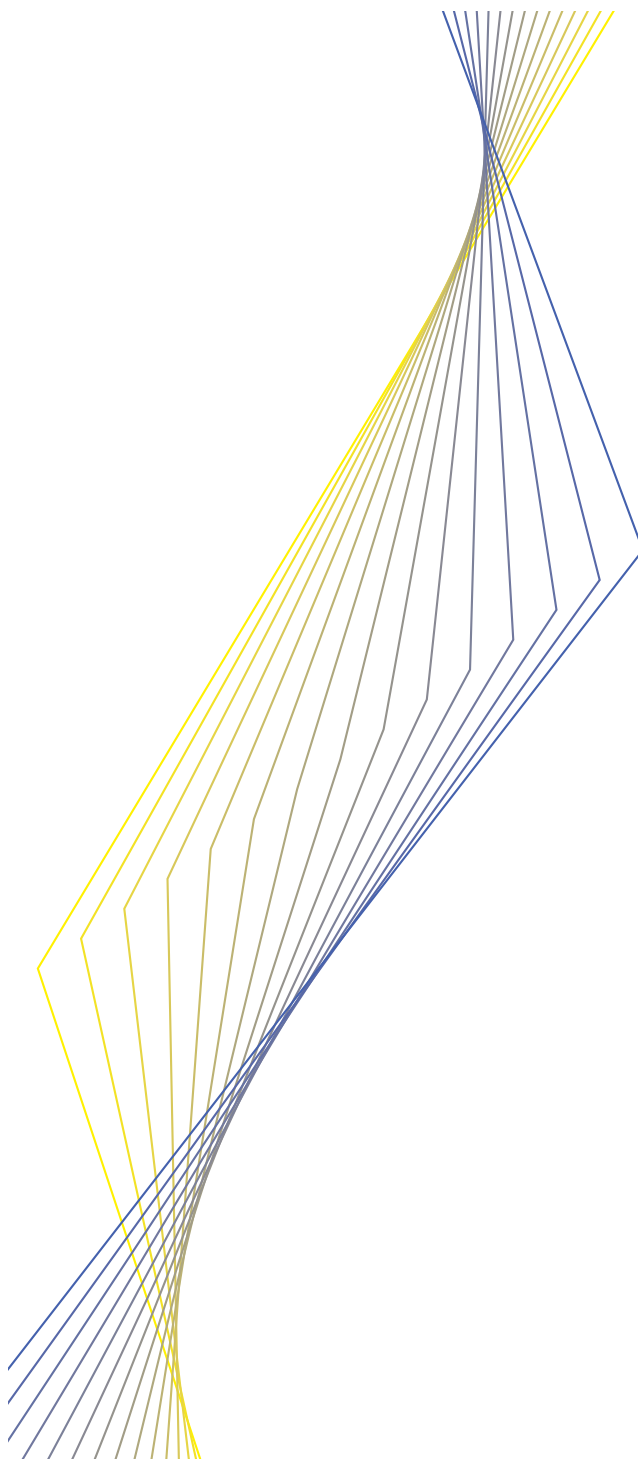


## 2 Organisation chart of the Statistics Department of the NBP





EUROPEAN CENTRAL BANK



**Romania**

## Romania

### List of abbreviations

<b>b.o.p.</b>	Balance of payments
<b>IMF</b>	International Monetary Fund
<b>NBR</b>	National Bank of Romania
<b>ROL</b>	Romanian leu –the domestic currency of Romania
<b>SDRs</b>	Special Drawing Rights

## I Legal and institutional background

### I.1 Organisational structure

See Annex I.

technical agreement for non-cash payments and settlement systems.

Regulation No. 8/1995 regarding the special settlement regime and the licensing of banking settlement bodies.

### I.2 Legal background

The framework for the activities of Banca Națională a României – the National Bank of Romania (NBR) – is laid down by Law No. 101/1998 regarding the Statute of the NBR and Law No. 58/1998 (the Banking Act).

Other regulations governing the activities of the NBR (issued by the NBR):

(iii) Foreign exchange policy and management:

Regulation No. 3/23.12.1997 regarding foreign exchange transactions (as amended by Circulars Nos. 7/25.05.98, 25/29.12.1998, 22/1999, 26/1999 and 34/1999).

(i) Monetary policy:

Regulation No. 1/2000 regarding the money market operations performed by the NBR and the lending/deposit facilities granted to banks.

Regulation No. 4/1998 regarding the reserve requirements (as amended by Circular No. 28/1999).

(iv) Operations on the government's account:

Regulation No. 2/1997 regarding government securities operations conducted by the NBR as a State agent.

The basic text of the laws and regulations indicated in this section can be found on the NBR website at [www.bnro.ro](http://www.bnro.ro).

(ii) Banking supervision:

Rule No. 2/1999 regarding the licensing of banks.

Rule No. 3/1999 regarding amendments/alterations in the status of banks.

Rule No. 5/1999 regarding minimum capital requirements for banks.

Rule No. 7/1999 regarding banks' own funds.

Rule No. 8/1999 regarding the limitation of the credit risk of banks.

Rule No. 9/1999 regarding foreign exchange positions.

Regulation No. 1/1995 regarding the principles and organisation of the

### I.3 Institutional aspects

#### I.3.1 The role of the national central bank

##### I.3.1.1 Introduction

The NBR is the central bank of Romania, having legal personality.

The fundamental objective of the NBR is to ensure the stability of the national currency in order to contribute to price stability. In order to attain its fundamental objective, the NBR elaborates, implements and is responsible for monetary, foreign-exchange, credit and payments policies and for banking and prudential supervision within the framework of the general policy of the State aimed at the normal operation of the banking system, and participates in the promotion of a financial system suited to a market economy.

## Romania

### 1.3.1.2 General responsibilities of the national central bank

#### General responsibilities of the NBR:

##### (i) Monetary policy:

“Within the framework of the monetary policy, the NBR uses procedures and instruments specific to monetary market, lending to banks and control of liquidity through minimum reserves requirements policy.”

##### (ii) Foreign exchange policy and management:

“The NBR elaborates and implements the exchange rate policy, establishes and monitors the enforcement of the foreign exchange regime on the Romanian territory.

The NBR acts as State agent as regards the implementation of any legal regulation on foreign exchange control on the legal persons licensed by it.”

##### (iii) Money issue:

“The NBR is the only institution authorised to issue money in the form of banknotes and coins as legal tender on the Romanian territory.”

##### (vi) Operations on the government’s account:

“The NBR keeps the general current account of the Treasury opened to the name of the Ministry of Finance.”

##### (v) Gold and foreign assets operations:

“The NBR, while observing the general rules on liquidity and specific risk for foreign assets, sets and holds international reserves, in such a way as to periodically assess their exact size.”

##### (vi) Banking supervision:

“The NBR has exclusive competence for granting banks the operation licence and is responsible for the prudential supervision of the banks it authorised to operate in Romania, according to the provisions of the Banking Act.

To ensure a viable and operational banking system, the NBR has the power to:

a) issue regulations, take measures to enforce their observance and impose lawful penalties for non-compliance;

b) check and verify (off-site and on-site inspections), on the basis of reports and field inspections, the books, accounts and any other documents of authorised banks that the NBR may deem necessary to fulfil its supervisory tasks.”

##### (vii) Co-operation with state authorities:

“The NBR co-operates with central and local public authorities in fulfilling its goals.

In pursuit of its fundamental objective, the NBR will be required to state its point of view about public authority regulations directly concerning the monetary policy, banking activity, foreign-exchange regime and public debt.

Central administration budget bills are to be drafted in consultation with the NBR inasmuch as the terms of public sector loans are concerned.

The NBR performs studies and surveys on currency, lending, and banking operations and payments studies and surveys for its own use or the use of public authorities.”

### **1.3.2 Macroeconomic statistics: main responsibilities of domestic public authorities**

#### *1.3.2.1 Main responsibilities of the national central bank in the field of macroeconomic statistics*

The main responsibilities of the NBR in the field of macroeconomic statistics consist of the compilation of monetary and banking statistics, balance of payments (b.o.p.) statistics and the financial accounts.

#### *1.3.2.2 Main responsibilities of other public authorities in the field of macroeconomic statistics and co-operation with the national central bank*

The NBR co-operates with the National Commission for Statistics in the compilation

of the Romanian national accounts, the compilation of b.o.p. statistics and with the Ministry of Finance as regards the government sector and the external sector. Prudential supervision is the exclusive responsibility of NBR.

#### *1.3.2.3 Overview of statistical data collection and compilation*

The primary statistical sources are provided by the Ministry of Finance (balance sheets of non-financial enterprises, insurance companies and non-profit institutions) and by the NBR (balance sheets of banks, monetary statistics, b.o.p. statistics and prudential indicators).

See Table I.

**Table I**

Statistical areas:	Money and banking statistics		
	Bank balance sheet statistics/ monetary aggregates and counterparts	Interest rate statistics	Security issues statistics
<b>Collected data</b>	<p>Balance sheets of the NBR, balance sheet of banks:</p> <p>After having received the NBR's balance sheet from the Accounting Department between the 15th and 20th day of the month following the reference month, the Statistics Department produces the analytical accounts for the central bank within two days. The compilation of the analytical accounts within one month is deemed timely.</p> <p>The accounts for commercial banks are compiled on a monthly basis. Banks transmit their data on hard copy through the interbank communication network to NBR's Statistics Department. According to the regulations, the commercial banks must transmit the requested data between the 15th and 20th day of the month following the reporting date.</p> <p>The monetary survey is compiled within five to seven days after the data are obtained by the Statistics Department from the Accounting Department and the commercial banks. The data are generally available by 25 days after the reference month.</p>	<p>Reporting of interest rate data by banks:</p> <p>The commercial banks provide data on lending and deposit rates to the NBR by the end of the 15th day after the reference month.</p>	<p>Reporting of security issues data by banks:</p> <p>The commercial banks provide security issues data to the NBR by the end of the 15th day after the reference month.</p>
<b>Collecting agents</b>	NBR	NBR	NBR
<b>Users</b>	NBR, National Commission for Statistics, Ministry of Finance, other public authorities.	NBR, National Commission for Statistics, Ministry of Finance, other public authorities.	NBR, National Commission for Statistics, Ministry of Finance, other public authorities.
<b>Description</b>	Data are collected on paper or electronically.	Data are collected on paper or electronically.	Data are collected on paper or electronically.

**Table I (continued)**

Statistical areas:	Reserve base	Financial accounts	Balance of payments	Prudential supervision
<b>Collected data</b>	Balance sheets of the NBR (monthly/20 to 25 days after the reporting date).	Balance sheets of non-financial corporations, financial auxiliaries, insurance corporations, public institutions and non-profit institutions serving households; monetary survey; balance of payments.	Banks reports on international transactions, customs data on the balance of trade (monthly/45-60 days after the reporting date).	Financial results and patrimony statement; balance sheet and profit and loss account; level of foreign exchange position; own funds; solvency ratio; level of the large exposure; level of the loans granted to insiders; loan classification and the setting up of risk provisions; risk provisions for past due interests, for some types of credit granted and for placements with other banks; net assets evaluation (monthly/10-15 days after the reporting date).
<b>Collecting agents</b>	NBR	NBR, National Commission for Statistics, Ministry of Finance	NBR	NBR
<b>Users</b>	NBR, National Commission for Statistics, Ministry of Finance, other public authorities	NBR, National Commission for Statistics, Ministry of Finance, other public authorities	NBR, National Commission for Statistics, Ministry of Finance, other public authorities	NBR, National Commission for Statistics, Ministry of Finance, other public authorities
<b>Description</b>	Data are collected on paper.	Data are collected on paper or electronically.	Data are collected on paper or electronically.	Data are collected on paper.

## 2 Monetary statistics

### 2.1 Legal background and statistical standards

#### 2.1.1 National legal aspects

According to Article 51 of Law No. 101/1998 regarding the Statute of the NBR, the NBR is entitled to collect information from the banks that are licensed by the NBR. The banks report monetary data.

The basic text indicated in this section can be found on the NBR website at [www.bnro.ro](http://www.bnro.ro).

#### 2.1.2 Statistical standards

The chart of accounts for the central bank and the chart of accounts for banks; IMF manual on monetary and financial statistics.

### 2.2 Concepts and definitions

#### 2.2.1 Statistical definitions: economic territory and residency principles

The economic territory is identical to the geographic territory.

The following categories are considered as residents:

- a) Legal persons (enterprises):
  - public institutions, autonomous regions, companies, associations, clubs, leagues and any other profit-making or non-profit organisations with legal personality, registered or authorised to carry on activities in Romania;



## Romania

- individuals and family associations authorised according to the provisions of Decree Law No. 54/1990 regarding the organisation and the development of certain economic activities based on free enterprise, as amended;
- subsidiaries, branches, representations, agencies and offices of foreign legal persons, registered and /or authorised to carry on activities in Romania;
- embassies, consulates and other representations of Romania abroad;
- subsidiaries, branches, representation offices, agencies and offices of Romanian firms which carry on activities abroad but which are not registered as legal persons abroad.
- Foreign branches of domestic banks are classified as non-resident (foreign assets and foreign liabilities). Domestic

branches of foreign banks are classified as resident (domestic assets and domestic liabilities).

### b) Individuals (natural persons):

- individuals, Romanian citizens, domiciled in Romania, as certified by an identity card issued by the appropriate authorities;
- individuals with other citizenship and individuals with no citizenship (stateless), domiciled in Romania, as certified by an identity card issued by the appropriate authorities.

## 2.2.2 Sectors in monetary statistics

### 2.2.2.1 Definition and classification of sectors in monetary statistics

See Table 2.

Table 2 <sup>1)</sup>

Sector classification	Sectors	Definitions
<b>Money-creating sector</b>	Central bank	The monetary authority
	Commercial banks	A legal person authorised to accept deposits and grant credits in its own name and on its own account as its main business activity
	Savings and loans banks	A commercial bank which accepts deposits and grants credits to natural persons and small companies
	Subsidiaries of foreign banks	A legal person where another person or a group of persons acting jointly hold 50% or more of the voting rights or a significant stake allowing them to exercise effective control over the management or policies of the subsidiary
	Branches of foreign banks	An operational unit of a bank without its own legal personality, directly carrying on all or some of the bank's activities within the limits of the terms of reference stipulated by the bank
	Credit unions and co-operatives	A legal association of private entities which conducts banking operations
<b>Money-holding sector</b>	Insurance companies	A company which provides financial benefits to clients in the event of a specific loss
	Mutual funds	An institution which operates through an investment company to raise money from shareholders and to invest it
	Financial investment companies	A company which invests raised funds in financial assets
	Financial leasing companies	A company which provided financing to a borrower for the purchase of an asset
	Securities firms	A company which trades securities and futures contracts for their own and customers' accounts
	Bureaux de change (foreign exchange offices)	An entity which trades domestic currency for a foreign currency
	Deposit Guarantee Fund in the Banking System	An institution for the protection of household deposits
	Agency for the recovery of banking assets	A government agency which recovers the non-performing loans of major state-owned banks
	Non-financial corporations	A corporation which produces goods or non-financial services
	Non-profit institutions	A charitable organisation or an association of persons which is not profit-oriented
	Households	A small group of persons who share the same living accommodation and income
<b>Money-neutral sector</b>	General government	The fiscal and economic authority
<b>Non-resident sector</b>	Foreign banks and others (governments, international organisations and institutions, embassies, foreign households and corporations)	A foreign entity engaged in significant economic activity in Romania for at least one year

1) The monetary statistics sector classification has not yet been implemented in Romania

## Romania

### 2.2.2.2 Comparison between the sectors of the national economy and the ESA 95

The comparison between the sectors is illustrated in Table 3.

**Table 3**

National sector classification	National sectors		Sectors in the ESA 95		ECB sector classification	
Money-creating sector	Central bank		S121 Central bank(s)	S12 Financial corporations	Money-creating sector	
	Commercial banks, savings and loans banks, subsidiaries of foreign banks, branches of foreign banks, credit unions and co-operatives		S122 Other monetary financial institutions			
Money-holding sector	Mutual funds, financial investments companies, financial leasing companies		S123 Other financial intermediaries, except insurance corporations and pension funds		S11 Non-financial corporations	Money-holding sector
	Securities firms, bureaux de change (foreign exchange offices), Deposit Guarantee Fund in the Banking System		S124 Financial auxiliaries			
	Insurance companies		S125 Insurance corporations and pension funds			
	Non-financial corporations		S14 Households			
	Households		S15 Non-profit institutions serving households			
	Non-profit institutions		S13 General government			
Money-neutral sector	General Government	Agency for the recovery of banking assets	S1311 Central government	S2 Rest of the world	Money-neutral sector	
			S1312 State government		Money-holding sector	
			S1313 Local government			
			S1314 Social security funds			
Non-resident sector	Non-resident sector		S211 EU countries	S2 Rest of the world	Non-resident sector	
		S212 Institutions of the EU	S22 Third countries and international organisations			

## 2.3 Population of monetary institutions

### 2.3.1 Definition of a credit institution (bank) and categories of credit institutions

According to Article 3 of Law No. 58/1998 (the Banking Act), banks are legal persons authorised to accept deposits and provide credit in their own name and on their own account.

### 2.3.2 Definition of other monetary institutions

In addition to commercial banks, there are other depository institutions in Romania that are not included in the coverage of the monetary statistics. Credit co-operatives are not subject to central bank regulation and supervision for the time being. Special legislation has recently been passed by the Government for this purpose and will become operational within 30 days after publication in the Official Gazette.

### 2.3.3 Central government units with deposit liabilities included in measures of money

Not applicable.

**Table 4**

Institutions	Number of institutions
National central bank(s)	1
Credit institutions	42
State-owned banks	1
Majority state-owned banks	3
Majority privately owned banks	31
Branches of foreign banks	7
Other monetary institutions	0
Total	43

## 2.4 Banking business: general deposits/other products

Banks obtain their funds from the public by means of: demand and time deposits of the economic agents (in national currency – ROL); household savings (demand and time); residents' foreign exchange deposits (demand and time deposits); certificate deposits

## 2.5 Statistical balance sheets of the monetary institutions

### 2.5.1 Description of the main balance sheet items

Balance sheet of the NBR:

- Foreign assets (gold; convertible currencies: gross claims on non-residents including holdings of SDRs and foreign exchange, deposits at foreign banks, treasury bills, other foreign assets) and domestic assets (vault cash, credit to government, interbank assets, other domestic assets).
- Foreign liabilities (deposits of foreign banks, loans from foreign banks, SDR purchases from IMF, other foreign liabilities) and domestic liabilities (currency issue, government deposits, interbank liabilities, capital accounts, other domestic liabilities).

Aggregate balance sheet of banks:

- Foreign assets (cash, deposits with foreign banks, stakes in foreign banks, foreign securities, other foreign assets) and domestic liabilities (credits to non-government, credits to government, interbank assets, other domestic assets).
- Foreign liabilities (borrowings from foreign banks, deposits of foreign banks) and domestic liabilities (domestic clients' deposits, government deposits, interbank liabilities, capital accounts, other domestic liabilities).

**2.5.2 Breakdown of the main balance sheet items by instrument/maturity, counterparty and currency**

*Assets*

- Domestic credit
  - credit to government, net
  - credit to non-government
    - in ROL
      - short-term
      - medium and long-term
    - in convertible currencies
      - short-term
      - medium and long-term

*Liabilities*

- Demand and time deposits in ROL
- Household savings
  - demand deposits
  - time deposits
- Residents' foreign exchange deposits (demand and time)

**2.6 Measure(s) of money: definitions and remarks**

**2.6.1 Definition of money and instrument breakdown of monetary aggregates**

See Box 1.

**2.6.2 Sectoral allocation of holdings of negotiable instruments**

The transferable instruments included in the monetary survey comprise, inter alia, cash and certificates of deposit. An accurate sector breakdown of transferable instruments cannot be derived for banking statistics purposes.

**2.7 Counterparts of money**

See Box 2.

**2.8 Reserve money**

Reserve money includes: currency outside the central bank; and commercial banks' current accounts with the central bank.

**Box 1**

**M0 includes**

- currency outside the central bank
- commercial banks' current accounts with central bank currency in issue

**M1 includes**

- M0
- currency outside banks
- demand deposits

**Quasi money includes**

- households savings
- time deposits
- restricted deposits
- certificates of deposit
- foreign currency deposits of residents

**M2 includes**

- M1
- Quasi money

**Box 2****Net foreign assets**

Gold

Convertible currencies, net

**Net domestic assets**

Domestic credit

– credit to government, net (General Account of State Treasury, other credits to government: government securities in ROL and in foreign currencies and other extra-budgetary funds)

– credit to non-government  
in ROL  
in convertible currencies

**2.9 Reporting procedures****2.9.1 Powers to collect statistics and collecting agents**

The NBR collects primary data from commercial banks for monetary statistics purposes pursuant to Law No. 101/1998 regarding the Statute of the NBR and Law No. 58/1998 (the Banking Act).

Money and banking and other financial statistics are compiled by the Statistics Department. The methodology underlying monetary statistics is based on the IMF's Manual on Monetary and Financial Statistics and the Guide on Monetary and Banking Statistics.

**2.9.2 Identification of the reporting population (reporting coverage)**

The reporting of Romania's financial institutions covers the NBR (Romania's monetary authority) and deposit money corporations (or deposit money banks), which include 42 operational commercial banks (including the savings bank Casa de Economii si Consemnatiuni, CEC), 35 of which are Romanian joint stock companies and seven are branches of foreign banks.

See Table 5.

**Table 5**

	Reporting institutions		Total balance sheet
	Number of reporting agents	% (of the total category)	% (of the total balance sheet of all the institutions)
<b>National central bank</b>	<b>1</b>	<b>100</b>	<b>34.4</b>
<b>Credit institutions</b>	<b>42</b>	<b>100</b>	<b>65.6</b>
State-owned banks	1	100	10.0
Majority state-owned banks	3	100	21.9
Majority privately owned banks	31	100	29.6
Branches of foreign banks	7	100	4.1
<b>Other monetary institutions</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>43</b>		<b>100</b>

### 2.9.3 Reporting schemes

Banks report their data (full balance sheet) on hard copy and through the interbank communications network to the NBR's Statistics Department. Regulations provide for the commercial banks to transmit the requested data between the 15th and 20th day of the month following the reporting date. The accounts of the banks are maintained as stock data in ROL millions.

### 2.9.4 Special reporting procedures for the national central bank

The accounts of the NBR are maintained as stock data in ROL millions. After having received the balance sheet of the NBR from the Accounting Department between the 15th and 20th of the month following the reference month, the Statistics Department needs three days to produce the analytical accounts for the central bank. The compilation of the analytical accounts within one month is deemed timely.

## 2.10 Data processing and compilation methods

### 2.10.1 Basis of calculation

Data provided by banks are end-of-period data.

### 2.10.2 Revisions

Data may be subject to revisions after publication, mainly due to updating needs. No specific rules are applied. Explanatory notes for revised data are inserted in the publication.

### 2.10.3 Derivation of flow statistics

Not applicable.

### 2.10.4 Seasonal adjustment

Techniques for the seasonal adjustment of data are not used.

## 2.11 Publications

### 2.11.1 First release of data (including the medium)

Relevant publications for monetary statistics:

- Annual report, NBR;
- Monthly Bulletin, NBR;
- Macroeconomic Indicators, NBR;
- National Accounts;
- Balance of payments and international investment position;
- The internet (NBR website).

The following statistics are published on a monthly basis in the Monthly Bulletin of the NBR: balance sheet of the NBR, aggregate balance sheet of banks, consolidated monetary survey, reserve money, broad money, domestic credit, interest rates applied by the NBR and by banks. The Monthly Bulletin also includes: money market indicators, interbank foreign exchange market, capital market, the b.o.p., the i.i.p., main macroeconomic indicators, consumer prices and industrial producer prices. The data are published in more detail in the NBR's Annual Report.

Provisional data in the NBR Bulletin may be revised in the following month's edition.

### 2.11.2 Core weekly/monthly publications

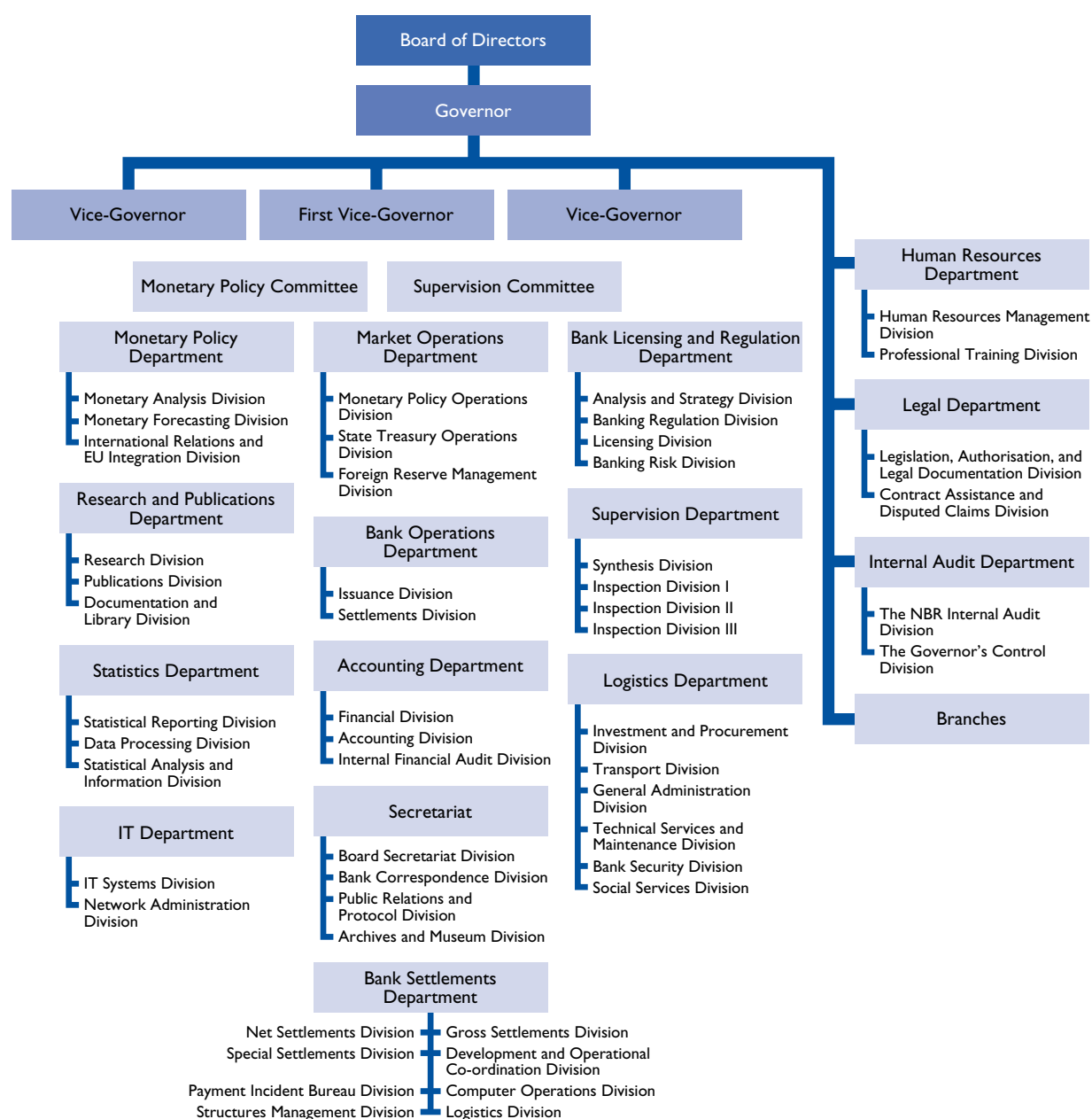
Same as for first publication.

### 2.11.3 Other statistical publications

No relevant publications other than those in Section 2.11.1.

## Annex:

## Organisation chart of the National Bank of Romania (NBR)

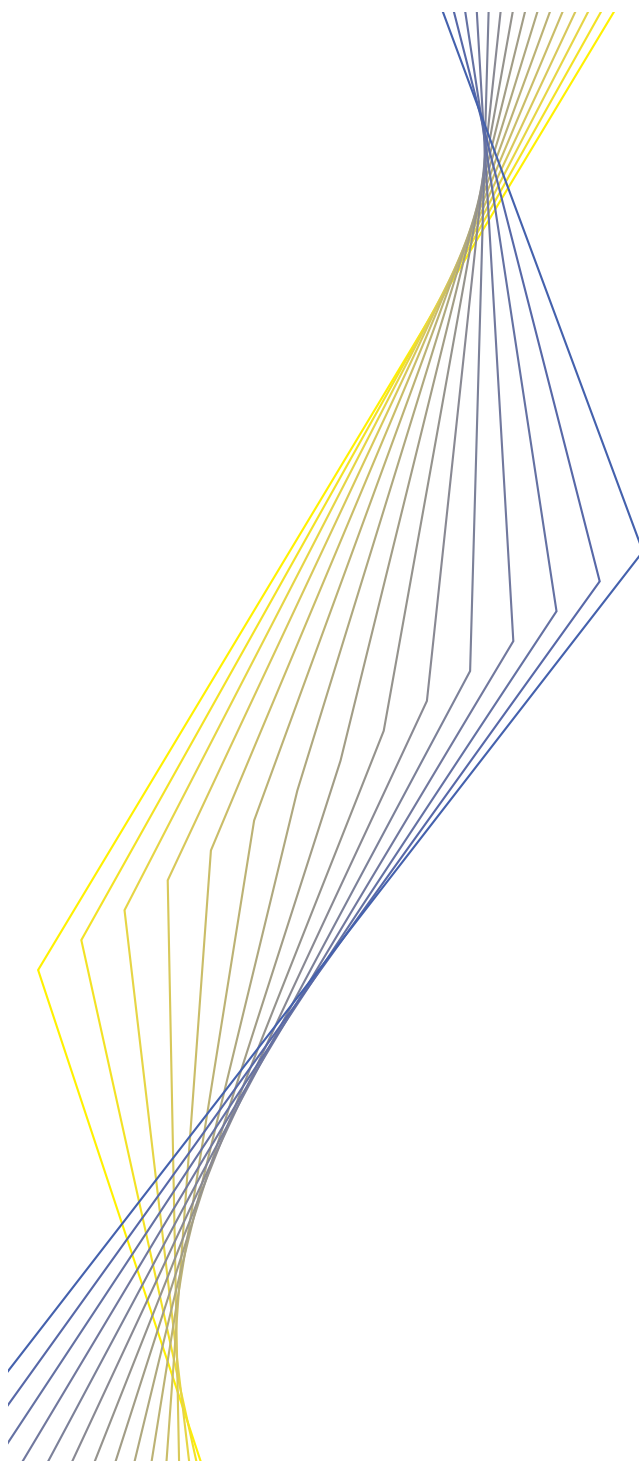




## Romania



EUROPEAN CENTRAL BANK



**Slovakia**

## **Slovakia**

### **List of abbreviations**

<b>b.o.p.</b>	Balance of payments
<b>CIs</b>	Credit institutions
<b>MoF</b>	Ministry of Finance
<b>NBS</b>	Národná banka Slovenska –National Bank of Slovakia
<b>SKK</b>	Slovak koruna
<b>SO SR</b>	Statistical Office of the Slovak Republic
<b>SR</b>	Slovak Republic

## I Legal and institutional background

### I.1 Organisational structure

#### I.1.1 Organisation chart of the national central bank

See Annex 1.

#### I.1.2 Organisation of the statistical work at the national central bank

See Annex 2.

### I.2 Legal background

- The National Bank of Slovakia (NBS) Act.

This is the Act of the National Council of the Slovak Republic (SR) No. 566 dated 18 November 1992, as amended.

- The Banking Act No. 21/1992 Coll.<sup>1</sup>, as amended by Act No. 264/1992 Coll., Act No. 249/1994 Coll., Act 374/1994 Coll., Act No. 58/1995 Coll., Act No. 233/1995 Coll., Act No. 58/1996 Coll., Act No. 118/1996 Coll., Act No. 386/1996 Coll., Act No. 12/1998 Coll., Act No. 44/1998 Coll., Act No. 170/1998 Coll. (Act No. 278/1998 Coll.: the full wording) and Act No. 252/1999 Coll.
- Act of the National Council of the SR No. 118 dated 20 March 1996 on the protection of bank deposits, with amendments to other related laws, as amended by Act No. 154/1999 Coll., which covers the Deposit Protection Fund itself, contributions to the Fund and compensation for inaccessible deposits.
- The Foreign Exchange Act of the National Council of the SR No. 202 dated 20 September 1995, as amended.

The purpose of this Act is to regulate the following:

a) the rights and obligations of residents and non-residents when trading in foreign exchange assets, acquiring real estate, granting financial credits to a foreign country, accepting financial credits from abroad and investing abroad; the reporting requirements, the duty to transfer foreign exchange instruments to the SR and other legal foreign exchange relationships under the present Act;

b) the jurisdiction of foreign exchange authorities;

c) the jurisdiction of customs authorities pursuant to this Act; and

d) foreign exchange controls.

- The Housing Savings Act No. 310/1992 of the Code, as amended.
- Regulation of the Ministry of Finance (MoF) of the SR and the NBS No. 390/1999 Coll., dated 21 December 1999 on the implementation of certain provisions of the Foreign Exchange Act.
- Act No. 563/1991 dated 12 December 1991 on accounting.
- Regulation of the MoF of the SR No. 65/355/1996 with Annexes Nos. 3171/1997, 4299/1997 and 18031/1999 on the chart of accounts and accounting procedures for banks valid from 1 January 2000.

Selected decrees and regulations of the NBS:

- Decree No. 3 dated 3 March 1995 laying down the rules for evaluating bank claims and off-balance-sheet liabilities in terms of risk exposure and for earmarking funds to provide against such risks.
- Decree No. 5 dated 5 June 1998 stipulating the requisites of an application for a licence

<sup>1</sup> Collection of laws

to operate as a bank, the minimum amount of the cash contribution to a bank's equity capital and the method for substantiating the eligibility of an applicant bank.

- Decree No. 6 dated 5 June 1998 stipulating the requisites of an application for a licence to operate as a bank for a branch of a foreign bank, the minimum amount of permanently available funding contributed by a foreign bank to its branch in the territory of the SR and the method for documenting the fulfilment of conditions necessary for a branch of a foreign bank to obtain a licence to operate as a bank.
- Decree No. 10 dated 27 August 1998 stipulating the requisites of an application for the establishment of a representative office of a foreign bank or a similar foreign financial institution and the conditions attached to its operation.
- Regulation No. 6 dated 14 February 2000, as amended, detailing the compilation of information by a bank or a branch of a foreign bank to be provided to the NBS.

Most of these regulatory texts are on the NBS's website at [www.nbs.sk](http://www.nbs.sk).

### 1.3 Institutional aspects

#### 1.3.1 The role of the national central bank

##### 1.3.1.1 Introduction

The role and functions of the NBS are established by the Act of the National Council of the SR No. 566 dated 18 November 1992, also called the National Bank of Slovakia (NBS) Act:

- (1) this Act establishes the NBS as the bank of issue of the SR;
- (2) the NBS is a legal person not registered in the Corporate Register with its headquarters in Bratislava; and

- (3) the position of the NBS when handling its own property is the same as that of a private business in dealings concerning rights of ownership.

The primary task of the NBS is to ensure the stability of the Slovak currency. To this end, the NBS:

- a) determines the monetary policy;
- b) issues banknotes and coins;
- c) controls the circulation of money, co-ordinates payments and settlement between banks and ensures the efficient and economical conduct of these operations;
- d) supervises the performance of banking activities within the scope established by the NBS Act and ensures the secure functioning and expedient development of the banking system; and
- e) performs other activities pursuant to the NBS Act.

The NBS:

- a) is required to submit a half-yearly report on monetary developments to the National Council of the SR;
- b) is required to publish information concerning monetary developments at least once every three months;
- c) represents the SR in international financial institutions and ensures the implementation of tasks arising from this representation; and
- d) represents the SR in activities on world financial markets.

##### 1.3.1.2 General responsibilities of the national central bank

The governing bodies of the NBS are:

- a) the Bank Board;
- b) the Directorate.

The Bank Board is the highest governing body of the NBS. It formulates monetary policy and determines the instruments for its implementation and decides on specific monetary policy measures taken by the NBS.

In particular, the Bank Board also:

- a) lays down the guiding principles for the activities and transactions of the NBS;
- b) approves the budget of the NBS (Article 38);
- c) determines the organisational structure of the NBS;
- d) decides upon the types of funds of the NBS, their volume and their use;
- e) determines the volume of credits pursuant to Article 25, paragraph 2, and the rules for providing such credit to the SR;
- f) sets the salary and other emoluments of the Governor and Vice-Governors;
- g) approves the participation of employees of the NBS in the executive, supervisory and inspection bodies of commercial companies and banks; and
- h) approves the rules of procedure for deliberations by the Bank Board.

The Bank Board consists of the Governor, two Vice-Governors, two Chief Executive Directors and three other members.

The Governor and the Vice-Governors are appointed and may be dismissed by the President of the SR upon the recommendation of the Government of the SR and after the approval of the National Council of the SR.

The Chief Executive Directors and the other three members of the Bank Board are

appointed and may be dismissed by the Government upon the recommendation of the Governor of the NBS.

The Governor, Vice-Governors and Chief Executive Directors of the NBS are appointed for a term of six years. The term of office of the other members of the Bank Board is four years.

Membership of the Bank Board is limited to a maximum of two consecutive terms.

The Directorate of the NBS is the Bank's executive body. The Directorate is responsible for the implementation of the Bank Board's resolutions. It also prepares the meetings of the Bank Board and administers the NBS.

The Directorate is primarily responsible for:

- a) the implementation of the approved monetary policy;
- b) the management of reserves in gold and foreign currency, trading in foreign exchange assets, and the payment and settlement of cross-border transactions;
- c) the issuance of and trading in securities by the NBS;
- d) the conduct of securities operations;
- e) methodical bank supervision to the extent deemed necessary by the Bank Board;
- f) transactions with banks pursuant to the NBS Act; and
- g) the supervision of the activities of non-banks in their conduct of foreign exchange transactions, which the NBS performs pursuant to separate regulation.

*Banking supervision:*

The NBS supervises:

- a) the activities of banks and the banking system to ensure its secure functioning;

## Slovakia

- b) the activities of the Deposit Protection Fund.

Banking supervision includes:

- a) the assessment of applications for banking licences pursuant to separate regulation;
- b) the verification of fulfilment of the conditions needed to obtain a banking licence, as well as licences granted under separate regulations; and
- c) the verification of compliance with regulations issued by the NBS and obligations imposed by law.

*Other (selected) responsibilities of the NBS:*

- it has the sole right to issue banknotes, coins and commemorative coins, which are legal tender;
- it determines interest rates, and volumes, maturities and the other conditions of the transactions that it performs pursuant to the NBS Act;
- it sets the minimum interest rate on deposits accepted by banks and branch offices of foreign banks and the maximum interest rate on credits provided by banks. These rates are promulgated without delay by decree in the Collection of Laws and published in the daily press;
- it sets the maximum volume of credit that individual banks may provide;
- it draws up and promulgates rules regarding the liquidity and capital base of banks, and other prudential regulations on the operation of banks, pursuant to separate regulation;
- it may require that banks hold a predetermined part of their funds (a "minimum reserve requirement") on an account with the NBS, which normally bears no interest;

- if a bank fails to maintain the established minimum reserve requirement, the NBS is entitled to charge interest on the amount of the shortfall at a rate of up to three times the effective discount rate;

- when increasing the level of the minimum reserve requirement, the NBS specifies a deadline for compliance with the increase;

- the NBS:

- a) quotes the exchange rate of the Slovak koruna (SKK) in relation to foreign currencies;

- b) sets the price of gold in its banking operations; and

- c) holds, manages and disposes of monetary reserves in gold and foreign currency.

- the NBS also:

- a) trades in gold and other foreign exchange assets and performs all types of banking transactions with domestic and foreign banks;

- b) sets the conditions for regulating the balance of payments of the SR and promulgates them by decree in the Collection of Laws;

- c) sets the conditions for trading in gold and other foreign exchange assets by banks and other persons pursuant to separate regulation and promulgates them by decree in the Collection of Laws; and

- d) lays down the conditions for securities issues denominated in foreign currency.

*Relationship with the Government:*

The NBS, to the extent stipulated by the NBS Act, supports the economic policy of the Government.

The NBS fulfils its tasks pursuant to Article 2 of this Act independently of government directives.

A member of the Government elected by the Government and serving in an advisory capacity may attend the meetings of the Bank Board.

The Governor, or a member of the Bank Board elected by the Governor, informs the Government of the resolutions of the Bank Board and its conclusions.

The NBS gives its opinion on proposals submitted to the Government for consideration concerning the scope of activities of the NBS.

The NBS serves the Government in an advisory capacity in matters concerning monetary policy and banking.

The Governor of the NBS participates in meetings of the Government. The Governor is not a member of the Government.

#### *Transactions of the NBS with banks:*

The NBS keeps accounts for banks and accepts their deposits.

It may purchase from or sell to banks:

- a) bills of exchange maturing within six months of the date of their purchase by the NBS and bearing at least two signatures, of which at least one is made on behalf of a bank;
- b) government bonds or other securities guaranteed by the Government maturing within one year of the date of purchase by the NBS.

The NBS keeps the revenue and expenditure accounts of the State budget, and records of State financial assets and liabilities and of State special-purpose funds.

The NBS floats government bonds pursuant to separate regulation and, in agreement with the MoF, may perform on the MoF's behalf and for agreed remuneration, activities connected with the management, redemption and transfer of government bonds, the payment of interest on these bonds and other necessary activities.

Further information may be found on the NBS's website at [www.nbs.sk](http://www.nbs.sk).

### **1.3.2 Macroeconomic statistics: main responsibilities of domestic public authorities**

#### *1.3.2.1 Main responsibilities of the national central bank in the field of macroeconomic statistics*

The NBS is responsible for the compilation of statistics in the areas of the reserve base (Banking Transactions Department), the balance of payments (Balance of Payments Section) and prudential supervision (Banking Supervision Division).

The agency responsible for compiling balance of payments (b.o.p.) data is the NBS's Balance of Payments Section, which has been compiling monthly, cumulative b.o.p. statistics for the SR since 1993. The monthly b.o.p. (standard presentation) of the SR is published in the regular reports of the NBS that are submitted twice a year to the Slovak Parliament. The b.o.p. data are also disseminated monthly to the public through the NBS's website.

In 1999, the SR joined the International Monetary Fund's Special Data Dissemination Standard project. Metadata regarding the b.o.p., the international investment position (i.i.p.) and the international reserves of the SR are available on the internet.

Since 1997, the NBS has also been regularly sending quarterly and yearly b.o.p. data to Eurostat. Geographical breakdowns for the current account and direct investment are



compiled according to the methodology of Eurostat's Balance of Payments Vade-mecum. The NBS regularly co-operates with Eurostat's Balance of Payments unit and has continually extended and improved its data sources for both the banking and corporate sectors in order to satisfy all Eurostat requirements.

The main task of the General Statistics Section is to collect returns from legal entities, individuals and businesses, with the exception of banks and branch offices of foreign banks, detailing their cross-border transactions and foreign assets and liabilities. The reporting of transactions between residents and non-residents is based on direct reporting by companies. A summary of the data concerning the foreign assets and liabilities of the corporate sector is one of the inputs for compiling the b.o.p. The section compiles and analyses data on foreign direct investment within the scope of the capital and financial accounts of the b.o.p., as well as on inflows and outflows of equity capital and reinvested earnings into/from the SR.

Accordingly, the section provides information to the World Bank about long-term individual external public debt and private debt publicly guaranteed by the SR or by banks with their headquarters in the SR.

### *1.3.2.2 Main responsibilities of other public authorities in the field of macroeconomic statistics and co-operation with the national central bank*

The field of official statistics in the SR falls within the competence of the Statistical Office of the Slovak Republic (SO SR), which is a central body of state administration in the SR. The SO SR has been functioning as an autonomous institution since 1 January 1993, the day the independent Slovak Republic was established.

The legal basis of the SO SR's activities is formed by the Act of the Slovak National Council No. 322/1992 on official statistics, as amended. These regulatory texts define the

conditions of collection, the status and tasks of statistical bodies, the tasks of state administration and the district governments in the field of statistics, the rights and duties of reporting units and the protection of data against abuse.

The SO SR performs its activities on the basis of the Programme of State Statistical Surveys for a given year, which is prepared by the SO SR and negotiated with the Statistical Council. The Programme consists of all relevant and necessary surveys.

In accordance with the Act on official statistics, the SO SR performs the following tasks:

- a) it elaborates the policy principles for the official statistics of the SR and the Programme of State Statistical Surveys;
- b) it defines methodology in the field of official statistics;
- c) it organises and conducts surveys, and collects and processes statistical data;
- d) it ensures comparability of statistical information from an international point of view to enable an assessment of developments in the SR;
- e) in co-operation with the competent central governmental bodies, it prepares statistical classifications, nomenclatures and registers;
- f) it proposes the method for producing identification numbers for reporting units and directs their allocation and notification to these units;
- g) it defines appropriate data collection and processing methodology;
- h) it provides the public with regular information on the state of the economy; and
- i) it conducts public opinion research on actual social phenomena.

The SO SR provides information on the gross domestic product (GDP), consumer prices (of goods and services), producer prices, inflation (the monthly, annual and average annual rates), unemployment and foreign trade.

Legislation governing the SO SR:

- Act of the National Council of the SR dated 3 February 1998 on the protection of personal data in information systems.

*The Ministry of Finance:*

The task of the MoF is to accomplish the strategic aims of the Government's financial and economic policy. In its capacity as a state administrative authority, it manages and administers fiscal, price, tax and tariff policy.

The MoF carries out state administration in banking, insurance and capital market matters. Its competencies also include the issues of foreign exchange policy and control.

The MoF and the NBS co-ordinate their activities to provide invaluable information to the Slovak financial market. They constitute an integrated institutional, legislative and regulatory framework for the money and capital markets.

The Financial Market Section covers the banking and insurance industries, collective investment activities and securities broking and capital markets.

The Treasury Section covers accounting methodology and issues related to the chart of accounts and accounting procedures for banks.

#### *1.3.2.3 Overview of statistical data collection and compilation*

The NBS's Banking Statistics Section is responsible for compiling data on the banking sector in the SR, as well as for the methodologies used and the publication policy.

The section draws up the aggregated balance sheet for the banking sector and the NBS's own balance sheet, and prepares reports on deposits, loans, securities, interest rates and the interbank market. The section also compiles data used in the calculation of minimum reserve requirements.

The accounting and statistical data are presented and analysed in the monthly publication "Monetary Survey". The main users of these data are the Monetary Division and the Banking Supervision Division.

In the area of methodology, the section co-operates with the MoF. This Ministry is in charge of the methodology for banking accountancy, while the NBS's Banking Statistics Section is responsible for ensuring that the accounting source data remain within the statistical framework.

As regards the European System of Accounts 1995 (ESA 95) and the System of National Accounts (SNA), the section co-operates with the SO SR.

The Foreign Exchange Statistics Section is responsible for the compilation of high quality, precise foreign exchange data, as well as for the methodologies used and the publication policy. It aggregates foreign exchange data from commercial banks. The section follows the methodologies advocated in the banking accountancy rules and other statistical systems (SNA and b.o.p.), provides detailed descriptions of the indicator contents, and details transactions according to payment items and their coding, transaction flows to and from foreign countries and country codes. Furthermore, it uses the list of ISO foreign currency codes and classifies bank customers according to the international classification of economic sectors and the branch classification of economic activities.

After finishing the checking procedures, the Foreign Exchange Statistics Section analyses the data and produces the aggregated statistical reports, which are primarily used

## Slovakia

to prepare the b.o.p. and the Monetary Survey. The section co-operates with the MoF and the SO SR. The main users of the data are the Monetary Policy Department, the

Banking Supervision Division and the Banking Transactions Department.

See Table I.

**Table I**

Statistical areas:	Money and banking statistics		
	Bank balance sheet statistics/ monetary aggregates and counterparts	Interest rate statistics	Security issues statistics
<b>Collected data</b>	Assets and liabilities of credit institutions (CIs) and of the NBS in SKK and foreign currency, with a daily, ten-day and monthly frequency.	Average lending rates of commercial banks. Average interest rates on and volumes of SKK deposits (monthly and quarterly). Average interbank offered rate (BRIBOR).	Money market papers (State Treasury bills, NBS Treasury bills, Certificates of Deposits) Capital market papers (shares, bonds) Investment securities
<b>Collecting agents</b>	NBS	NBS	NBS (from CIs, registration of State Treasury bills, NBS Treasury bills), Security Centre (registration of book-entry, changes in ownership)
<b>Users</b>	NBS Only summarised data: CIs, SO SR, MoF, Government, IMF.	NBS Only summarised data: CIs, SO SR, MoF, Government, IMF.	NBS, SO SR, MoF
<b>Description</b>	Data are transmitted, collected and compiled via the "STATUS" electronic network.	Data are transmitted, collected and compiled via the "STATUS" electronic network.	Data are transmitted, collected and compiled via the "Status" electronic network.

Table I (continued)

Statistical areas:	Reserve base	Financial accounts	Balance of payments	Prudential supervision
<b>Collected data</b>	<p>From regular reports from CIs:</p> <ul style="list-style-type: none"> <li>• non-term and term deposits in SKK and foreign currency;</li> <li>• promissory notes (of commercial banks);</li> <li>• securities issued by both commercial banks and non-banking customers;</li> <li>• other deposits transferred to customer accounts (from interbank clearing accounts in connection with the three-day lag for settlement of payments).</li> </ul> <p>Foreign bank deposits in commercial banks (in SKK and foreign currency).</p>	<p>Yearly statements of account/balance sheets:</p> <ul style="list-style-type: none"> <li>a) statistical statements;</li> <li>b) balance of payments;</li> <li>c) international investment position;</li> <li>d) banking and government statistics.</li> </ul>	<p>1) Data on goods are based on trade statistics compiled by the SO SR. The data are prepared by the Customs Office on the basis of customs declarations. Data are valued at market prices and recorded at the time of border crossing.</p> <p>These data enable a territorial and commodity breakdown of SR exports and imports.</p> <p>2) Commercial banks:</p> <ul style="list-style-type: none"> <li>• the monthly report "Foreign exchange incomes and payments". The data are used for the compilation of the current account (services, income, current transfers);</li> <li>• the quarterly report "Foreign exchange incomes and payments – geographical breakdown";</li> <li>• the monthly report "Foreign exchange position". The data are used for the compilation of the financial accounts.</li> </ul> <p>Banking reports are collected and processed by the Statistics Department of the NBS.</p> <p>3) Enterprises:</p> <ul style="list-style-type: none"> <li>• the monthly report "Foreign assets and liabilities". The stock and flow data are used for the compilation of the financial accounts. Data are obtained from each enterprise with foreign assets or liabilities exceeding SKK 1 million at the reference date. Currently, data are collected from about 4,000 enterprises;</li> <li>• the quarterly report "Direct investment – territorial and economic activity structure". In this report, the territorial and economic activity structure for direct investment is given (for both stocks and flows).</li> </ul> <p>Enterprise reports are collected and processed by the Statistics Department of the NBS.</p> <p>4) Data from divisions of the NBS:</p> <p>These data are mainly used for reporting changes in reserves.</p>	<p>Data from regular reports from CIs on:</p> <ul style="list-style-type: none"> <li>a) uncovered foreign exchange position</li> <li>b) capital and reserves</li> <li>c) monthly liquidity</li> <li>d) capital adequacy</li> <li>e) credit exposure</li> <li>f) classification of claims and liabilities</li> <li>g) delayed claims</li> </ul>
<b>Collecting agents</b>	The Banking Statistics Section of the NBS	SO SR Datacentrum NBS MoF	NBS	NBS
<b>Users</b>	The Banking Transactions Section of the NBS	NBS SO SR MoF For publicity purposes Eurostat OECD	NBS SO SR CIs	NBS

**Table I (continued)**

Statistical areas:	Reserve base	Financial accounts	Balance of payments	Prudential supervision
<b>Description</b>	The reserve base is calculated as the average of collected deposits on three dates. For instance, the reserve base for May is calculated from deposits as reported on 30 April, 10 May and 20 May.	The automated processing of the State statistical survey involves the following activities: a) creation of a file for the reporting units; b) data collection and recording; c) automated error checking and correction; d) data origination; e) saving of the file in the database; and f) further data processing and production of output tables.	Survey system (enterprises). Foreign exchange records (banking system).	Data are transmitted, collected and compiled via the "Status" electronic network.

## 2 Monetary statistics

### 2.1 Legal background and statistical standards

#### 2.1.1 National legal aspects

- Regulation of the MoF of the SR No. 65/355/1996 with Annexes Nos. 3171/1997, 4299/1997 and 18031/1999 on the accounting system and accounting procedures for banks valid from 1 January 2000.
- Resolution of the NBS No. 1 dated 16 March 1999 concerning minimum reserve requirements.
- Regulation of the NBS No. 5 dated 10 September 1999 stipulating the conditions for balance of payments co-ordination in the SR.
- Regulation of the NBS No. 7 dated 17 December 1999 concerning the preparation of reports by banks and branches of foreign banks to be submitted to the NBS.

- Resolution of the NBS No. 7 dated 17 December 1999 stipulating the conditions for the maintenance by banks of minimum reserves in the year 2000.

- Regulation of the NBS's Governor No. 29/1996 concerning accounting at the NBS.
- Decree of the NBS No. 55/1999 on the accounting system of the NBS.

#### 2.1.2 Statistical standards

The following international statistical standards have been adopted for the concepts and principles applied to all aspects of monetary statistics:

- the SNA 93;
- the ESA 79 and the ESA 95: the new sector classification consistent with the ESA 95 is being prepared for the statistical framework for money and banking

statistics, with validity from January 2001 (full implementation is not expected until 2002);

- the IMF Manual on Monetary and Financial Statistics;
- the IMF Balance of Payments Manual (5th edition);
- Eurostat's Balance of Payments Vademecum, February 2000.

## 2.2 Concepts and definitions

### 2.2.1 Statistical definitions: economic territory and residency principles

For the purposes of monetary statistics, selected terms used in the Foreign Exchange Act of the National Council of the SR No. 202 dated 20 September 1995 and in Regulation of the NBS No. 7 dated 17 December 1999 concerning the preparation of reports by banks and branches of foreign banks to be submitted to the NBS are explained as follows:

- a) "country" refers to the territory of the SR;

b) "residents" are legal persons permanently based in the country or natural persons with permanent or long-term residence in the country; an organisational unit of a resident based abroad is also considered to be resident of the country and is registered in the Corporate Register;

c) "non-residents" are legal or natural persons who are not resident in the country; a non-resident may also be understood as an organisational unit of a non-resident operating in the country, with the exception of a branch office of a foreign bank (Article 5 of the Act No. 21/1992 Zb. on banks) operating in the country on the basis of a banking licence, in which case it has resident status.

This means that the foreign branches of domestic banks are considered non-resident, while the domestic branches of foreign banks are deemed to be resident.

### 2.2.2 Sectors in monetary statistics

#### 2.2.2.1 Definition and classification of sectors in monetary statistics

See Table 2.

## Slovakia

**Table 2**

Sector classification	Sectors		Definitions (ESA 79/ESA 95)	
Money-creating sector	Financial corporations			
	NBS		S.410/S.121	
	Commercial banks, Co-operative banks,		S.410/S.121 S.421/S.12201	
Money-holding sector	Savings banks, mortgage banks, CIs		S.422/S.12202 S.423/S.12203	
	Financial leasing,		S.440 (441-3)/S.123 (12301-3)	
	Investment funds,		S.450 (452-3)/S.123 (12301-3)	
	Investment companies,		S.460 (462-3)/S.123 (12302-3)	
	Financial auxiliaries,		S.440 (441-3)/S.124 (12401-3)	
	Insurance corporations and pension funds.		S.500 (501-3)/S.125	
	Non-profit institutions serving households		S.700/S.15	
	Households	Small businesses	S.800/S.14	S.141
		Population (consumers)		S.142, S.143, S.1441, S.1442, S.1443, S.145
	Non-financial corporations		S.100 (101-3)/S.11 (11001-3)	
Money-neutral sector	General government:			
	– central government,		S.610/S.1311	
	– local government,		S.630/S.1313	
	– social security funds.		S.640/S.1314	
Non-resident sector	Non-residents		S.900/S.2	
			S.21	
			S.211	
			S.212	
			S.22	

## 2.2.2.2 Comparison between the sector of the national economy and the ESA 95

See Table 3.

Table 3						
National sector classification	National sectors		Sectors in the ESA 95		ECB sector classification	
Money-creating sector	NBS		S121 Central bank		S12 Financial corporations	Money-creating sector
	CIs		S122 Other monetary financial institutions			
Money-holding sector	Financial institutions and corporations: – public, – private, – under foreign control.		S123 Other financial intermediaries, except insurance corporations and pension funds			
			S124 Financial auxiliaries			
	Insurance corporations: – public, – private, – under foreign control.		S125 Insurance corporations and pension funds			
	Non-financial corporations: – public, – private, – under foreign control.		S11 Non-financial corporations			
	Households (small businesses) Consumers		S14 Households			
	Non-profit institutions serving households		S15 Non-profit institutions serving households			
Money-neutral sector	General government	Central government	S1311 Central government		S13 General government	Money-neutral sector
		n.a.	S1312 State/regional government			Money-holding sector
		Local government	S1313 Local government			
		Social security funds	S1314 Social security funds			
Non-resident sector	Non-resident sector		S211 European Union (EU) countries	S21 EU	S2 Rest of the world	Non-resident sector
			S212 Institutions of the EU			
			S22 Third countries and international organisations			



## 2.3 Population of monetary institutions

### 2.3.1 Definition of a credit institution (bank) and categories of credit institutions

- The Banking Act No. 21/1992 Zb.

In Part One –Basic Provisions:

(1) For the purposes of this Act, banks are defined as legal persons permanently based in the SR, incorporated as joint stock companies or founded as State financial institutions (Article 36), which:

- accept deposits; and
- offer loans, and perform activities specified under a) and b) on the basis of a banking licence.

(2) For the purposes of this Act:

- deposits are defined as funds placed with a bank, which represent an obligation for the bank to pay an equivalent amount of money to the depositor; and
- a bank loan is defined as money advanced to a borrower in any form, to be repaid at a later date.

(3) In addition to the activities specified in paragraph 1, letters a) and b) above, a bank may provide, on the basis of its banking licence, the following services:

- investment in securities on the bank's own account;
- financial leasing;
- payments and settlements;
- issuance and administration of payment instruments such as bank payment cards and travellers' cheques;

- granting of bank guarantees;
- opening of letters of credit;
- collection of payments;
- trading on the bank's own or the customer's account:
  - in foreign exchange instruments;
  - in futures and options, including exchange rate and interest rate transactions;
  - in negotiable securities;
  - in gold and silver coins, commemorative coins, sheets of banknotes and collector sets of circulation coinage;
- participating in the issuance of securities and the provision of related services;
- mediating in banking activities and housing savings on behalf of the banking and insurance industries;
- business consultancy services;
- portfolio management on behalf of customers, including consulting services;
- safe custody and administration of securities or other valuables;
- depository services pursuant to separate regulation;
- foreign exchange desk services (purchase of foreign currency);
- banking information services;
- rental of safe deposit boxes;
- dealing in mortgage instruments.

The Banking Act defines State financial institutions. A bank may be established as a State-owned financial institution by the central body of the State administration. The permission to establish such a bank is granted by the NBS in agreement with the MoF.

### 2.3.2 Definition of other monetary institutions

Not applicable.

### 2.3.3 Central government units with deposit liabilities included in measures of money

Not applicable.

**Table 4**

Institutions	Number of institutions
NBS	1
<b>Credit institutions</b>	<b>23</b>
Universal banks	16
Branch offices of foreign banks	2
State financial institutions	2
Housing savings banks	3
<b>Other monetary institutions</b>	<b>0</b>
<b>Total</b>	<b>24</b>

## 2.4 Banking business: general deposits/other products

The general deposits of CIs are the following:

- current accounts;
- time deposits:
  - i) up to seven days;
  - ii) up to one, three, six or nine months;
  - iii) up to one, two, three, four or five years; and
  - iv) over five years.

savings deposits:

- v) savings giro accounts;
- vi) demand deposits on passbooks;
- vii) deposits redeemable at notice;
- viii) other short-term savings deposits up to one year;
- ix) medium-term savings deposits over one year up to five years;
- x) long-term savings deposits over five years.

The balance sheet items “overnight deposits” and “deposits redeemable at notice up to/over three months” will be included in the reporting system by 2001.

Other banking products stem from banking activities and services:

- private and corporate deposits on current or notice accounts in SKK and in foreign currency;
- granting of credits to private and corporate customers;
- consulting in the fields of financial management, business planning and privatisation;
- financial leasing;
- foreign exchange desk services and foreign currency trading;
- issue of payment facilities, bank cards and cheques;
- money transfers and settlements, including foreign operations, clean payments, documentary letters of credit, collection, dealing, swaps, foreign bank guarantees and cheque services;

## Slovakia

- foreign exchange transactions (arbitrage, conversion, swap and forward), banking information services;
- investment in securities on the bank's own account;
- consulting in the field of corporate finance, joint ventures, mergers and acquisitions;
- primary issue of bonds, shares and other securities;
- trading on the bank's or customers' account, in futures and options, including foreign exchange;
- trading in transferable securities on the domestic financial market;
- portfolio management of customers' securities;
- safekeeping and administration of securities and other valuables;
- investment trust deposits;
- safety deposit services;
- discount credits;
- American-style credit programmes;
- leasing transactions through subsidiary leasing companies;
- short, medium and long-term credits;
- current accounts for entrepreneurs and citizens in domestic and foreign currencies;
- notice accounts in foreign currency;
- savings accounts in SKK and foreign currency;
- certificates of deposit;
- Progress, Profit and Business accounts;
- letters of credit;
- bill collection;
- bank guarantees for foreign trade activities;
- travellers' cheques;
- primary issue of securities;
- securities trading;
- portfolio management of securities;
- provision of bank guarantees;
- safe deposit boxes;
- forfeiting;
- holding deposits for investment trusts;
- support of private businesses;
- contributions to interest paid on credits;
- building society deposit accounts for customers' savings for homes or building purposes;
- granting of credits to building society customers; and
- mortgage banking.

### **2.5 Statistical balance sheets of the monetary institutions**

#### **2.5.1 Description of the main balance sheet items**

The balance sheet comprises the assets and liabilities and off-balance-sheet accounts, which are divided into summary accounts according to the chart of accounts, the annually updated accounting procedures for banks, special Regulation of the MoF of the SR No. 65/355/1996 with Annexes Nos. 3171/1997, 4299/1997 and 18031/1999 valid from 1 January 2000, and the Regulations of the

NBS and the Banking Supervision Division valid from 1 January 2000.

The balance sheet includes 346 items divided into 6 columns.

The first column is entitled "Accumulated Depreciation and Provisions". The second to fifth columns give volumes of individual items, according to currency (in SKK and foreign currency) and according to centre of economic interest (resident and non-resident). The total value of each item is given in the last column.

The main asset items are:

- Cash items;
- Accounts of issuing banks and postal checking accounts;
- Accounts of other banks;
- Claims in respect of securities and other items;
- Standard credits;
- Current accounts;
- Standard claims subject to reserves;
- Classified claims;
- Accounts of public authorities, local government, State funds and other funds;
- Stocks; and
- Total assets.

The main liability items are:

- Accounts of issuing banks and postal checking accounts;
- Accounts of other banks;
- Liabilities in respect of securities and other items;

- Deposits and credits received from customers;

- Certificates of deposits issued;

- Accounts of public authorities, local government, State funds and other funds;

- Various liabilities arising from collection;

- Liabilities arising from own securities issuance;

- Liabilities arising from trading in securities and financial derivatives;

- Liabilities in respect of unpaid securities;

- Bond issues;

- Share capital;

- Profit and loss account (+/-);

- Profit or loss in the process of approval (+/-); and

- Total liabilities.

Data for these items are collected, compiled, checked and published with monthly frequency. A short-form balance sheet showing 118 items, which is the statistical basis for the minimum reserve system, is published every ten days.

#### **2.5.2 Breakdown of the main balance sheet items by instrument/maturity, counterparty and currency**

Breakdowns of assets and liabilities:

- SKK and foreign currency;
- residents and non-residents;
- accumulated depreciation and provisions; and
- total (SKK thousands).

Breakdowns by maturity:

Standard credits/savings deposits:

- short-term credits/deposits (up to one year);
- medium-term credits/deposits (over one year up to five years);
- long-term credits/deposits (over five years).

- Insurance corporations (public, private, under foreign control).

- Government sector (central government, local government, social security funds).

- Non-profit institutions serving households.

- Households (small businesses).

- Consumers.

- Non-residents.

- Not classified.

## 2.6 Measure(s) of money: definitions and remarks

### 2.6.1 Definition of money and instrument breakdown of monetary aggregates

See Box 1.

### 2.7 Counterparts of money

See Box 2.

### 2.6.2 Sectoral allocation of holdings of negotiable instruments

- Non-financial corporations (public, private, under foreign control).
- Financial institutions and corporations (public, private, under foreign control).

### 2.8 Reserve money

Monetary base = issued currency + banks' reserves (required and excess).

Reserve money = currency in circulation + reserves + bills of the NBS in portfolios of commercial banks.

## Box 1

**Currency in circulation (M0)** includes:

- Currency (banknotes and coin) outside banks.

**Money (M1)** includes:

- M0;
- Demand/sight deposits in national currency only, broken down by households, enterprises and insurance companies (residents and non-residents).

**Quasi money (QM)** includes:

- Term deposits in national currency, broken down by households, enterprises and insurance companies (residents and non-residents): deposits with agreed maturity, savings deposits, deposits not to be converted prior to maturity and/or converted subject to a penalty;
- Deposits held in foreign currency for residents (both sight and term deposits).

**Money demand (M2)** includes:

- M1;
- Quasi-money.

**Box 2****Net foreign assets:**

Official reserves of the NBS *plus* foreign assets of the banking sector *minus* foreign liabilities of the NBS, the Government and the banking sector *minus* State securities issued domestically held by non-residents.

**Net domestic assets:**

Lending to domestic non-banks (i.e. to general government, enterprises and households) *minus* other items (net).

Credit to general government: claims of the domestic and foreign banking sectors on central government, municipalities, social security funds and the National Property Fund (in the form of granted credits and securities portfolios) *minus* liabilities to the same entities (mainly in the form of deposits).

Credit to households and enterprises (both resident and non-resident) in domestic and foreign currency.

**Other items (net):**

The difference between other liabilities and other assets of the banking sector balance sheets (for example, payment system accounts, accounts of central banks, accounts of other banks, reserves, capital, provisions, securities issued by the non-banking and non-government sectors, etc.).

**2.9 Reporting procedures****2.9.1 Powers to collect statistics and collecting agents**

The legal power to collect statistics is established by the Banking Act No. 21/1992 Zb., as amended, in Part Five – Accounting and Commercial Documentation:

**Article 24**

(1) Banks and branch offices of foreign banks shall produce and submit to the NBS information, documents and explanations.

The contents, form, structure, deadlines and the manner of presentation of such

documentation is laid down by the NBS in a decree promulgated by publication in the Collection of Laws. Should the presented information and documentation not correspond with the prescribed method and conditions, or reasonable doubts arise in connection with the correctness or completeness of such information, the banks and branches of foreign banks must provide updated data with the necessary explanation upon the request of the NBS. Should the bank or the branch of a foreign bank fail to provide the requested data, or if it is repeatedly incorrect or incomplete, the NBS is entitled to impose measures pursuant to Article 26 of the Banking Act.

### 2.9.2 Identification of the reporting population (reporting coverage)

See Table 5.

**Table 5**

	Reporting institutions		Total balance sheet
	Number	% (of the total category)	% (of the total balance sheet of all institutions)
<b>NBS</b>	<b>1</b>	<b>100</b>	<b>27.5</b>
<b>Credit institutions</b>	<b>23</b>	<b>100</b>	<b>72.5</b>
Universal commercial banks	16	100	58.3
Branch offices of foreign banks	2	100	7.6
Housing savings banks	3	100	4.3
State financial institutions	2	100	2.3
<b>Other monetary institutions</b>	<b>0</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>24</b>	<b>-</b>	<b>100</b>

### 2.9.3 Reporting schemes

- Reporting population: banking sector (CIs).

- Data collected (statements):

- by the Banking Statistics Section:

- full balance sheet (monthly);

- Profit and loss account (monthly);

- Statement of credits (monthly);

- Report on deposits (monthly);

- Survey of assets and liabilities (every ten days);

- Report on average interest rates on credits and new credits (monthly);

- Report on securities held by banks (monthly);

- Report on interbank credits and deposits (monthly);

- Report on interest costs and revenues (quarterly);

- Report on turnover on the interbank money market (every ten days);

- by the Foreign Exchange Statistics Section:

- Report on the foreign exchange position in convertible currency (monthly);

- Report on foreign exchange transactions in convertible currency (monthly);

- Report on foreign exchange transactions – structure by territory (quarterly);

- Report on foreign exchange transactions – structure by currency (monthly);

- Report on the foreign exchange position in convertible currency (every ten days);

- Report on foreign exchange credits provided to customers – structure by economic sector in convertible currency (quarterly);

- Report on foreign exchange deposits of customers – structure by economic sector in convertible currency (quarterly);
- Report on foreign exchange credits provided to customers – structure by branch classification of economic activities in convertible currency (annually);
- Report on foreign exchange deposits from and credits to customers – structure by branch classification of economic activities in convertible currency (annually);
- Report on external transactions in SKK (monthly);
- Report on off-balance-sheet securities (monthly).
- Timeliness: the deadline for delivery of monthly reports is the 15th calendar day following the end of the reference month. Checking, processing and first release occur between the 15th and 20th calendar day.
- Medium: in electronic form via the banking statistics system “STATUS”.
- The methodological rules are provided by the Statistics Department of the NBS and the accounting rules by the MoF.

#### **2.9.4 Special reporting procedures for the national central bank**

- Data collected: the balance sheet of the NBS derived from the NBS’s accounting system.
- Frequency: daily, every ten days and monthly.
- Methodological and accounting rules from the MoF and the NBS.

## **2.10 Data processing and compilation methods**

### **2.10.1 Basis of calculation**

The Statistics Department compiles the (end-of-period) stock data and calculates differences in stocks.

### **2.10.2 Revisions**

End-of-year data from December and opening data as at 1 January are revised every year.

The published data are considered “preliminary” until the subsequent publication of definitive data. The revised data are published as “definitive data” during April. The deadline for banks to deliver the definitive data is 31 March in accordance with Regulation of the NBS No. 7 dated 17 December 1999 concerning the preparation of reports by banks and branches of foreign banks to be submitted to the NBS. The data are revised on the basis of audits. Any other changes are implemented by the NBS in the month after the statistical treatment of the data.

### **2.10.3 Derivation of flow statistics**

#### **2.10.3.1 Breaks in series**

The statistical returns system is based on the complete statistical survey and its accuracy results from that of the accounting system. The breaks in time series and important changes in the reporting population are analysed and described for data users within the NBS.

#### **2.10.3.2 Other adjustments**

- Guidelines for reclassification:

These can be found in Part Two of Decree of the NBS No. 3 dated 3 March 1995 laying down the rules for evaluating bank claims and off-balance-sheet liabilities in



terms of risk exposure and for earmarking funds to provide against such risks (under Classification of Claims and Off-Balance-Sheet Liabilities).

- Revaluation adjustments:

Regulation of the MoF of the SR No. 65/355/1996, along with Annexes Nos. 3171/1997, 4299/1997 and 18031/1999 on the chart of accounts and accounting procedures for banks valid from 1 January 2000 (revaluation of securities at market prices).

- Write-offs/write-downs:

The Resolution of the Government of the SR No. 908 dated 21 October 1999 determined the banking sector restructuring and laid down the rules governing the writing-off of claims by the restructured banks.

#### 2.10.3.3 Derivation of flows

Not applicable.

#### 2.10.4 Seasonal adjustment

Not applicable.

### 2.11 Publications

#### 2.11.1 First release of data (including the medium)

The monthly data are first disseminated within the NBS for internal use up to the 20th calendar day following the end of the reference month via the electronic banking statistics system "STATUS".

The public is informed within one month of the end of the reference month when the data are posted on the NBS's website ([www.nbs.sk](http://www.nbs.sk)). The public is informed of this practice by a note in the NBS's monthly "Monetary Survey" publication.

The average lending rates and developments in average commercial bank interest rates on SKK deposits are released on the 28th calendar day following the end of the reference month on the NBS's website in accordance with the SDDS data categories.

#### 2.11.2 Core weekly/monthly publications

- Assets and liabilities in SKK and foreign currency (monthly, confidential and in shortened form).
- Credits and deposits of commercial banks in SKK and foreign currency (monthly, annually).
- Time series of assets and liabilities in SKK and foreign currency (quarterly).
- Foreign exchange position (monthly) (complete version, shortened form, individual).
- External transactions in SKK (monthly).
  - Time of publication: for monthly publications, up to 35 days after the deadline for data collection.
  - Format: report.
  - Medium: electronic form, hard copy.
- Monetary Survey (monthly).
  - Time of publication: within one month of the end of the reference month.
  - Medium: the NBS's website, hard copy.

#### 2.11.3 Other statistical publications

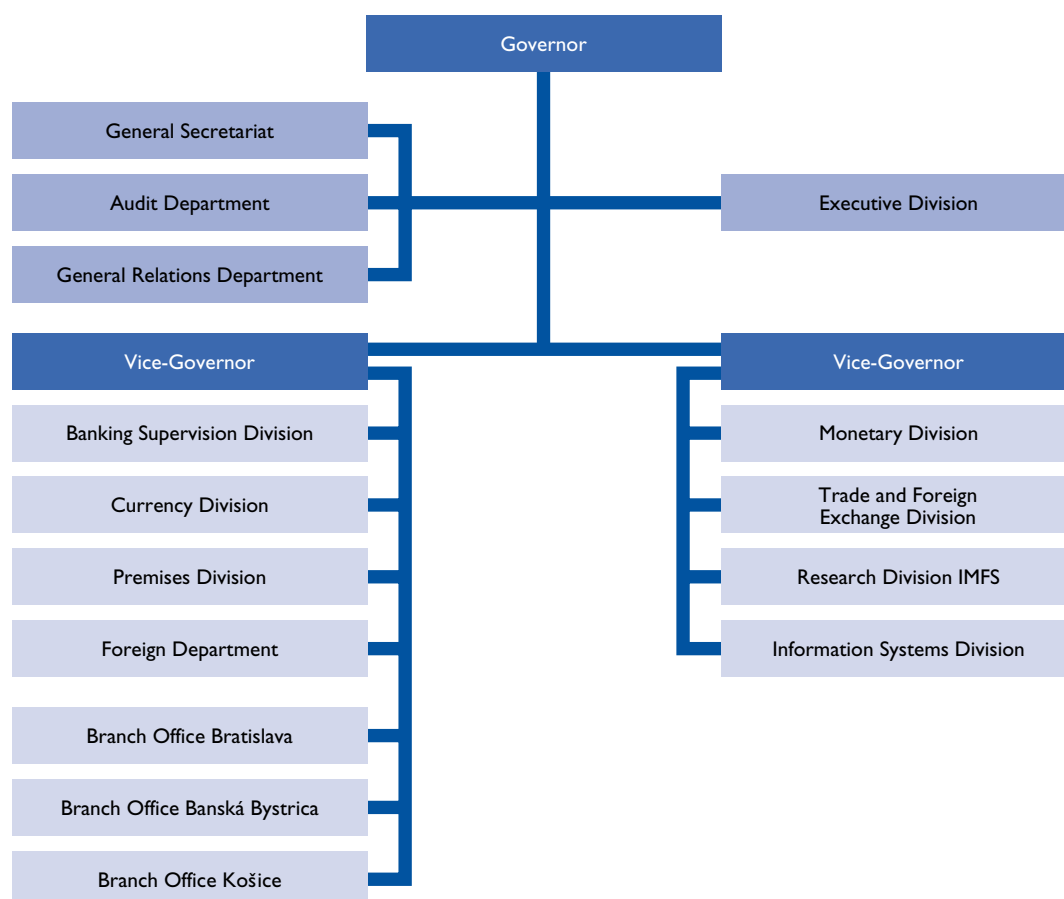
Monthly publications:

- Statistical information
  - Time of publication: six weeks after the deadline for data collection.

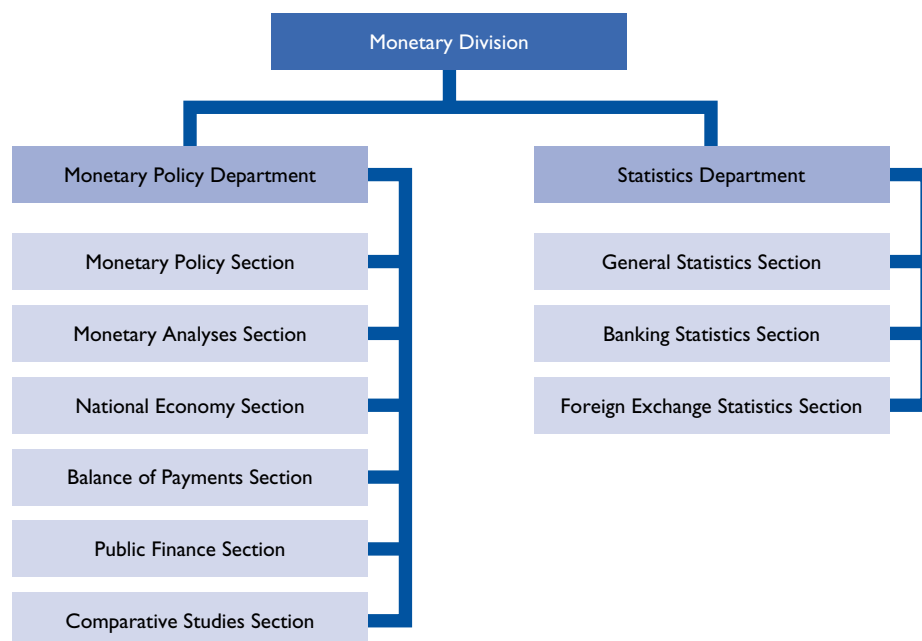
- |   |   |
|---|---|
| <ul style="list-style-type: none"> <li>– Medium: electronic form, hard copy.</li> </ul>   | <p>Quarterly publications:</p>  |
| <ul style="list-style-type: none"> <li>• Refinancing and the redistribution of credit</li> </ul>  | <ul style="list-style-type: none"> <li>• Survey of financial sector developments</li> </ul>   |
| <ul style="list-style-type: none"> <li>– Time of publication: on the 20th calendar day following the end of the reference month.</li> </ul> | <ul style="list-style-type: none"> <li>– Time of publication: on the 20th calendar day following the end of the reference month.</li> </ul> |
| <ul style="list-style-type: none"> <li>– Medium: electronic form, hard copy.</li> </ul>   | <ul style="list-style-type: none"> <li>– Medium: electronic form, hard copy.</li> </ul>   |

## Annexes:

### I Organisation chart of the National Bank of Slovakia (NBS)



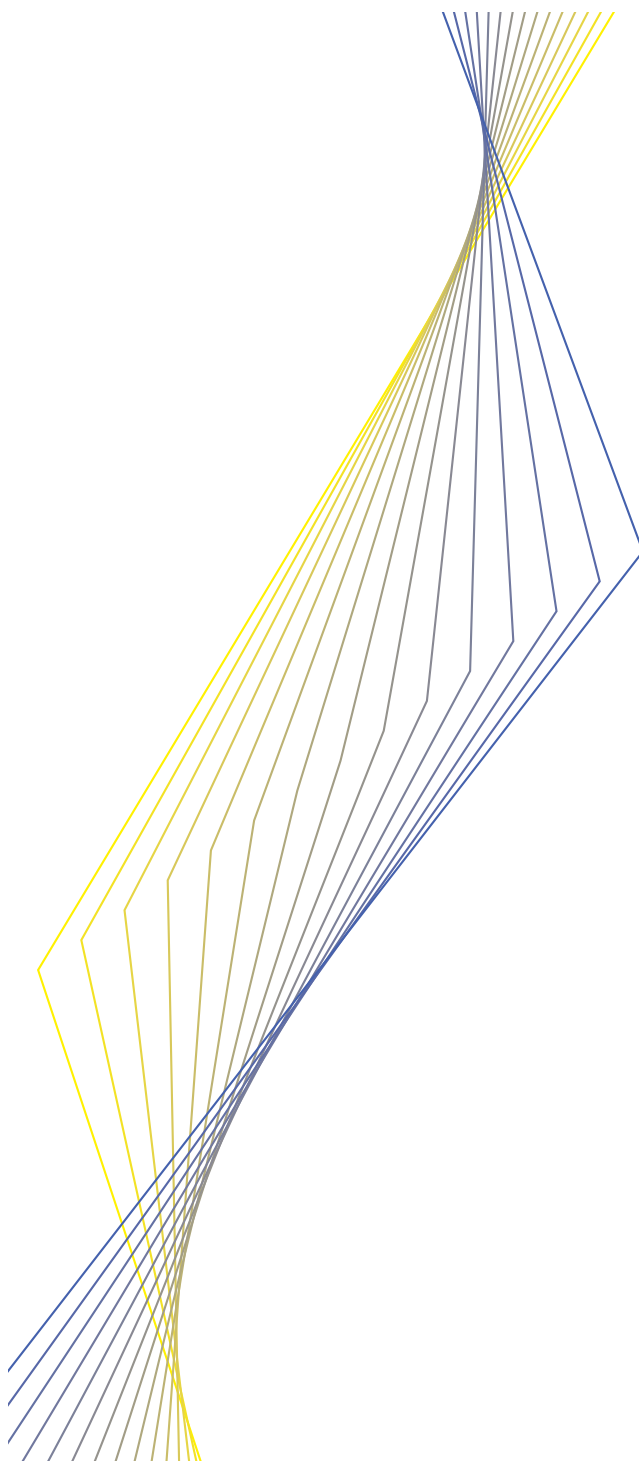
## 2 Organisation chart of the Monetary Division of the NBS



## **Slovakia**



EUROPEAN CENTRAL BANK



**Slovenia**

### List of abbreviations

<b>APP</b>	<i>Agency of the Republic of Slovenia for Payments</i> , a government agency providing domestic payments and clearing services (also performing some statistical functions)
<b>ATVP</b>	<i>Securities Exchange Commission</i> , the governmental supervisory agency for the national securities market
<b>BIS</b>	<i>Bank for International Settlements</i>
<b>b.o.p.</b>	<i>Balance of payments</i>
<b>BS</b>	<i>Bank of Slovenia</i> , the national central bank
<b>HKS</b>	<i>Savings and loan undertakings</i> , i.e. small credit institutions established by special law that provide financial services on a limited scale
<b>i.i.p.</b>	<i>International investment position</i>
<b>KDD</b>	<i>Central Securities Clearing Corporation</i> , a joint-stock company providing clearing and registry services in relation to dematerialised securities on the national securities market
<b>MF</b>	<i>Ministry of Finance</i> , the national ministry of finance
<b>SIT</b>	<i>Slovene tolar</i>
<b>SURS</b>	<i>Statistical Office of the Republic of Slovenia</i> , the national statistical office
<b>UZN</b>	<i>Authority for Insurance Supervision</i> , the governmental supervisory agency for the insurance market

## I Legal and institutional background

### I.1 Organisational structure

[www.sigov.si/mf/angl/zakon/bank\\_law.htm](http://www.sigov.si/mf/angl/zakon/bank_law.htm)  
(English)

#### I.1.1 Organisation chart of the national central bank

See Annex I.

The basic organisation chart reflects the functions performed by the Banka Slovenije – the Bank of Slovenia (BS) – as an independent central bank. The competence of the BS includes banking supervision functions.

- The Foreign Exchange Act, Official Gazette No. 23/1999, 8 April 1999

An Act that regulates (i) transactions between residents and non-residents involving domestic or foreign means of payment, (ii) transactions between residents involving foreign means of payment or transactions whose object is the foreign means of payment themselves and (iii) unilateral transfers of assets to or from the Republic of Slovenia which do not represent transactions between residents and non-residents.

#### I.1.2 Organisation of the statistical work at the national central bank

See Annex 2.

The Financial Statistics Department is in charge of statistical data collection and the compilation of statistical information. In the field of monetary statistics, however, some data also support other central banking functions, such as banking supervision and monetary operations, and are, therefore, processed in other departments.

[www.sigov.si/mf/angl/zakon/zdpangl.htm](http://www.sigov.si/mf/angl/zakon/zdpangl.htm)  
(English)

- The Securities Market Act, Official Gazette No. 56 /1999, 13 July 1999

This act regulates the national securities market. It covers specific responsibilities relating to banks' activities in securities trading, bankruptcy, guaranteed claims of investors, supervision tasks as well as the acquisition of data and information on securities trading.

### I.2 Legal background

- Law on the Bank of Slovenia, Official Gazette No. 1/1991, 5 June 1991

Law on the central bank with articles explicitly authorising the central bank to collect and process data on monetary and credit activities.

[www.sigov.si/mf/angl/zakon/ztvpan.htm](http://www.sigov.si/mf/angl/zakon/ztvpan.htm)  
(English)

- Law on Banking, Official Gazette No. 7/1999, 5 February 1999

National banking law that regulates the conditions for the establishment, operation, supervision and winding-up of banks and savings banks. It includes provisions on regular monthly reporting by banks to the central bank.

### I.3 Institutional aspects

#### I.3.1 The role of the national central bank

##### I.3.1.1 Introduction

The Bank of Slovenia (BS) is responsible for maintaining the stability of the domestic currency and general liquidity in the settlement of payments in the country and with foreign countries. The BS is (by law) independent in carrying out the duties and responsibilities deriving from various laws.



The BS:

- regulates the amount of money in circulation;
- provides general liquidity for banks and savings banks;
- provides general liquidity in the settlement of payments with foreign countries;
- monitors banks and savings institutions;
- issues banknotes and puts them and coins into circulation;
- stipulates operational regulations for the implementation of guarantees for household deposits;
- creates, organises and fine-tunes the information system so that it can perform its functions;
- conducts operations for the account of the Republic of Slovenia in accordance with the law;
- performs other functions as defined by law.

### *1.3.1.2 General responsibilities of the national central bank*

Pursuant to Article 152 of the Constitution of the Republic of Slovenia, the Bank of Slovenia is independent and directly responsible to Parliament.

By supervising banks and savings institutions, the BS verifies the implementation of the measures and regulations concerning the operation of banks and savings institutions, foreign exchange operations and credit relations with foreign countries, international trade in goods and services, and the conduct of economic activities.

The budgetary funds of the central government are deposited with the BS, which also conducts other transactions for the

account of the central government, as specified by law.

The BS may only grant short-term loans to the central government budget to bridge any temporary imbalances between receipts and the expenditure of budgetary funds. The size of these loans is limited to 5% of the budget and one-fifth of the total anticipated budget deficit, and they must be repaid within the budget year.

The BS is authorised by law to collect, process and produce data and information on monetary system and economic relations with foreign countries.

By law, the BS issues banknotes in Slovene tolar (SIT) and the Republic of Slovenia (central government) issues coins in SIT, both being the country's sole legal tender.

### **1.3.2 Macroeconomic statistics: main responsibilities of domestic public authorities**

#### *1.3.2.1 Main responsibilities of the national central bank in the field of macroeconomic statistics*

The BS compiles the following statistics: monetary aggregates (monthly averages), monetary institutions' statistics (the central bank's on a ten-day basis and other banks' on a monthly basis), interest rates (declared rates on a monthly basis and effective rates on a quarterly basis), securities statistics (mostly on a monthly basis), balance of payments statistics (monthly basis), international investment position (annual basis), other financial institutions (quarterly basis), and financial accounts (annual basis).

The Banking Supervision Department collects various data for the purpose of prudential supervision. Most of these reports are quarterly and most of the data are compilations of various balance sheet items.

*1.3.2.2 Main responsibilities of other public authorities in the field of macroeconomic statistical and co-operation with the national central bank*

The Ministry of Finance processes the government's statistical data, while the Statistical Office of the Republic of Slovenia (SURS) is responsible for the compilation of national accounts and other real macroeconomic statistics, such as employment and wage statistics.

For the compilation of cash in circulation as a component of base money, the data acquired by the Agency of the Republic of Slovenia for Payments (APP) are used by the BS.

In the balance of payments field, the BS co-operates with SURS, which regularly compiles data on the trade in goods with non-residents (collected by customs).

The data collected by the APP, the Securities Exchange Commission (ATVP) and the Authority for Insurance Supervision (UZN) together with the data collected within the Bank of Slovenia are used by the BS to compile the financial accounts.

*1.3.2.3 Overview of statistical data collection and compilation*

See Table I.

## 2 Monetary statistics

### 2.1 Legal background and statistical standards

of the European System of Accounts 1995 (ESA 95).

#### 2.1.1 National legal aspects

- Law on National Statistics, Official Gazette No. 45/1995

The law defines national statistical activities and its authorised performers (including the BS), the national statistical council, the national programme of statistical research and various aspects of collecting data and producing national statistics

- National programme of statistical research, Official Gazette No. 70/1997

The programme of official national statistical research, defined by subject, purpose, periodicity, date, reporting units and date of dissemination of results. Includes statistical research by the BS.

- Decree on the introduction and usage of the standard classification of the institutional sectors, Official Gazette No. 57/1998

Regulation introducing classification of institutional sectors from the third edition

- Law on the Bank of Slovenia, Official Gazette No. 1/1991

Law on the central bank which includes articles explicitly authorising the central bank to collect and process data on monetary and credit activities.

- Law on Banking, Official Gazette No. 7/1999

National banking law with provisions on regular monthly reporting of banks to the central bank.

- Decree on books and business reports of the banks and savings banks, Official Gazette No. 39, 50, 63/1999

Decree prescribing manner of reporting of banks to the central bank.

- Chart of accounts for banks and savings banks, Official Gazette No. 39/1999

Chart of accounts, prescribed for reporting of banks.

**Table I**

Statistical areas:	Money and banking statistics		
	Bank balance sheet statistics/ monetary aggregates and counterparts	Interest rate statistics	Security issues statistics
<b>Collected data</b>	<ul style="list-style-type: none"> <li>Commercial banks' balance sheets (monthly)</li> <li>Selected balance sheet items of commercial banks relating to liquidity (daily)</li> <li>BS Data (internal information system)</li> </ul>	<ul style="list-style-type: none"> <li>Average commercial banks' interest rates (monthly)</li> <li>Average effective commercial banks' interest rates (quarterly)</li> <li>Interbank money market rates (daily)</li> <li>BS interest rates (daily, monthly)</li> </ul>	<ul style="list-style-type: none"> <li>Securities primary market (BS bill issues, Treasury bill issues, general government bond issues, long-term securities issues – public offers – monthly)</li> <li>Unregulated securities market (monthly turnover)</li> <li>Ljubljana Stock Exchange (turnover, capitalisation, indices – daily, monthly)</li> <li>Foreign portfolio investments (purchases and sales of securities by foreign investors – daily, monthly)</li> <li>Register of Securities and Issuers, Book of shareholders (monthly)</li> <li>Securities Portfolio Analysis by Sectors (quarterly)</li> <li>Portfolio Investments Abroad (monthly)</li> </ul>
<b>Collecting agents</b>	BS	BS	ATVP, KDD, Ljubljana Stock Exchange, MF BS
<b>Users</b>	BS, international institutions, public	BS, international institutions, public	BS
<b>Description</b>	<p>Medium of reporting and timeliness:</p> <ul style="list-style-type: none"> <li>monthly data: local network between banks and central bank (up to six working days after the reporting month)</li> <li>daily data: telephone and facsimile</li> </ul>	<p>Medium of reporting and timeliness:</p> <ul style="list-style-type: none"> <li>quarterly data: paper (25th calendar day after the reporting quarter)</li> <li>monthly data: electronic, paper and facsimile (up to six working days after the reporting month)</li> <li>daily data: electronic, telephone and facsimile</li> </ul>	<p>Medium of reporting:</p> <p>e-mail, internet</p>

Table I (continued)

Statistical areas:	Reserve base	Financial accounts	Balance of payments	Prudential supervision
<b>Collected data</b>	<ul style="list-style-type: none"> <li>– Report on calculated mandatory reserves based on average deposit liabilities (monthly)</li> <li>– Report on mandatory reserve performance (monthly)</li> </ul>	<ul style="list-style-type: none"> <li>– Aggregated balance sheets of legal persons (annually)</li> <li>– Balance sheets of insurance companies (annually)</li> <li>– General government balance sheet (annually)</li> <li>– International investment position (BS)</li> <li>– Monetary statistics (BS)</li> </ul>	<ul style="list-style-type: none"> <li>– Payments to and from non-residents (one-monthly and five ten-day reports by commercial banks containing individual, daily and ten-day data)</li> <li>– Transactions of enterprises with non-residents (monthly)</li> <li>– Credit transactions between residents and non-residents (individuals)</li> <li>– Claims and liabilities on short-term trade credits (quarterly)</li> <li>– Investment of banks and enterprises to and from foreign countries (annually)</li> <li>– Indirect affiliated investment of enterprises in foreign countries (annually)</li> <li>– Indirect affiliated investment from foreign countries in enterprises (annually)</li> </ul>	<ul style="list-style-type: none"> <li>– Equity of the banks (quarterly)</li> <li>– Risk-adjusted balance sheet and off-balance-sheet commercial banks assets (quarterly)</li> <li>– Claims and liabilities to natural persons (quarterly)</li> <li>– Large exposures (quarterly)</li> <li>– Investment in stocks of non-financial institutions (quarterly)</li> <li>– Average assets and liabilities interest rates (quarterly)</li> <li>– Expected SIT inflows and outflows of largest depositors (daily)</li> <li>– Deposits of 30 largest depositors (monthly)</li> <li>– Investment in stocks (semi-annually)</li> <li>– Various data (annually)</li> </ul>
<b>Collecting agents</b>	BS	APP, ATVP, MF, UZN BS	Customs via SURS (goods) BIS (resident deposits in foreign countries for IIP) BS (all the rest)	BS
<b>Users</b>	BS, international institutions	Eurostat	BS, international institutions, public	BS
<b>Description</b>	<p>Medium of reports:</p> <ul style="list-style-type: none"> <li>– local network between banks and central bank</li> </ul> <p>Timeliness: first working day after the reporting month</p> <p>Data serve mandatory reserve purposes only</p>	<p>Medium of reports:</p> <ul style="list-style-type: none"> <li>– legal persons balance sheets: magnetic tape</li> <li>– insurance companies and general government: paper</li> </ul> <p>Timeliness: from 12 to 18 months after end of the reporting year</p>	<p>Medium of reports:</p> <ul style="list-style-type: none"> <li>– local network between banks and central bank</li> <li>– e-mail, diskettes and paper (enterprises)</li> <li>– paper (individual reporting)</li> </ul> <p>Timeliness: for b.o.p. up to 40 days after month and for i.i.p. to 20 March.</p>	<p>Medium of reports:</p> <ul style="list-style-type: none"> <li>– mostly paper</li> <li>– facsimile and e-mail (daily data)</li> <li>– diskettes</li> </ul>

- Directive on transmission of the monthly reports on bookkeeping balances of the accounts,

Sent to banks on 28 May 2000. Detailed instructions for reporting of banks.

### 2.1.2 Statistical standards

In monetary statistics, besides the ESA 95 definitions of sectors (described in detail below), the IMF standards are followed. This means specifically the IMF Guide on Money and Banking Statistics (1984) and, since 1996, the draft versions of the Manual on Monetary and Financial Statistics. The balance sheet items are determined for the needs of international financial statistics in line with the Guide's proposal. Items in the Monthly Bulletin balance sheets (national statistics) are derived from IFS balance sheets with some adjustments arising from national specificities. Slovenian accounting standards in banking largely correspond to international accounting standards, with one clear exception being assets and liabilities revaluation.

## 2.2 Concepts and definitions

### 2.2.1 Statistical definitions: economic territory and residency principles

Economic territory includes (Decree on the introduction of standard classification of institutional sectors, Official Gazette No. 56/1998, 7 August 1998):

- geographic territory administered by a government where persons, goods, services and capital move freely;
- any free zones, including bonded warehouses and factories under customs control;
- national airspace, territorial waters and the continental shelf lying in international waters, over which the country enjoys exclusive rights;
- territorial enclaves outside the geographic territory which are used under international treaties or agreements between states by general government agencies of the country (embassies, consulates, military bases, scientific bases, etc.);
- deposits of oil, natural gas, etc. in international waters outside the continental shelf of the country which are exploited by units resident in the territory as defined in the preceding sub-paragraphs.

The economic territory of Slovenia does not include parts of the geographic territory of Slovenia used by general government agencies of other countries, by the institutions of the European Union or by international organisations under international treaties or agreements between states.

Residents are units involved in institutional, local or homogeneous production, which have a centre of economic interest on the territory of the country.

All other persons are defined as non-residents of the Republic of Slovenia. This means specifically:

- natural persons without a permanent address in Slovenia, except those who have an official permit to work in Slovenia for six months or more;
- natural persons with a permanent address in Slovenia who have an official permit to work or live abroad;
- legal persons with a registered address abroad, except diplomatic, consular and other entities financed by the Slovenian government, Slovenian citizens employed there and members of their families;
- diplomatic, consular and other representative bodies of foreign governments and international organisations, together with citizens of other countries employed there, and members of their families;

- representative offices and branches of foreign enterprises located in Slovenia, except for their permanent production facilities in Slovenia;
- representative offices and branches of Slovenian enterprises located abroad for their permanent production facilities abroad.

General government or central government in Slovenia is not considered to be part of a money-neutral sector. This is due to a significant amount of general government deposits within the monetary aggregates and practically no financing of the government by the central bank.

See Table 2.

## 2.2.2 Sectors in monetary statistics

### 2.2.2.1 Definition and classification of sectors in monetary statistics

The savings banks and savings and loans undertakings (HKS) do not form a part of the money-creating sector, even though they create money, but only on a very limited scale. They are relatively insignificant, since their balance sheets have for years represented only about 2% of the balance sheet of the commercial banks. For this reason, the difficulties arising from their inclusion in the money-creating sector (due to an incomplete breakdown of accounts) are avoided by putting them with other financial intermediaries.

### 2.2.2.2 Comparison between the sectors of national economy and the ESA 95

The comparison between the sectors is illustrated in Table 3.

## 2.3 Population of monetary institutions

### 2.3.1 Definition of a credit institution (bank) and categories of credit institutions

A commercial bank is a joint-stock company with a head office in the Republic of Slovenia that has obtained an authorisation from the Bank of

**Table 2**

Sector classification	Sectors		Definitions
Money-creating sector	Bank of Slovenia (BS)		Central bank
	Commercial banks		Deposit money banks that accept sight deposits and have banking licences granted by the BS. Only domestic banks, owned by residents or non-residents, are included
Money-holding sector	Non-monetary financial institutions		Savings banks, savings and loan undertakings
			Other financial institutions: other financial intermediaries, such as mutual funds, investment funds and financial leasing companies and financial auxiliaries (securities brokers, stock exchanges), insurance corporations and pension funds
	Non-financial enterprises		Legal persons – market producers of goods and non-financial services
	Households		Resident individuals as consumers and resident individuals as sole proprietorships and partnerships being market producers and having no independent legal status
	General government	Central government	Administrative departments of central government agencies
		Local government	Local administration and local agencies
		Social security funds	Health fund and pension and disability fund
	Non-profit institutions serving households		Entities not included in other domestic sectors
Non-resident sector	Non-residents		See 2.2.1.

## Slovenia

**Table 3**

National sector classification	National sectors	Sectors in the ESA 95			ECB sector classification
Money-creating sector	Bank of Slovenia	S121 Central bank	S12 Financial corporations		Money-creating sector
	Commercial banks	S122 Other monetary financial institutions			
Money-holding sector	Savings banks, savings and loans undertakings	S123 Other financial intermediaries, except insurance corporations and pension funds  S124 Financial auxiliaries  S125 Insurance corporations and pension funds			S11 Non-financial corporations  S14 Households  S15 Non-profit institutions serving households
	Other financial institutions				
	Non-financial enterprises				
	Households				
	Non-profit institutions serving households	S13 General government		Money-neutral sector	
	Central government	S1311 Central government	Money-holding sector		
	n.a.	S1312 State government			
	Local government	S1313 Local government			
	Social security funds	S1314 Social security funds			
	Non-resident sector	Non-residents	S211 EU countries	S21 European Union	S2 Rest of the world
S212 Institutions of the EU					
S22 Third countries and international organisations					

Slovenia to provide banking services (Banking Law, Official Gazette No. 7, 5 February 1999).

Under the 1999 Banking Act, banks and savings banks in Slovenia are authorised to provide banking services (taking deposits

from private individuals and legal persons and granting credits for their own account) and selected financial services.

Banks may provide other financial services, subject to the authorisation issued by the BS,

and provided they meet the requirements stipulated under the law governing other designated financial services. Other financial services foreseen under the Banking Act are the financial services listed below:

1. factoring;
2. financial leasing;
3. issuing of guarantees and other commitments;
4. lending operations including consumer credits, mortgages and financing of commercial transactions;
5. trading in foreign means of payment, including foreign exchange transactions;
6. trading in financial derivatives;
7. collection, analysis and dissemination of information on credit rating of legal persons;
8. mediation in sales of insurance policies in accordance with the law governing the insurance sector;
9. issuing and administering of payment instruments (e.g. payment and credit cards, traveller's cheques, bills of exchange);
10. safe custody service;
11. mediation in the conclusion of loan and credit transactions;
12. services in connection with securities in accordance with the law governing the securities market;
13. management of pension or investment funds in accordance with the law governing pension and investment funds; and
14. performance of payment transactions.

### **2.3.2 Definition of other monetary institutions**

A savings bank may provide banking and other financial services (with some exceptions) only in SIT (except for exchange of foreign currencies) and only for natural persons, individual entrepreneurs, small companies and persons who do not perform business activities (Banking Law, Official Gazette No. 7, 5 February 1999).

Savings and loan undertakings (HKS) may provide financial services according to the Law on Savings and Loan Undertakings, limited to:

1. collecting of savings deposits and deposits of physical persons and legal persons;
2. maintaining demand deposits of physical persons and civil legal persons;
3. performing payment services to physical persons and civil legal persons;
4. hiring loans and supplies loans to founders, physical persons and civil legal persons;
5. performing monetary and credit transactions in the name and for the well-being of founders;
6. performing monetary and credit transactions in the name and for the well-being of banks and other financial institutions; and
7. performing other business according to special provisions (Law on Savings and Loan Undertaking, Official Gazette No. 14 and 30, 1990).

### **2.3.3 Central government units with deposit liabilities included in measures of money**

Not applicable.



**Table 4**

Institutions	Number of institutions
National central bank	1
Credit institutions	25
Commercial banks	25
Other monetary institutions	74
Savings banks	6
Savings and loan undertakings	68
<b>Total</b>	<b>100</b>

## 2.4 Banking business: general deposits/other products

Main banking business products comprise different kinds of SIT loans, foreign currency loans, demand deposits, time deposits, foreign currency deposits and securities. A list of other products is provided under item 2.3.1.

## 2.5 Statistical balance sheets of the monetary institutions

### 2.5.1 Description of the main balance sheet items

See Table below.

ASSETS		LIABILITIES	
Domestic assets	Overdrafts and advances	Domestic liabilities	Deposits
	Loans		Other foreign currency liabilities to government <sup>1</sup>
	Commercial paper and bonds		
	Shares and participations		
Foreign assets	Foreign currency	Foreign liabilities	Deposits
	Deposits		Borrowings
	Loans		Other foreign liabilities
	Securities		
Other assets		Other liabilities	Securities issued
			Capital and reserves
			Other liabilities

1) Foreign liabilities of (some) banks for the undue foreign debt of the former Socialist Federal Republic of Yugoslavia.

### 2.5.2 Breakdown of the main balance sheet items by instrument/maturity, counterparty and currency

See Table below.

ASSETS		LIABILITIES	
Instruments	Counterparties	Items	Counterparties
<i>Domestic assets</i>		<i>Domestic liabilities</i>	
Overdrafts and advances	Domestic sectors except local government and social security funds	– Deposits	All domestic sectors
		SIT (demand deposits, savings deposits, time deposits (up to 30 days, 31-90 days, 81-180 days, 181 days-1 year, 1 year and more, long-term, restricted deposits)	
Loans	All domestic sectors	– Foreign currency deposits	Domestic sectors except non-profit institutions
– SIT loans (up to 30 days, 31-90 days, 81-180 days, 181 days-one year, one year and more)			
– Foreign currency loans (short term, long term)	Domestic sectors except local government and social security funds		
Commercial papers and bonds	Domestic sectors except households and non-profit institutions	Other foreign currency liabilities to government	Central government
Shares and participations	Domestic sectors except government, households and non-profit institutions		
<i>Foreign assets</i>	Broken down into non-resident banks and non-monetary institutions	<i>Foreign liabilities</i>	Broken down into non-resident banks and non-monetary institutions
Foreign currency		Deposits	
Deposits		Borrowings	
Loans		Other liabilities	
Securities			
<i>Other assets</i>	Domestic sectors National Bank of Yugoslavia	<i>Other liabilities</i>	
		Securities issued	
		Capital and reserves	
		Other liabilities	

## 2.6 Monetary aggregates: definitions and remarks

### 2.6.1 Definition of money and instrument breakdown of monetary aggregates

See Box 1.

#### Box 1

**M1** includes:

Currency in circulation;  
SIT demand deposits of central government, enterprises and non-monetary financial institutions with the Bank of Slovenia;  
SIT demand deposits with banks.

**M2** includes:

M1;  
SIT time deposits of central government with the BS;  
SIT savings and time deposits with banks;  
Deposits of the banks in liquidation at banks.

**M3** includes:

M2;  
Foreign currency deposits of households with domestic banks;  
Foreign currency deposits of enterprises with domestic banks.

### 2.6.2 Sectoral allocation of holdings of negotiable instruments

There are no other transferable negotiable instruments besides banknotes and coins (banknotes issued by the central bank and coins by the government) included in the monetary aggregates. The amount held by the public is determined as the difference between the banknotes and coins issued and those held by the monetary institutions. Further allocation of banknotes and coins among the sectors is not determined.

## 2.7 Counterparts of money

See Box 2.

#### Box 2

##### Net foreign assets

Foreign assets less foreign liabilities

##### Claims on general government

Claims on central government and other general government (breakdown by sector available)

##### Claims on private sector

Claims on non-financial enterprises, households and non-monetary financial institutions (breakdown by sector available)

##### Other items net

Other assets less other liabilities (securities, other foreign currency liabilities to central government, restricted deposits and other liabilities)

The classification available on credit to domestic residents (by sector, type and maturity):

- By sector: Non-monetary financial institutions, households, non-financial enterprises, non-profit institutions, central government, local government, social security funds
- By type: SIT and foreign currency loans, long term loans for production and for investment, other short term and other long term claims
- By maturity: (SIT loans: up to 30 days, 31-90 days, 81-180 days, 181 days-one year, one year and more; foreign loans: short-term, long-term)

## 2.8 Reserve money

Base money is the sum of currency in circulation, banks' reserves with the Bank of Slovenia and SIT demand deposits of central government, non-monetary financial institutions and other enterprises with the BS.

## 2.9 Reporting procedures

### 2.9.1 Powers to collect statistics and collecting agents

- Law on the Bank of Slovenia; Official Gazette No. 1/1991.
- Law on Banking; Official Gazette No. 7/1999.
- Decree on books and business reports of the banks and savings banks; Official Gazette No. 39/1999.
- Chart of accounts for banks and savings banks; Official Gazette No. 39/1999.
- Directive on transmission of the monthly reports on bookkeeping balances of the accounts; sent to banks on 28 May 2000.

### 2.9.2 Identification of the reporting population (reporting coverage)

Six savings banks and 68 savings and loans undertakings (HKS) report to the Bank of Slovenia on a regular basis, but they are not included in the statistics of the credit institutions. This is because the strict limits imposed on their activities cause them to be relatively insignificant compared with banks, as well as their temporary legal status. In a few years' time, their special legal status will have to be changed to meet the provisions of the Law on Banking.

See Table 5.

## 2.9.3 Reporting schemes

Balance sheet items of commercial banks, savings banks and HKS

- reporting population: 25 banks, six savings banks and 68 HKS (100% coverage);
- all balance sheet items;
- monthly reporting; data are sent up to six working days after the end of the reporting month;
- accounting data are in line with national accounting standards, corresponding with international accounting standards;
- medium of reporting: all commercial banks and 5 savings banks use the local network between banks and the central bank, two HKS use e-mail with PGP key, one savings bank and one HKS use diskettes and ten HKS use paper forms.

Selected balance sheet items on daily liquidity of commercial banks

- reporting population: 25 commercial banks (100% coverage);
- selected items;
- daily reporting;
- accounting data in line with national accounting standards, corresponding to international accounting standards;
- medium: telephone or facsimile.

**Table 5**

	Reporting institutions		Total balance sheet
	Number	% (of the total category)	% (of the total balance sheet of all the institutions)
National central bank	1	100	20
Credit institutions	25	100	80
Other monetary institutions	0	-	-
<b>Total</b>	<b>26</b>	<b>-</b>	<b>100</b>

#### **2.9.4 Special reporting procedures for the national central bank**

Balance sheet items for the Bank of Slovenia:

- full balance sheet;
- monthly reporting; at most 14 working days after the end of the reporting month;
- accounting data generally in line with international accounting standards;
- internal reporting system.

Ten-day balance sheet items for the BS:

- full balance sheet;
- ten-day reporting for the tenth, twentieth and last day of the month; third working day after the reporting period;
- accounting data generally in line with international accounting standards;
- internal reporting system.

### **2.10 Data processing and compilation methods**

#### **2.10.1 Basis of calculation**

The collected complete set of balance sheet data for banks, savings banks, savings and loans undertakings and the Bank of Slovenia (including ten-day data) show the end-of-the-month data.

Selected balance sheet items of banks and the central bank are collected on a daily basis in order to derive the monthly averages of base money and monetary aggregates.

#### **2.10.2 Revisions**

- Changes of methodology are announced in advance;

- The data for December of the preceding year are corrected after the derivation of the annual account;

- When first published in the monthly bulletin, the corrected data are marked;
- The change of data is accompanied by a comment when the nature of the change demands explanation.

#### **2.10.3 Derivation of flow statistics**

The following sections apply to changes in time series of stocks, because no flows are published in the monetary statistics of Slovenia.

##### **2.10.3.1 Breaks in series**

Slovenia complies with the Statistical Data Dissemination Standards of the International Monetary Fund (IMF), and provides information on revisions and advance notice of major changes in methodology.

To date, there have been two main breaks in the monetary statistics series.

The first was due to a major change in the balance sheet scheme for banks at the beginning of the 1994. In this case there was a three-month period of simultaneous reporting of the new and the old scheme, which permitted an adjustment of past series published, as well as of those reported to the IMF. All changes were marked and described in notes.

The second was the introduction of the ESA 95-compliant sectorisation in the bank balance sheet scheme in April 1999. The explanation for the changed data series resulting from this introduction is provided in the monthly bulletin of the Bank of Slovenia.

### 2.10.3.2 Other adjustments

Major changes in data occur for various reasons (including eventual reclassifications) and are commonly explained, while the allowed or prescribed revaluation adjustments and write-offs/write-downs are not commented upon.

- format: HTML page;
- in the middle of the month after the reporting month;
- internet page:  
[www.bsi.si/html/eng/financial\\_data/hit/bilanca\\_bs\\_mes.html](http://www.bsi.si/html/eng/financial_data/hit/bilanca_bs_mes.html) (English)

### 2.10.3.3 Derivation of flows

Not applicable.

The first release of the consolidated balance sheet of the monetary system to the public:

- monthly reports of banks and internal reporting system;
- main aggregates of consolidated banking sector balance sheet;

## 2.10.4 Seasonal adjustment

Not applicable.

- format: HTML page;
- one month after the reporting month;
- internet page:

## 2.11 Publications

### 2.11.1 First release of data (including the medium)

The first release of Bank of Slovenia ten-day balance sheet to the public:

[www.bsi.si/html/eng/financial\\_data/hit/mon\\_survey.html](http://www.bsi.si/html/eng/financial_data/hit/mon_survey.html) (English)

- internal reporting system;
- main aggregates of balance sheet of central bank;
- format: HTML page;
- fourth working day after the reporting period;
- internet page:

[www.bsi.si/html/eng/financial\\_data/hit/bilanca\\_bs\\_dekadna.html](http://www.bsi.si/html/eng/financial_data/hit/bilanca_bs_dekadna.html) (English)

The first release of the BS monthly balance sheet to the public:

- internal reporting system;
- main aggregates of central bank balance sheet;

### 2.11.2 Core weekly/monthly publications

Monthly bulletin:

- sources: reports, described above;
- main monetary aggregates, consolidated balance sheet of monetary system; ten-day and monthly balance sheet of the Bank of Slovenia, balance sheet of deposit money banks, declared monthly interest rates of commercial banks;
- format: HTML file and print version;
- issued in the second half of the month;
- PDF file at [www.bsi.si/html/eng/publications/bulletins/index.html](http://www.bsi.si/html/eng/publications/bulletins/index.html) (English),
- Monthly bulletin print version (English, Slovene).

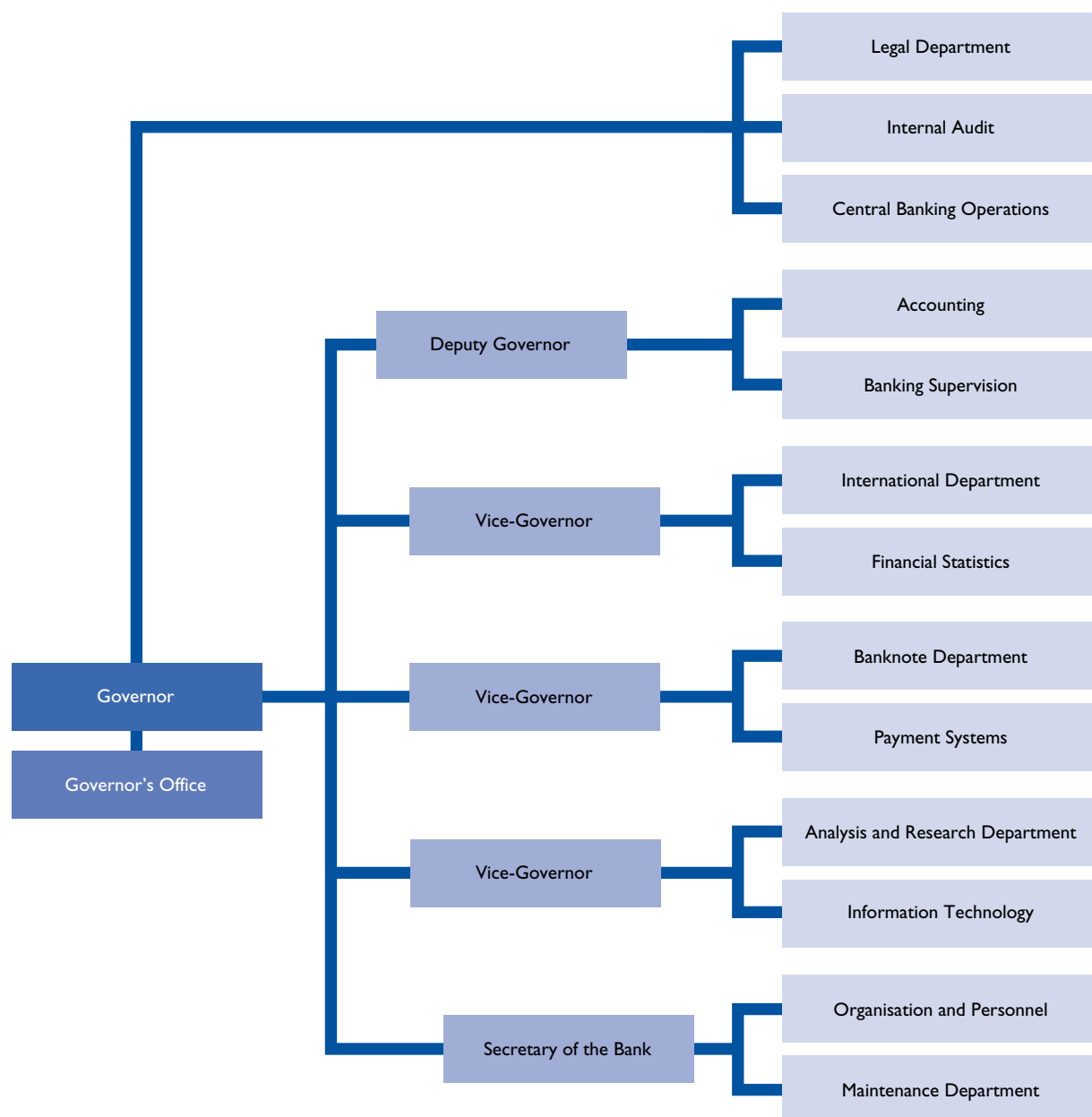
## **Slovenia**

### ***2.11.3. Other statistical publications***

There are no other regular statistical publications containing monetary statistics in Slovenia.

## Annexes:

## I Organisation chart of the Bank of Slovenia (BS)





## 2 Organisation chart of the Statistics Department of the Bank of Slovenia

