

## Methodological Sheet

### National Monetary Survey

#### I. Definition and Content

Monetary survey is a concise balance sheet of monetary financial institutions (MFIs) providing the users with basic overview of the MFIs' sector position vis-a-vis other resident and nonresident sectors.

#### II. Sources and methodology of ascertainment

The data originate from the money and banking statistics statements supplemented by CNB's calculations while deriving the consolidated balance sheet of the MFIs and compiling the monetary aggregates and counterparts. The methodology is at large harmonized with international standards (ESA2010 (European System of Accounts), IMF Monetary and Financial Statistics Manual, Regulations and Guidelines of the ECB, etc.).

#### III. Break-down

Break-down of the items in the Monetary Survey:

Net foreign assets – balance of financial claims and liabilities of the MFI sector vis-a-vis nonresidents

Net domestic assets – balance of financial claims and less liquid liabilities of the MFI sector vis-a-vis other resident sectors. Corresponds to the difference between liquid liabilities and net foreign assets. It consists of domestic credit and other net items.

Domestic credit – represents the sources issued by the MFIs into the economy. It comprises net credit to government (including debt securities) and loans to other clients (excluding debt securities).

Other items net – balance of all other assets and liabilities of the MFIs not included elsewhere. Capital and reserves, securities held and issued and other items are parts of this item.

Money aggregate M1 (money) – the narrowest monetary aggregate, the sum of highly liquid liabilities of the MFI sector vis-a-vis resident clients. It is defined as the sum of currency in circulation (i.e. money in circulation excluding cash in the tills of MFIs) and overnight deposits placed by clients with the MFIs (i.e. non-term and term deposits up to 1 day maturity from residents other than MFIs and the government).

Money aggregate M2 (money supply) – broader monetary aggregate. It consists of the highly liquid liabilities of the MFIs comprised in M1 and other liquid financial liabilities of MFIs vis-a-vis resident clients.

Quasi-money – the difference between money aggregates M2 and M1. Into this item all the other deposits with maturity over 1 day, i.e. deposits with agreed maturity, redeemable at notice, repos, placed by resident clients with the institutions of the MFI sector are classified.

Break-down of the sectors in the Monetary Survey (based on ESA95 classification of institutional sectors and subsectors):

Monetary financial institutions (MFI) – comprises *CNB*, i.e. S.121 central bank, and *OMFIs*, i.e. S.122 and S.123 other monetary financial institutions, meaning other banks, money market funds and credit unions.

Government – S.13 – consists of the *central government*, i.e. S.1311 central government, and *other government*, i.e. S.1313 local government and S.1314 social security funds.

Businesses – comprises sector S.11 non-financial corporations and other financial institutions except MFIs, i.e. S.124 Non-MMF investment funds, S.125 other financial intermediaries, except insurance corporations and pension funds, S.126 financial

auxiliaries, S.127 captive financial institutions and money lenders, S.128 insurance corporations and S.129 pension funds.

Households – consists of S.14 households and S.15 non-profit institutions serving households.

Nonresidents – S.2.

#### IV. Method of calculation

Data are compiled from a set of monetary statistics statements collected on an individual basis from the MFIs. Individual data are aggregated into an *aggregated balance sheet of the MFIs* which provides the users with detailed information on the position of the MFI sector vis-a-vis the other sectors of the economy. By netting-out the inter-MFI positions on the *aggregated balance sheet* the *consolidated balance sheet* of the MFIs is obtained. The *consolidated balance sheet* serves as a basis for the compilation of the Monetary Survey.

Monetary survey comprises stocks of assets and liabilities, year-on-year changes (as quotients of stocks) and annual growth rates based on flow data (methodological sheet “Calculation of growth rates”).

#### V. Change in methodology

- In the period January 1998 to December 2000 certificates of deposits, bills of exchange and other special debt securities were excluded from clients' deposits.
- In the period July 1995 to October 1997 the year-on-year changes of M2 were based on the modified money supply, i.e. after netting-out the deposit of SPT Telecom with the CNB.
- Since January 2002 is the Monetary Survey compiled from harmonized monetary data. The fundamental statistical principals, definitions of the sectors, classification of the instruments, method of growth rates calculation, etc. are harmonized with European standards.
- As of January 2004 the whole MFI sector is covered by the data, i.e. in addition to CNB, banks and branches of foreign banks operating in CR also the money market funds and credit unions are covered. MMF and credit unions were not reporting institutions, they were classified as part of the other financial intermediaries sector and they were considered to be clients of the banks prior to 2004.
- Since January 2014 new classification of economic sectors (according to ESA2010) has been applied.
- Since October 2014 the procedure for the inclusion of credit unions in the harmonised MFI statistics has been changed. A single identical grossing-up rate is used for all balance sheet items to gross up to 100% coverage.
- Since December 2014 the counterpart to special drawing rights has been part of net foreign liabilities (until November 2014 it was included in remaining liabilities).

#### VI. Reporting entities

- Reporting entities are the banks and foreign banks' branches operating in the CR, CNB and money market funds. Grossing-up procedure is applied for the credit unions.

The data refer to the actual set of operating monetary financial institutions. Data are not retrospectively adjusted for newly established or ceased entities. The list of monetary financial institutions (actual and historical) is published in the CNB's website (<http://www.cnb.cz/>).