

**CONFERENCE OF EUROPEAN STATISTICIANS**

For discussion and  
recommendations

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Agenda

**IN-DEPTH REVIEW OF BANKING, INSURANCE, AND FINANCE STATISTICS**

**Note prepared by IMF**

**I. INTRODUCTION**

1. This in-depth review covers statistics pertaining to banking, insurance, and other financial corporations (hereafter described as “monetary and financial statistics” or “MFS”). Monetary statistics consist of comprehensive data on the financial and nonfinancial assets and liabilities of an economy’s financial corporations sector. The global financial crisis has highlighted the need for monetary statistics to place more emphasis on financial corporations, other than banks reflecting their growing role.

2. The purpose of MFS is to deliver relevant and reliable data to assess economic, monetary, and financial developments in individual countries or monetary unions to support decision making by national or regional central banks, respectively, as well as other functions, including those related to financial stability. In addition, MFS, which are foremost compiled by central banks, serve users such as financial analysts, academics, and the general public.

3. This note provides brief discussions of the evolving scope of MFS; overview of statistical frameworks and methodology, including data collection and dissemination; the IMF’s Statistics Department’s (STA) Data Quality Assessment Framework; supra-national institutions that deal with financial sector statistics; and recent methodological developments affecting MFS. The note concludes with the challenges and development needs in MFS and proposes issues for discussions.<sup>1</sup>

**II. THE EVOLVING SCOPE OF INTERNATIONAL MONETARY AND  
FINANCIAL STATISTICS**

4. The IMF’s principal statistical publication for MFS is the *International Financial Statistics (IFS)*. It has been published monthly since 1948 and is widely acknowledged as a source of statistics based on common standards not only on aspects of international and domestic finance and money and banking for most economies, but also on current data on exchange rates, international liquidity, interest rates, prices, national accounts, government finance, and external statistics.

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<sup>1</sup> This report does not discuss commercial databases as sources of financial sector statistics, such as Haver Analytics and DataStream.

5. Until the mid-1980s, countries compiled their MFS following national conventions, and comparability of data across countries was limited. To address this problem, the IMF prepared in 1984 a draft *Guide to Money and Banking Statistics in International Financial Statistics (1984 Guide)*. The purpose of the *1984 Guide* was to explain to users the methodology for producing internationally comparable money and banking data for publication in the *IFS*. In addition, emphasis was also placed on consistency with, *inter alia*, the, then current, 1968 System of National Accounts (*1968 SNA*) and the two other existing IMF manuals, the *Balance of Payments Manual (Fourth Edition)* and *Manual on Government Finance Statistics (Draft, June 1974)*.

6. In the mid-1990s, the IMF adopted the new 1993 System of National Accounts (*1993 SNA*) standards as a basis for its MFS. This permitted even greater international data comparability. STA prepared in close consultation with MFS experts in member countries and international and regional organizations the *Manual on Monetary and Financial Statistics (MFSM)*, the first volume of its kind in this field of statistics. The *MFSM* was published in 2000 and is available in English, Arabic, Chinese, French, Russian, and Spanish. Like other IMF manuals—the *Balance of Payments Manual* and the *Government Finance Statistics Manual*—the concepts set out in the *MFSM* are harmonized with those of the *1993 SNA*.

7. In 2008, STA published the *Monetary and Financial Statistics: Compilation Guide (MFSCG)*—an accompaniment to the *MFSM*—to support the IMF's stepped-up efforts at enhancing the quality, availability, and analytical usefulness of financial-sector data at both country and cross-country level.

8. Since the publication of the *MFSM* and the *MFSCG* and the implementation of *Standardized Report Forms (SRFs)* for the submission of monetary data to the IMF beginning in 2004, IMF staff have identified a number of issues drawing from experiences accrued. In particular, many economists now view monetary statistics as a component of financial stability analysis in the context of conditions in the financial sector as a whole. Stronger focus should thus be directed on various measures of credit aggregates and the links between deposit-takers and other (non-deposit-taking) financial institutions. Additionally, there is a need to adapt the *MFSM* and the *MFSCG* to the current international statistical standards, in particular the new *2008 System of National Accounts (2008 SNA)*.

### III. STATISTICAL FRAMEWORKS AND METHODOLOGY

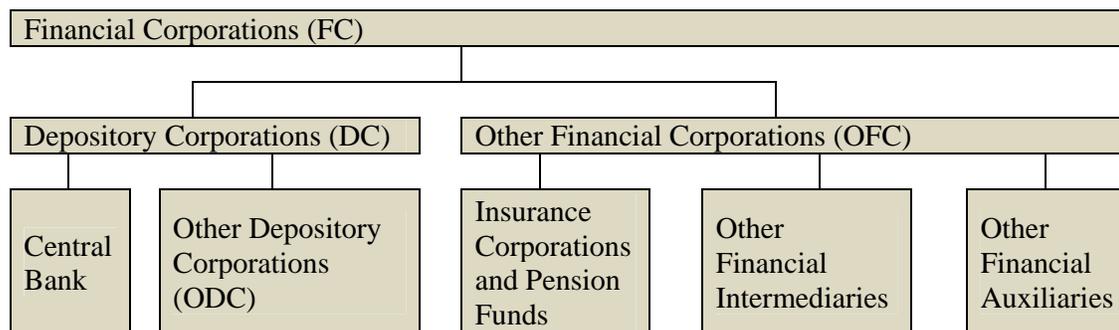
#### A. Scope and institutional coverage

9. MFS are concerned with stock and flow data on financial and nonfinancial assets and liabilities of resident financial corporations.<sup>2</sup> In monetary statistics, based on the types of their activities, financial corporations (FC) are grouped into three subsectors: the central bank, other depository corporations (ODC) (which together with the central bank comprise the depository corporations sector (DC)), and other financial corporations (OFC). In *1993 SNA* terms, the latter is divided into three subgroups,<sup>3</sup> namely, the insurance corporations and pensions funds, other financial intermediaries, and other financial auxiliaries (Figure 1).

<sup>2</sup> Financial intermediation services indirectly measured (FISIM) and produced by financial corporations on their loan assets and deposit liabilities are not covered in this report.

<sup>3</sup> The *2008 SNA* provides (in Chapter 4) a more detailed breakdown of financial corporations subsectors.

**Figure 1. The Financial Corporations Sector and its Subsectors**



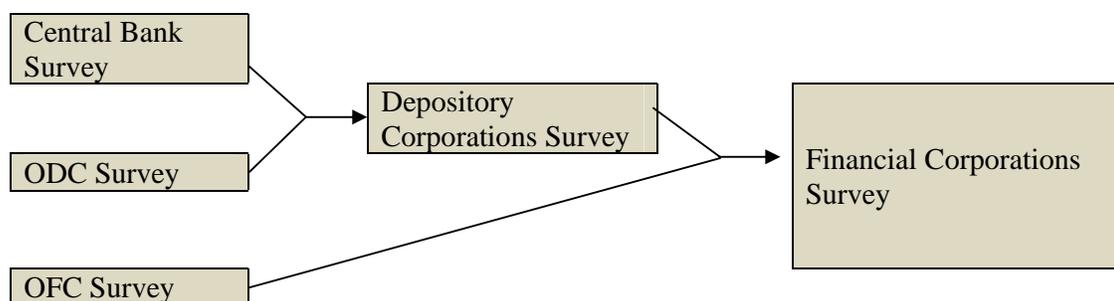
Source: *Monetary and Financial Statistics Manual, 2000*

10. The financial activity that distinguishes DCs from OFCs is that DCs issue liabilities that comprise the (nationally-defined) measure of broad money. These are financial instruments with well-defined transferability characteristics that underpin their function as the medium of exchange and a store of value.

### B. Analytical framework

11. The *MFSM* framework for MFS specifies compilation of the sectoral surveys for the central bank, the ODCs, and the OFCs. Each of the sectoral surveys presents positions of the sector vis-à-vis the rest of the resident economic sectors and the nonresidents. Within the surveys published in *IFS*, the asset positions are presented as claims on the various economic sectors and the liability positions by type of financial instrument. Two exceptions concern liabilities to the central government and to nonresidents; these are deducted from the corresponding claims, which are then shown as *net claims*. The depository corporations survey (DCS) emerges from the consolidation of the central bank and the ODC surveys; consolidating the DCS and the OFC survey yields the financial corporations survey (Figure 2).

**Figure 2. Financial Corporations Sectoral Surveys**



12. The scope of economic sectors, definitions of financial instruments, aggregation, consolidation, and the basis of recording are in accordance with the *1993 SNA* (and will, by 2013, be amended to reflect the *2008 SNA*). Cross-country comparability is achieved by applying the same concepts and compilation techniques to data reported by all countries.

Adherence to common concepts facilitates cross-reference with other macroeconomic databases, such as the government finance statistics (GFS) and international investment position (IIP). A recently established task force within STA takes a structured approach to identifying differences for corresponding aggregates between the main macroeconomic datasets maintained by STA (BOP/IIP, GFS, and MFS). Identification and analysis of the differences is expected to engender improvements in data collection and reporting that will narrow these differences and foster improved consistency between the macroeconomic databases.

13. The *MFSM 2000*, *MFSCG 2008*, *European System of National and Regional Accounts (ESA 1995)* are all based on the same methodological framework, the *1993 SNA*. Being based on the same methodological foundation promotes comparability between corresponding statistical aggregates derived from the European Central Bank's (ECB) framework for monetary statistics, which is based on *ESA 1995*, and the *MFSM*-based statistics. There are a number of differences, however, in the terminology and the presentation of data. Two important methodological differences concern the treatment of accrued interest on loans and deposits position (different to the *MFSM*'s recommendation, accrued interest are excluded from the value of the underlying instrument in the ECB framework and instead included in remaining assets/liabilities) and the classification of financial derivatives (which in the ECB framework are classified in remaining assets/liabilities instead of financial derivatives).

14. For economies where the financial sector is dominated by depository institutions, the primary attention is on the compilation of the DC survey with the constituent measures of the net claims on nonresidents, domestic credit, and broad money that guide formulation of monetary policy and the monitoring of its effects. When a subsector of OFCs becomes significant, STA provides assistance for data collection and reporting, with the view to compiling the financial survey that provides a more comprehensive statement of the outcome of financial intermediation. In practice, insurance corporations and pension funds are the most frequently covered subsectors of OFCs. Most of the 27 European Union member states and 18 other countries report insurance statistics on a consolidated basis with other OFCs. For publication in *IFS*, these statistics are grouped on the asset side by counterpart sectors (e.g., claims on private sector or on nonresidents) and on the liability side by financial instruments, applying *1993 SNA* terminology.

#### **IV. DATA COLLECTION AND DISSEMINATION**

15. National compilers, typically at the central bank, report to STA monthly (end-period) monetary data for the central bank, ODCs, and OFCs. The primary reporting format is the SRFs, which were launched in 2004 by STA for uniform reporting of monetary data by all countries. National compilers use the financial corporations' accounting records as the basis for compiling the SRFs.

16. The structure of the SRFs reflects the *MFSM* methodology for sectoral and instrument classifications of financial corporations' positions with clients and identification of these positions by national and foreign currency. The SRFs are essentially a sectoral balance sheet but significantly more detailed than the sectoral surveys published in the *IFS*. The data detail provides information on financial instruments, currency breakdown by local and foreign currency and intra-sectoral positions, as well as cross-positions with the other financial corporations' subsectors, such as positions between the ODCs and the OFCs.

17. The SRFs provide a significant portion of the data needed for the IMF's *Balance Sheet Approach (BSA)* to Analyzing Macroeconomic Vulnerabilities (see Allen et al., 2002 and Mathisen and Pellechio, 2006). At present the SRFs do not contain data on maturities, but Supplemental Data Report Forms (SDRFs) were developed to fill this gap as well as to address a number of other needs. However, the implementation of the SDRFs has been postponed due to resource constraints.

18. For the central bank and the ODCs, 106 jurisdictions report data in SRFs and additional 27 jurisdictions report data in the standard format based on the ECB's framework for compiling and reporting monetary data.<sup>4</sup> The ECB's framework is conceptually the same as that of the SRFs, although it differs in presentation and, for some financial instruments, in the level of detail for the counterpart economic sectors and the maturity breakdowns. Of the 27 ECB reporters, 17 members of the Euro Area (EA) report data on a national residency basis (positions vis-à-vis domestic residents) as well as on EA-wide residency basis (positions vis-à-vis residents of other EA countries); furthermore, positions with the non-euro area ("rest of the world") are reported; the other ten (non-EA) reporters only provide data on a national residency basis. The distinction between positions with entities in the EA and with non-residents of the EA is critical to the compilation of euro area aggregates. Countries (other than the ECB-reporters) not using the SRFs at present report monetary data in older formats, not as detailed as the SRF. There are differences in terms of structure and coverage from country to country. STA is actively engaged in technical assistance work to foster adoption of the SRFs by the outstanding non-SRF reporting jurisdictions.

19. In addition to data for depository corporations, 32 jurisdictions report data on OFCs in varying degrees of completeness. When the coverage is sufficiently complete, a Financial Corporations Survey is compiled, otherwise only the OFC survey is compiled. At present, there are 16 jurisdictions for which financial corporations surveys are compiled and published in *IFS*.<sup>5</sup>

20. STA encourages reporters to use the internet-based Integrated Correspondence System (ICS) for reporting data. One hundred and twenty-seven jurisdictions use the ICS, while data for the ECB-reporters are transmitted by the ECB using the GESMES (Generic Statistical Message) protocol. The SRF-based data reporting framework allows STA to automate compilation of monetary accounts published in the *IFS*. Because the structure of the data is the same for all SRF-reporters, uniform, automated compilation and publication format tables were designed and implemented. (The same applies to the ECB-reporters.) By contrast, each non-SRF reporter requires a customized compilation table based on the country-specific set of the reported data series.

21. For the Euro Area, a standardized presentation of the sectoral surveys similar to the SRF-based one has been developed in consultation with the ECB. These surveys differ somewhat from the SRF-based surveys. For example, for individual EA countries there is no *Monetary Base* or *Broad Money*, as these statistical aggregates are only meaningful when compiled and published for the EA as a whole. Also, for EA member countries, the sectoral

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<sup>4</sup> The ECB also reports to the IMF consolidated data for the Euro Area, as a whole, in a separate submission.

<sup>5</sup> The ECB has recently started in 2012 to send OFC statistics for most EU countries to the IMF for publication in *IFS*.

surveys present most of the positions on both the EA-wide residency basis and national residency basis.

22. The September 2012 *IFS* includes monetary statistics for 190 jurisdictions and four monetary unions (the European Monetary Union (EMU), East Caribbean Central Bank (ECCB), West African Monetary Union (WAMU), and Central African Economic and Monetary Community (CEMAC)). The *IFS* is disseminated in three formats: print edition, CD-ROM, and on-line. The print edition naturally contains data of limited time horizon whereas the CD-ROM and on-line contain all historical data that have been published in the *IFS* since 1948. Underpinning publication of the *IFS*, STA maintains approximately 600,000 monetary data series, some starting in 1948.

23. In addition to the *IFS*, a summarized set of monetary statistics for the Group of 20 (G-20) plus five other members of the Financial Stability Board (FSB) is published on the Principal Global Indicators (PGI) website ([www.principalglobalindicators.org/default.aspx](http://www.principalglobalindicators.org/default.aspx)). The PGI dataset provides internationally comparable data for the G-20 and the five other FSB members in order to facilitate the monitoring of economic and financial developments for these jurisdictions. Launched in 2009 in response to the global financial crisis, the PGI website is managed by the IMF. It is a joint undertaking of the Inter-Agency Group on Economic and Financial Statistics (IAG).<sup>6</sup> The IAG also serves as a forum for addressing information gaps highlighted by the crises.

24. STA is also engaged in the collection and dissemination of data on Financial Soundness Indicators (FSIs) and the Financial Access Survey (FAS). The FSIs emerged in the response to the need for better tools to assess the strengths and vulnerabilities of financial systems. Following an initial consultative meeting of experts and a survey of member countries, the IMF Executive Board endorsed a list of core and encouraged FSIs in 2001. To encourage compilation and reporting of these indicators STA prepared the *Financial Soundness Indicators Compilation Guide* (2006); available in English, Chinese, French, Russian, and Spanish. As of September 2012, 75 countries report data for 12 core FSIs and some or all of the 28 encouraged FSIs. The FSI data are posted on a dedicated website maintained by the IMF (<http://fsi.imf.org/>). In November 2011 the FSI reference group (FSIRG) met at IMF headquarters in Washington, DC, to review the current list of FSIs in the context of the G-20 Data Gaps Initiative. The FSIRG's [Summary of Key Points and Conclusions](#) has been posted on the IMF public website (IMF, 2012a). Based on this document, STA is developing a work program on FSIs that will culminate with the production of a new revised FSIs Compilation Guide towards during 2014.

25. The FAS, which commenced in 2010, aims at collecting annual geographic and demographic data on access to basic consumer financial services by households and enterprises worldwide. It is implemented by identifying and developing data of appropriate high quality that are comparable across countries and over time and which are collected by means of periodic surveys. As of September 2012, 187 countries have reported data under the FAS; these data are posted on a dedicated website maintained by the IMF (<http://fas.imf.org/>).

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<sup>6</sup> The IAG comprises the IMF, Bank for International Settlement (BIS), ECB, Eurostat, and the Organization for Economic Co-operation and Development (OECD).

## V. DATA QUALITY FRAMEWORKS FOR MONETARY AND FINANCIAL STATISTICS

26. STA's evaluation of national compilation practices is guided by the Data Quality Assessment Framework (DQAF). The DQAF was developed for the implementation of the data module of the IMF's Reports on Standards and Codes (ROSC) program. The DQAF identifies quality-related features of governance of statistical systems, statistical processes, and statistical products. It is rooted in the UN Fundamental Principles of Official Statistics and grew out of the Special Data Dissemination Standard (SDDS) and General Data Dissemination System (GDDS), the IMF's initiatives on data dissemination. The DQAF incorporates good practices in data dissemination and is the result of intensive consultations with countries. The *generic* DQAF serves as an umbrella for various dataset-specific frameworks, including for monetary statistics (<http://dsbb.imf.org/pages/dqrs/DQAF.aspx>). The DQAF provides a structure for assessing existing practices against best practices, including internationally accepted methodologies. The DQAF's coverage of governance, processes, and products are organized around a set of prerequisites and five dimensions of data quality—assurances of integrity, methodological soundness, accuracy and reliability, serviceability, and accessibility. As of September 2012, 127 data module ROSCs have been completed, including updates and reassessments.

## VI. SUPRA-NATIONAL INSTITUTIONS OTHER THAN THE IMF DEALING WITH FINANCIAL SECTOR STATISTICS

### A. Bank for International Settlements<sup>7</sup>

27. The Bank for International Settlements (BIS) introduced the dissemination of international financial statistics during the emergence of the so-called Eurocurrency markets in the mid-1960s. This led to reporting by internationally active banks of their international positions in major currencies, with a geographic and partial sectoral breakdown. On the basis of these reports the central banks and the BIS compiled so-called *locational* banking statistics for various lending and borrowing countries. They provide quarterly information on the *gross* on-balance sheet asset and liability positions of banks in major banking centers vis-à-vis entities (banks and nonbanks) located in other countries worldwide.

28. In the early 1980s, the BIS introduced the *consolidated* banking statistics to monitor the exposures of national banking systems vis-à-vis emerging market countries, whose indebtedness had risen considerably in the wake of the oil shocks in the 1970s. These statistics mainly provide information on international financial claims of domestic bank head offices on a worldwide consolidated basis (that is, including the exposures, of own foreign offices but excluding inter-office positions). For both sets of banking statistics, locational and consolidated, data are collected by central banks from their resident commercial banks and transmitted to the BIS in an aggregated form.<sup>8</sup>

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<sup>7</sup> Karsten von Kleist from the BIS contributed to this section.

<sup>8</sup> In addition to the international banking statistics, the BIS international financial statistics also comprise (i) quarterly statistics on international debt securities and domestic debt securities; (ii) two sets of statistics on derivative markets (quarterly data on exchange-traded derivatives statistics and semi-annual data on over-the-counter (OTC) derivatives statistics); and (iii) a triennial central bank survey of foreign exchange and derivatives market activity.

29. The BIS is currently enhancing its International Banking Statistics (IBS) in two stages, with the key enhancements of Stage 1 being (1) broadening the statistics to cover the entire financial claims and liabilities in balance sheets of reporting banks, not just their international activities; and (2) adding a vis-à-vis country dimension in the nationality statistics so as to see a more granular geography of banks' assets and liabilities. With these enhancements users will be able to see a national banking system's booking locations for claims and liabilities in the BIS reporting area countries, broken down simultaneously by the residence of its counterparties and by the currency, sector and type of positions. Stage 2 enhancements to the IBS extend both the locational and the consolidated statistics to close key data gaps. They are focused around important banking and financial stability issues, such as better understanding banks' credit exposures to particular countries and counterparty sectors, including adding nonbank financial institutions as a required counterparty sector to be reported. Stage 2 recommendations are expected to be implemented starting in Q4 2013 reporting quarter.

30. Work on collecting, compiling and disseminating the BIS international financial statistics is closely related to, and guided by, the activities of the various Basel-based committees and expert groups. One of the major underlying objectives of the various groups is to strengthen financial stability through transparency and market discipline. The Committee on the Global Financial System and the Markets Committee plays a key role in reaching consensus on priorities to improve the BIS statistics. The Basel Committee on Banking Supervision is consulted on methodological issues pertaining to the consolidated banking data to help ensure the collection of adequate statistical information from internationally active banks on risk exposures. The locational banking statistics are consistent with reporting countries' IIP statistics and consistent with *BPM5* or *BPM6* methodology.

## **B. European Central Bank<sup>9</sup>**

31. The purpose of the European monetary statistics is to support the monetary policy of the ECB, as well as the other tasks of the European System of Central Banks (ESCB), including tasks related to financial stability. The main focus of the ECB's statistics is the Euro Area, but data for non-euro area EU countries are also collected. All underlying national data are based on a common set of definitions and classifications in order to ensure that they are sufficiently comparable to produce meaningful aggregates. The ECB compiles and disseminates a wide range of monetary statistics and statistics related to financial institutions and markets.<sup>10</sup>

32. The ECB also produces detailed statistics on interest rates charged for loans and paid on deposits by Monetary Financial Institutions (MFIs) as well as statistics on financial markets, including monthly data on volumes of debt securities and quoted shares, and information on the prices of financial instruments. It is continuing to develop common methodologies with a view to calculating comparable and representative statistical indicators for the EA's financial institutions and markets.

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<sup>9</sup> Henning Ahnert from the ECB contributed to this section.

<sup>10</sup> Other main statistics for the euro area published by the ECB include (i) monthly balance of payments and other external statistics; (ii) quarterly economic and financial accounts (published jointly with Eurostat); (iii) annual government finance statistics; and (iv) general economic statistics on prices, costs, output, demand, and the labor market (primary responsibility for this type of statistics lies with Eurostat).

33. As an initiative to address data gaps revealed by the financial crisis and the fact that nonbank financial institutions have rapidly increased their importance in the EA over the past 15 years, the ECB has developed statistics on three important subsectors, namely the investment funds, financial (securitization) vehicle corporations, and the insurance corporations and pension funds (ICPF). The first two are based on ECB regulations, which establish a fully harmonized framework across the euro area and several other EU countries. ICPF statistics are being developed under a “short-term approach” based on available sources, mostly supervisory authorities—that is, without implementing a new data collection from reporting agents, with the main objective to set up a framework for timely quarterly estimates of EA statistics. For further developing ICPF statistics, the ECB is working on a “steady state approach” and a regulation for insurance statistics, for which much of the data are planned to be taken from new and fully harmonized EU supervisory sources (Solvency II Directive), available from about 2015 onwards. For pension funds, a sector much smaller than the insurance sector, the ECB envisages that a “short-term approach” (using the available, not fully harmonized data) will have to be used for several more years.

34. The ECB has taken over some tasks in order to support the European Systemic Risk Board (ESRB) in January 2011. The ECB is an integral part of the ESRB, providing analytical, statistical, logistical and administrative support.<sup>11</sup> Against this background, ESRB Decision 2011/6<sup>12</sup> sets out the aggregated data required by the ERSB for the performance of its tasks. This Decision covers short term regular data to be provided by the ECB and European statistical agencies and defines the procedures that the ESRB shall apply to carry out requests for aggregated information on an ad hoc basis. The ESRB can also request, under certain conditions, data from individual institutions to be provided by European statistical agencies.

### **C. Organization for Economic Cooperation and Development (OECD)<sup>13</sup>**

35. The OECD disseminates several datasets related to SNA-related financial statistics<sup>14</sup> (i.e., the database on Institutional Investors) and industry-based statistics related to the bank and non-bank financial sectors (i.e., the Bank Profitability database, Global Insurance Statistics’ database and Global Pension Statistics’ database) where more granular statistical information pertaining, respectively, to banks, private pensions and insurance can be retrieved. The main long-term goal of the OECD Global Insurance Statistics’ project is to further enhance the monitoring of the private pension and insurance markets through the

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<sup>11</sup> Council Regulation (EU) No 1096/2010 of 17 November 2010 conferring specific tasks upon the European Central Bank concerning the functioning of the European Systemic Risk Board.

<sup>12</sup> Decision of the European Systemic Risk Board of 21 September on the provision and collection of information for the macro-prudential oversight of the financial system within the Union (ESRB/2011/6).

<sup>13</sup> Michèle Chavoix-Mannato and Jean-Marc Salou, both from the OECD, contributed to this section.

<sup>14</sup> The OECD also collects (i) annual and quarterly financial accounts and financial balance sheets; (ii) annual quarterly households’ assets and liabilities; (iii) quarterly public sector debt, jointly with the World Bank and the IMF. All these activities are supported by the OECD Working Party of Financial Statistics (WPFS). The WPFS, comprising representatives of national central banks and/or national statistical offices as well as international organizations, discusses the collection and use of financial statistics as well as conceptual and practical issues regarding the implementation of the 2008 SNA and any relevant issues related to the compilation and methodologies for new types of financial statistics with a view to adapting them to evolving requirements.

analysis of sound and reliable comparable international official private pensions and insurance statistical information.

36. **The OECD database on Institutional Investors'** non-financial and financial assets, on an annual and quarterly basis provides detailed information on the activities of institutional investors in OECD member countries. It includes a detailed breakdown of institutional sectors, such as investment funds (with a breakdown of open-end and closed-end investment funds), insurance companies (life and non-life companies), autonomous pension funds, and other forms of institutional savings. While the sub-classification of the financial assets corresponds to *1993 SNA*, a further breakdown between assets issued by non-residents and assets issued by residents is reported.

37. The **Bank Profitability database** provides comprehensive annual statistics and indicators based on banks' income statements and balance sheets for a number of bank groupings (All banks, Commercial banks, Large commercial banks, Foreign commercial banks, Savings banks, Cooperative banks, and Other banks) as well as on the structure of the financial system of individual countries and on the classification of assets according to residency and currencies. Data are reported to the OECD on an annual basis, reported by central Banks, financial supervisory authority or national statistical institutes. Data are available from 1979 onwards and include overseas branches of reporting banks as well as domestic/foreign subsidiaries.

38. The **Global Pension Statistics database (GPS)**<sup>15</sup> provides a device for measuring and monitoring the pension industry, and permits inter-country comparisons of current statistics and indicators on key aspects of retirement systems across the OECD and non-OECD countries. Data are collected on an ongoing basis so that trends can be readily identified and analyzed. The statistics cover an extensive range of indicators and relate to a wide definition of private pension plans<sup>16</sup> themselves subdivided into detailed categories using coherent statistical concepts, definitions and methodologies. Variables collected under the OECD GPS exercise pertain to the following detailed categories: assets, contributions, benefits, membership and number of pension funds. Within the GPS framework, the original data sources are official administrative sources and the data include pension funds as per the OECD classification. Data are recorded on a residence basis for the immediate counterparty of all OECD and 30 selected non-OECD reporting countries. Data are reported to the OECD on an annual basis, mostly by supervisory agencies; year-end data are collected with about a six-month lag. In 2009, as an initial step, as part of a pilot exercise, the OECD Secretariat also started to collect micro data of the largest pension funds in the world, focusing initially on private ones only.

39. The long-term goal of the **Global Insurance Statistics database (GIS)** exercise is to further enhance the monitoring of insurance markets through the analysis of sound, reliable and comparable official international insurance statistics. The GIS project has involved the compilation of an expanded range of statistics and appropriate indicators, permitting an improved assessment of the insurance sector's financial strength, stability, profitability and solvency, both for direct insurers and reinsurers. Data are recorded on a residence basis for

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<sup>15</sup> More details on the OECD GPS project are available at [www.oecd.org/daf/pensions/gps](http://www.oecd.org/daf/pensions/gps).

<sup>16</sup> See OECD classification, available at <http://www.oecd.org/daf/financialmarketsinsuranceandpensions/privatepensions/38356329.pdf>,

the immediate counterparty of all OECD and selected non-OECD reporting countries. Year-end data pertaining to a compact set of variables are collected under a separate component and released with about a six-month lag. Additional detailed year-end variables are collected under another component and released with about a ten-month lag. Data are reported to the OECD on an annual basis, mostly by ministries, supervisory agencies or national statistical offices.

40. Most of the statistics and indicators pertaining to the aforementioned datasets can be retrieved through the OECD Web data browser at <http://stats.oecd.org>. It enables users to search for and extract data from across OECD's many databases and to access their related metadata.

#### **D. The World Bank**

41. The World Bank manages global financial indicators databases, which are publicly accessible on the internet (<http://data.worldbank.org/topic/financial-sector>). The **FinStats** database provides key financial indicators regarding financial stability, depth, efficiency and access of banks, markets, and non-bank financial institutions. These data are being collected from secondary sources (BIS, Fitch IBCA's Bankscope database, IMF, surveys, etc.). FinStats is also used in Financial Sector Assessment Programs, lending operations, country strategy documents, and general financial sector diagnostic work of the World Bank. The **Global Financial Development Database**, **Findex**, and the **World Development Indicators** compiled by the World Bank also cover a selection of financial sector indicators from secondary sources.

### **VII. RECENT METHODOLOGICAL DEVELOPMENTS AFFECTING MONETARY AND FINANCIAL STATISTICS**

#### **A. Relationship between the 1993 SNA and the MFSM 2000**

42. The SNA has been recently revised from *SNA 1993* to become *SNA 2008*. Because of the integral links between the MFS and the financial account of the *1993 SNA*, there is an almost complete accordance between the *MFSM* and the *1993 SNA* with respect to principles and concepts. The *MFSM*, however, contains a few concepts not found in the *1993 SNA*, as well as more detailed treatment of some concepts contained therein.

43. Differences between the *1993 SNA* methodology and that of the *MFSM* and *MFSCG* are few in number. Some noteworthy ones relate to the delineation of institutional units and sectors (e.g., government entities that supervise financial corporations are placed in the central bank subsector in the *1993 SNA*, whereas they are included in the financial auxiliaries subsector in the *MFSM* and *MFSCG*) and the classification of financial assets (e.g., in the *1993 SNA*, monetary gold and SDRs is a single category, whereas in the *MFSM* and *MFSCG* both major financial asset categories are shown as separate categories in the statistical presentations of central bank accounts). The *1993 SNA* methodology also does not delve into specific definitions of monetary aggregates and monetary base—the latter being a major liability category in the central bank survey in the monetary statistics.

44. The valuation principles and other accounting rules in the *MFSM* and *MFSCG* are in general agreement with those in the *1993 SNA*. A major exception for the monetary statistics is the valuation of shares and other equity on the liability side of the sectoral balance sheets

for financial corporations. For monetary statistics, components of the *Shares and other equity account* are measured at book value, whereas in the *1993 SNA* these components are valued at the market or fair value of the shares.

## **B. Monetary and Financial Statistics Manual and Compilation Guide**

45. The *MFSM* and *MFSCG* are currently being updated to (i) align with the changes and updates in *2008 SNA* and *BPM6*; (ii) reflect new data needs, which are increasingly for financial stability analysis; and (iii) reflect recent developments in the financial sector (see Section VIII). The revision process will combine the *MFSM* and *MFSCG* into one document—the *Monetary and Financial Statistics Manual and Compilation Guide*. In this context, the first round of consultations with the international statistical community took place at a monetary statistics expert group meeting in February 2012 (see IMF, 2012b). Officials of national central banks and international/regional institutions responsible for monetary statistics have been invited to contribute to this effort, including by reviewing and providing comments throughout the envisaged process. A draft of the new combined Manual–Compilation Guide is expected to be posted for public comment in 2013.

## **VIII. CHALLENGES AND DEVELOPMENT NEEDS**

46. Monetary statistics have been and will continue to be an essential component of macroeconomic statistics. Some aspects of monetary statistics have evolved over time in order to meet the emerging data needs for MFS arising from changes and developments in the financial sector, as well as in the methodologies of other macroeconomic datasets—(i) financial innovations, resulting in emergence of new financial instruments (e.g., financial derivatives and their exposure to currency movements, etc.) and the growing importance of some financial institutions (e.g., Central Counter Parties (CCPs) and Special Purpose Entities (SPEs)); (ii) the recent global financial crisis, analysis of which identified various data gaps, including those in the area of statistics on the financial sector (e.g., FSIs, global systemically important financial institutions, and sectoral accounts as discussed in the G-20 Report), and (iii) updating of the SNA methodology (*SNA 2008*) and the BOP methodology (*BPM6*).

47. Monetary statistics have traditionally focused on banks or the depository corporations subsector given their central role in the financial corporations sector. In the light of the developments mentioned above, monetary statistics are now placing more emphasis on OFCs, reflecting their growing role in the financial corporations sector. Having more complete and detailed data on OFCs would enable monetary statisticians to compile the accounts for the entire financial sector. This in turn would also promote efforts for compiling and disseminating data on sectoral financial positions and flows on a from-whom-to-whom basis within the framework of the System of National Accounts (see also paragraph 54). The integrated framework on a from-whom-to-whom basis allows answering questions like “*Who is financing whom, in what amount, and with which type of financial instrument?*” The from-whom-to-whom compilation approach also enhances the quality and consistency of data by providing more cross-checking and balancing opportunities (see Shrestha et al., 2012).

48. More complete and detailed data on OFCs also provide information on the financial intermediation activities undertaken by nonbank financial institutions or *shadow banking*, which replicate some of the activities of regulated banks, but do not operate in the same

regulatory environment. The information on shadow banking is particularly important for financial stability/vulnerability analysis given that the nature of the operations within the shadow banking system tend to create instability in the financial sector and/or more broadly in an economy or even globally.

49. The recent global financial crisis has highlighted the need for more complete data on the potential risks arising from systemically important financial institutions (SIFIs), including their interconnectedness. Thus work on financial sector statistics has expanded to cover data on SIFIs that are needed for examining linkages between individual financial institutions and for better understanding of the exposures of these institutions to different financial sectors and national markets. A set of common templates is being developed by an FSB working group with support from the IMF for collection of data on global systemically important financial institutions.

50. In addition to focusing on banks, monetary statistics have traditionally focused on stocks. Increasingly, monetary statistics are also giving emphasis to the compilation of flow data, including the three components of flows namely: transactions, valuations, and other changes in volume. Availability of detailed flow data facilitates more incisive analysis for monetary policy and fosters consistency between monetary statistics and other macroeconomic datasets (national accounts, BOP, and GFS), which also contain detailed flow data.

51. The G-20 prepared a major report on statistics gaps revealed by the financial crisis.<sup>17</sup> Its “*Recommendation 15*” calls for G-20 countries to compile in a common format a set of sectoral balance sheets and flow of funds statements that will highlight the financial interconnections between sectors, and the interaction between real and financial activities. This work led by the IMF in cooperation with the BIS, ECB, Eurostat, OECD, and United Nations is underway and could result in much greater cooperation between national accounts compilers and MFS compilers.

## **IX. ISSUES FOR DISCUSSION**

52. **Meeting the emerging data needs for monetary statistics arising from changes and developments in the financial sector.** Do the participants agree with the areas identified in this paper to develop monetary statistics further to address identified data gaps?

53. **Other issues in monetary statistics.** Are there other issues related to monetary and financial statistics that should be discussed?

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<sup>17</sup> In November 2009 the G-20 finance ministers and central bank governors endorsed 20 recommendations to address information gaps described in the report “*The Financial Crisis and Information Gaps*” prepared by the FSB Secretariat and IMF staff (FSB and IMF, 2009). Also, see “G-20 Data Gaps Initiative: Economic and Financial Statistics Following the Global Financial Crisis”, Heath (2011)

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