



European Central Bank (ECB) Regulation on monetary financial institution balance sheet statistics

Frequently asked questions

1 Why does the ECB Regulation on monetary financial institution balance sheet statistics need to be updated?

The principal purpose of monetary financial institution (MFI) balance sheet statistics is to provide the ECB with a comprehensive picture of monetary developments in the euro area. These statistics, covering financial assets and liabilities of MFIs, are the main input to the compilation of monetary aggregates for the euro area, and they allow an analysis of banks' lending to households, non-financial corporations and other euro area residents. Statistics on MFI balance sheets have been reported under ECB regulations since January 1999.

The ECB aims to keep its statistical regulatory framework up to date and fit for purpose, and to this end existing regulations are periodically reviewed. The current reporting requirements for MFIs are laid down in Regulation (EU) No 1071/2013 of the ECB of 24 September 2013 concerning the balance sheet of the monetary financial institutions sector ([ECB/2013/33](#)). Following an evaluation of the statistics currently collected under this Regulation and new user needs which have arisen since the last review, the ECB now proposes a new Regulation, which will amend Regulation ECB/2013/33. This amending Regulation will address high priority needs for additional data for analysing monetary and credit developments, and the enhancement and harmonisation of some requirements currently compiled under the Guideline on monetary and financial statistics (ECB/2014/15). Furthermore, amendments are proposed for some definitions and derogations where this supports the goal of better integration with other statistical datasets, such as AnaCredit¹.

¹ Regulation (EU) 2016/867 of the European Central Bank of 18 May 2016 on the collection of granular credit and credit risk data (ECB/2016/13).

2 What kind of reporting agents are covered by the Regulation?

Regulation ECB/2013/33 is addressed to MFIs that fall within the reference reporting population in the euro area for the purposes of collecting ECB statistics². It imposes reporting obligations on:

- credit institutions (including branches of credit institutions resident in the euro area that are headquartered outside the euro area);
- deposit-taking corporations other than credit institutions, which are financial intermediaries whose business is to receive (not only from other MFIs) deposits and/or close substitutes for deposits, and, for their own account, to grant loans and/or make investments in securities;
- electronic money institutions that are principally engaged in financial intermediation in the form of issuing electronic money;
- money market funds (MMFs).

The proposed update of the Regulation relates mainly to the reporting requirements of credit institutions and deposit-taking corporations other than credit institutions. In addition, the definition of MMFs is amended in order to bring the scope of coverage in MFI balance sheet statistics into closer alignment with the supervisory scope.³

3 Where will the Regulation apply?

The updated Regulation will impose reporting obligations on reporting agents resident in those EU Member States whose currency is the euro (euro area countries). Nevertheless, non-euro area Member States are to implement all measures that they consider appropriate for collecting the statistical information needed to fulfil the ECB's statistical requirements and for making timely preparations for joining the euro area.

4 What kind of new data will be collected?

The proposed amending Regulation includes new statistics for analysing monetary and credit developments, for example on loan transfers and cash management services, which may have an impact on MFI balance sheets and hinder the analysis of MFIs' interaction with the non-financial sectors. Other new requirements relate to less detailed parts of banks' balance sheets (for example capital and reserves, non-financial assets and remaining assets/liabilities) in order to provide a more

² The list of MFIs for statistical purposes is maintained by the ECB on its [website](#).

³ Regulation (EU) 2017/1131 of the European Parliament and of the Council of 14 June 2017 on money market funds.

comprehensive interpretation of their activities from a monetary and financial stability perspective.

Most of the new features in the amending Regulation are already included in Guideline ECB/2014/15 (as amended). Under the Guideline, where data are available, NCBs transmit to the ECB some supplementary items on MFI balance sheets. Moving those items to the Regulation will contribute to enhancing both the coverage of the data and harmonisation of concepts, and in some cases help streamline the legal instruments. Often, the proposed features are already included in national reporting frameworks, and as such they may not always be “new” reporting requirements for MFIs.

The proposed update of the Regulation aims to have a less significant impact on the reporting requirements in comparison with previous updates of MFI balance sheet statistics as it takes place against the backdrop of other significant statistical initiatives of the European System of Central Banks (ESCB). This includes the recent implementation of new requirements for granular credit and credit risk data from credit institutions (AnaCredit), and the ongoing Integrated Reporting Framework project to standardise and integrate banks’ existing statistical data requirements, which is scheduled for implementation in 2024-27, subject to a review following the results of a cost-benefit analysis.⁴

The review of the Regulation has also resulted in proposals to remove some existing requirements, for example with respect to loans backed by real estate collateral.

5 Why does the ECB need so much data?

Statistics on MFI balance sheets are among the core statistics used by the ECB for conducting monetary policy. They provide crucial information on monetary developments in the euro area (i.e. monetary aggregates), on credit (e.g. lending to households and non-financial corporations), and on the business of MFIs in general. In addition to supporting monetary policy decision-making, these statistics also contribute to financial stability analysis and prudential supervision. Each month, the ESCB compiles and disseminates a wide range of indicators based on these statistics, covering the euro area and individual Member States, thus providing an overview of the latest monetary and credit developments to the wider research community and the general public.

MFI balance sheet data are also used to (i) support other statistics, such as MFI interest rate statistics (MIR) on deposits from and loans to euro area households and non-financial corporations; (ii) as an input to the quarterly integrated economic and financial accounts for the euro area compiled by the ECB and Eurostat; and (iii) they

⁴ Further information on the ESCB Integrated Reporting Framework project can be found on the ECB's [website](#).

are combined with monthly balance of payments statistics to enable monetary and balance of payments developments to be analysed together in a monetary presentation of the balance of payments.

6 How costly will this new Regulation be for reporting agents?

The ECB is aware that introducing new reporting requirements can increase the burden imposed on reporting agents. For this reason, the ECB completed a comprehensive “merits and costs procedure”, with a view to minimising the burden on reporting agents.

This long-established procedure, which is used for all of the ECB’s new statistical requirements, is conducted to confirm that the policy relevance and/or operational usefulness is sufficient to justify the set-up and regular costs of new requirements. In accordance with the procedure, alternative data sources which could meet user needs have to be considered, too.

The cost assessment confirmed that most of the proposed new requirements have limited costs for reporting agents. For items that were assessed to have high merits and more sizeable costs, mitigating measures (such as derogations) have been considered which would reduce the reporting burden.

Overall, the package of new reporting requirements strikes a good balance between enhancing the availability and quality of data to the users of these statistics, and, at the same time, not substantially affecting the reporting burden of MFIs.

7 Who was involved in drafting the Regulation?

The Regulation has been drafted carefully and transparently by the ECB and national central banks of the ESCB, taking into account the opinions of key stakeholders via a procedure to assess the costs of the proposed changes against the perceived benefits of the additional data (the “merits and costs procedure”). In particular, this involved an evaluation of the anticipated implementation and regular costs of the proposed new statistical features by a large number of MFIs, while the users of these statistics within the ESCB evaluated the merits of the proposed new data for their analysis. Due consideration will also be given to the comments raised in the public consultation.

8 When will this updated Regulation enter into force?

The updated Regulation will enter into force 20 days after its publication in the Official Journal of the European Union, expected in the spring of 2020. The reporting is scheduled to commence with respect to the reference period of April 2021 (for monthly requirements), and the second quarter of 2021 (for quarterly requirements).

© European Central Bank, 2020

Postal address 60640 Frankfurt am Main, Germany
Telephone +49 69 1344 0
Website www.ecb.europa.eu

All rights reserved. Reproduction for educational and non-commercial purposes is permitted provided that the source is acknowledged.

For specific terminology please refer to the [ECB glossary](#) (available in English only).