UPGRADING FINANCIAL ACCOUNTS WITH CENTRAL BALANCE SHEET DATA – WHAT'S IN IT FOR CENTRAL BANKS' POLICY?

BANCO DE PORTUGAL
EUROSYSTEM

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March 2017

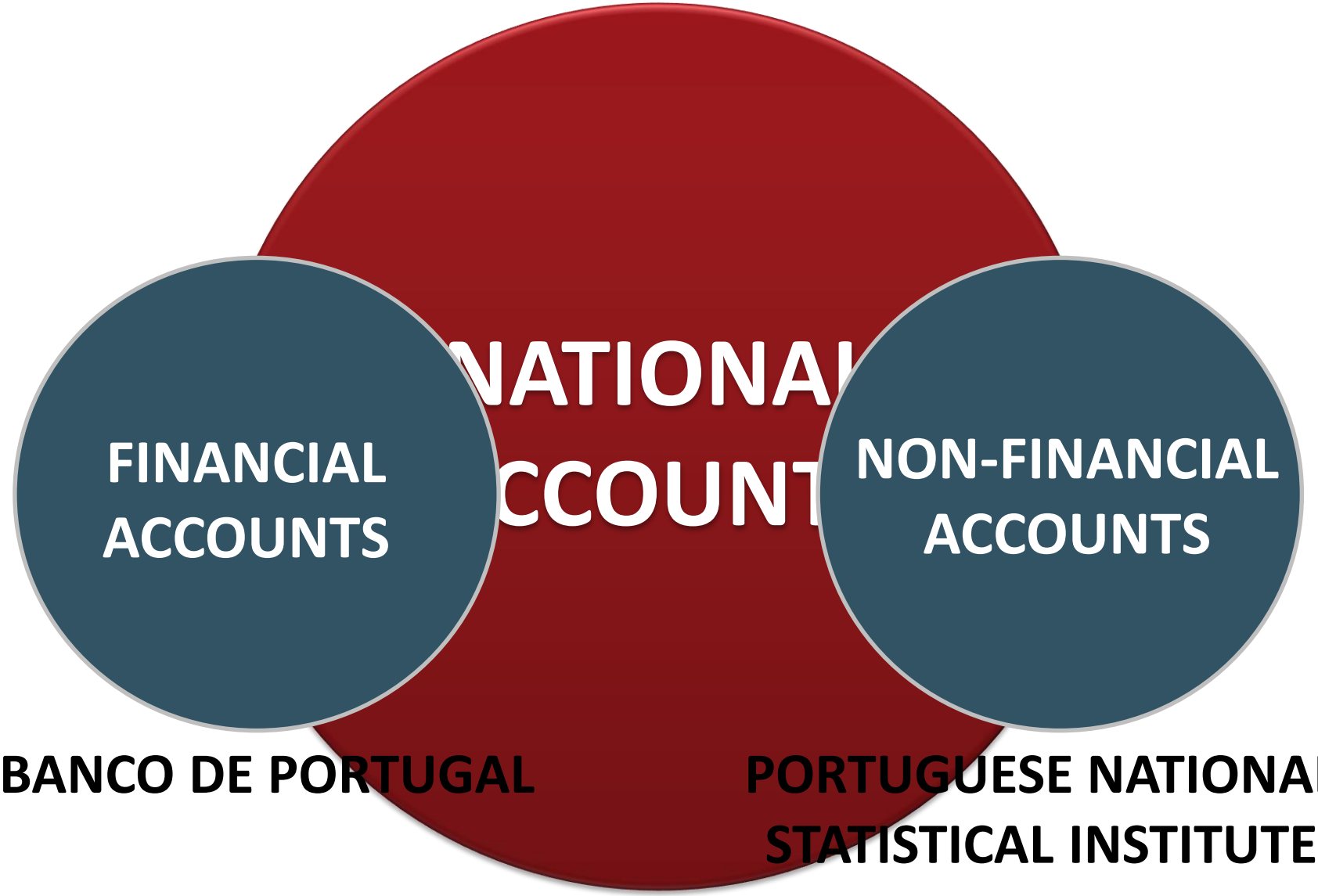
International Statistical Institute

Regional Statistics Conference 2017

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NATIONAL
ACCOUNTS


NATIONAL
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FINANCIAL ACCOUNTS
NON-FINANCIAL ACCOUNTS
BANCO DE PORTUGAL
PORTUGUESE NATIONAL STATISTICAL INSTITUTE

FINANCIAL ACCOUNTS

Simplified statistical representation of the **FINANCING STRUCTURE** and **NET FINANCIAL ASSETS** of the **VARIOUS INSTITUTIONAL SECTORS.**

Allow an **OVERVIEW** of the **uses of financial surpluses** and the **way deficits are financed**.

QUARTERLY PRODUCED





MULTIDISCIPLINARY TEAM

"Estrutura de Missão das Contas Financeiras"

Financial accounts data include both the financial transactions and stocks of the DIFFERENT INSTITUTIONAL SECTORS

	NFC		FC		GG		HH + NPISH		RoW	
	A	L	A	L	A	L	A	L	A	L
CURRENCY AND DEPOSITS										
SECURITIES										
LOAN										
SHARES AND OTHER EQUITY										
INSURANCE TECHNICAL RESERVES										
OTHER ACCOUNTS										

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CURRENCY AND DEPOSITS										
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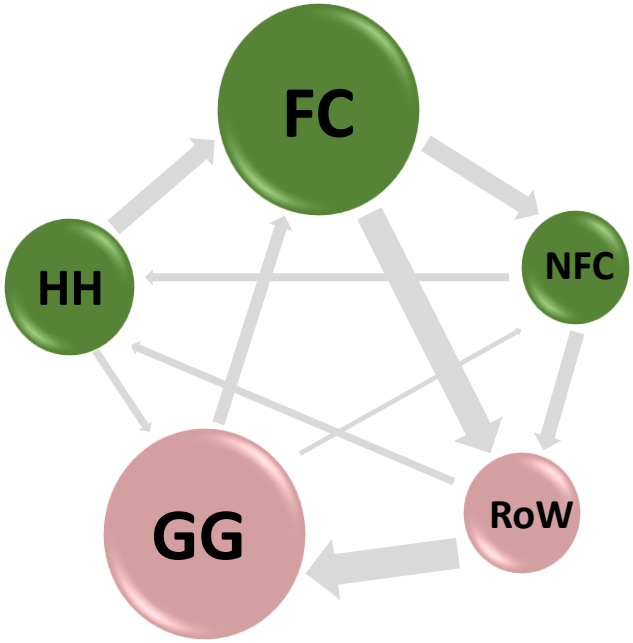
COUNTERPART INFORMATION

DEBTOR SECTOR / CREDITOR SECTOR		NET INCURRENCE OD DEBT SECUTITIES BY				
		NFC	FC	GG	HH + NPISH	RoW
NET ACQUISITION OF DEBT SECURITIES BY	NFC					
	FC					
	GG					
	HH+ NPISH					
	RoW					

"WHOM-TO-WHOM" MATRICES

FULL "WHOM-TO-WHOM" MATRICES FOR EACH FINANCIAL INSTRUMENT

WE ARE ABLE TO BUILD FLOW OF FUNDS



Show the interlinkages between institutional sectors :

- Diameter proportional to net lending/borrowing of each sector
- Green/red if positive/negative

- Represent net flow
- Width proportional to magnitude of inter-sectoral relation

DEMANDS FOR COMPLETE INFORMATION FOR ALL INSTITUTIONAL SECTORS, FINANCIAL INSTRUMENTS AND COUNTERPARTS.

THE BENEFITS OF COLLECTING MICRO DATA ARE BEING GLOBALLY RECOGNISED.

The information required to compile integrated sectoral accounts and flow of funds schemes can be easier derived from granular administrative datasets.



CENTRAL CREDIT REGISTER

Contains granular information on e.g. credit exposures

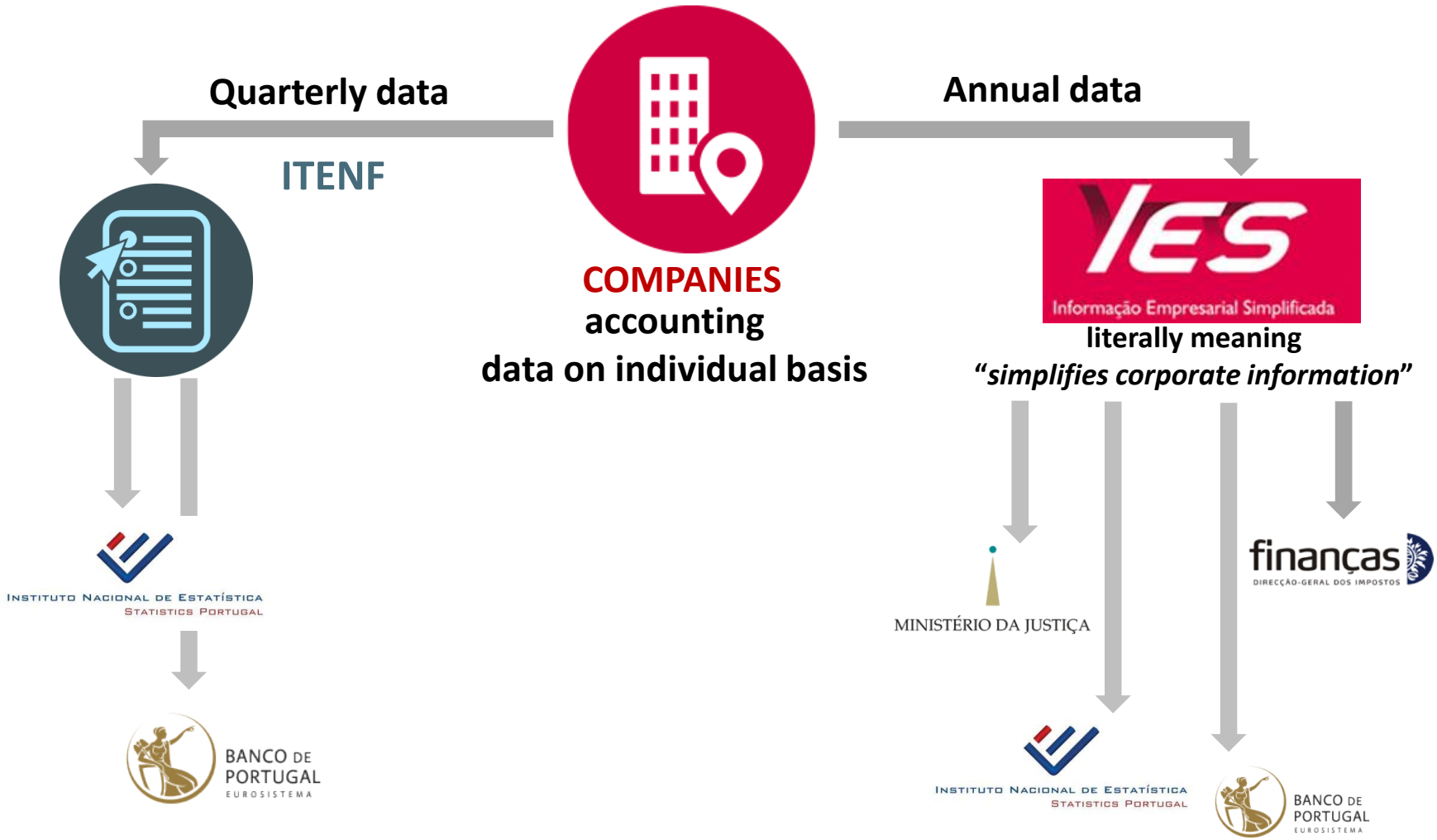
SECURITIES STATISTICS INTEGRATED SYSTEM

A security-by-security and investor-by-investor database of both securities holdings and issues.

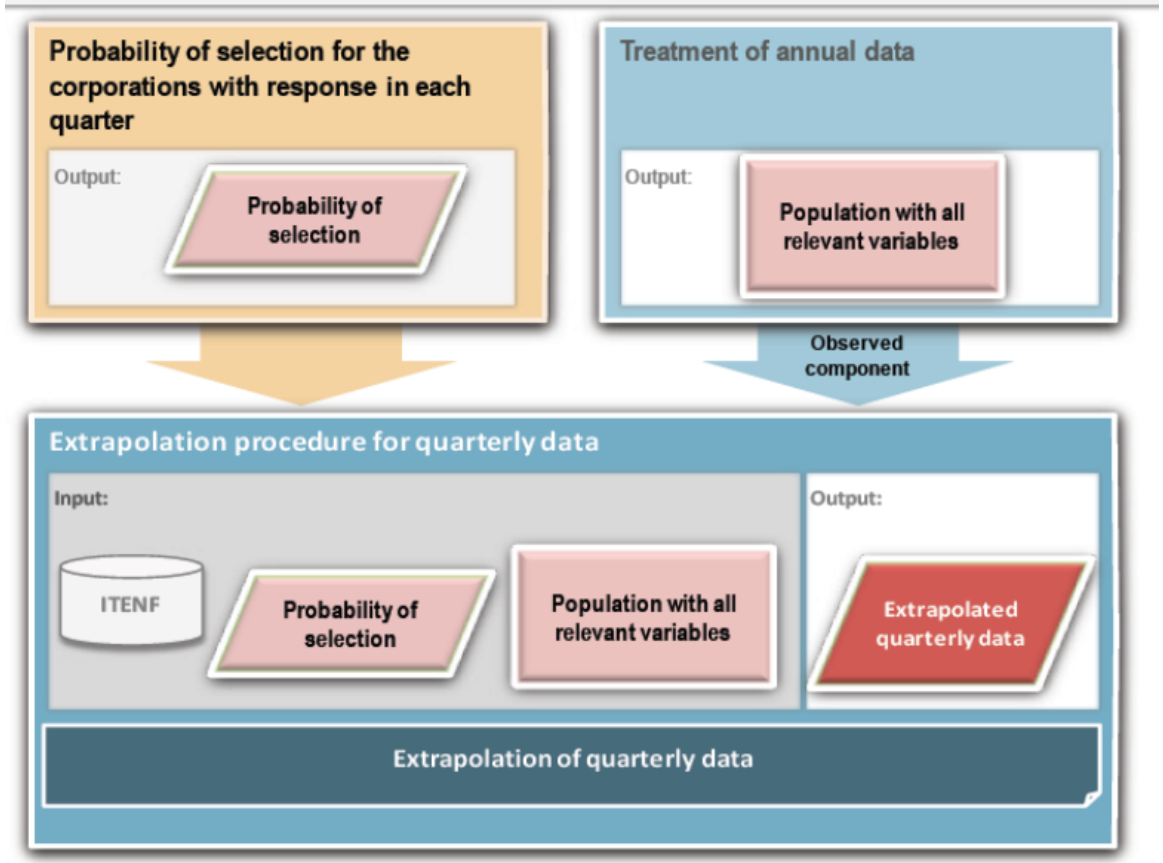
CENTRAL BALANCE-SHEET DATABASE

An economic and financial database based on annual and quarterly accounting data on individual Portuguese Non-financial corporations.

CENTRAL BALANCE - SHEET DATABASE: sources of information



EXTRAPOLATION PROCEDURE FOR QUARTELY DATA



Extrapolated data are used as data for total NFC, which is undoubtedly a great plus to the production of NFC statistics and also to the elaboration of different and flexible statistical products – inter alia, quarterly national financial accounts.

CONCILIATION BETWEEN ANNUAL AND QUARTERLY DATA - *BENCHMARKING*

This conciliation method makes possible to adjust the quarterly time-series obtained by extrapolating ITENF to the annual time-series obtained from IES, which are considered as benchmarks.

In order to carry out this adjustment, a set of constraints to be fulfilled by final data are defined:

AGGREGATION CONSTRAINTS

Ensure that the quarterly time-series is consistent with the annual time-series.

CONTEMPORANEOUS CONSTRAINTS OF ACCOUNTING BALANCE

Ensures that an accounting balance condition between the balance sheet and the profit and loss account is met in each period.

The final result for each aggregate consists in a range of quarterly time series based on a balance sheet and a profit and loss account without imbalances, which combine the annual value obtained in IES with the intra-annual dynamics resulting from the extrapolated ITENF.

NATIONAL FINANCIAL ACCOUNTS COMPILATION USING CBSD DATA

NON-FINANCIAL CORPORATIONS

OWN DATA SOURCES

IES: annual data, quarterly figures estimated based primarily on the ITENF

SSIS: Securities Statistics Information System



COUNTERPART INFORMATION

Financial sector, General Government and Rest of the World

All information identified by these 3 sectors as having its counterpart in the NFC sector is **taken directly** for the compilation of the NFCs account

NATIONAL FINANCIAL ACCOUNTS COMPILATION USING CBSD DATA

NON FINANCIAL CORPORATIONS + HOUSEHOLDS

CBSD - IES

- **Unquoted shares and other equity**
- **Loans** between NFCs and with HHs
- **Trade credits**
- **Insurance technical reserves**
- **Other accounts receivable/payable**

Counterpart sector data, relevant for HHs account compilation



SSIS

- **Quoted shares**
- **Securities other than shares**

NATIONAL FINANCIAL ACCOUNTS COMPILATION USING CBSD DATA

NFC account

ASSETS	LIABILITIES
Loans – intra-NFCs and between NFCs and HHs	Loans – intra-NFCs and between NFCs and HHs
Unquoted shares and other equity	Unquoted shares and other equity held by HHs and by NFCs
	Insurance technical reserves
Trade credits	Trade credits
Other accounts receivable/payable, exclud. trade credits and advances	Other accounts receivable/payable, exclud. trade credits and advances

HH account

ASSETS	LIABILITIES
Loans – between NFCs and HHs	Loans – between NFCs and HHs
Unquoted shares and other equity held by HHs	

NATIONAL FINANCIAL ACCOUNTS COMPILATION USING CBSD DATA

NFC account

ASSETS	LIABILITIES
Loans – intra-NFCs and between NFCs and HHs	Loans – intra-NFCs and between NFCs and HHs
Unquoted shares and other equity	Unquoted shares and other equity held by HHs and by NFCs
	Insurance technical reserves
Trade credits	Trade credits
Other accounts receivable/payable, exclud. trade credits and advances	Other accounts receivable/payable, exclud. trade credits and advances

HH account

ASSETS	LIABILITIES
Loans – between NFCs and HHs	Loans – between NFCs and HHs
Unquoted shares and other equity held by HHs	

FINAL REMARKS

- The achievement of Portuguese **fully integrated and consistent financial accounts**, was only made possible due to **the richness of the statistical content of the CBSD** run by the Banco de Portugal.

- This huge potentiality is due to:
  - the relevant data on the population of corporations in Portugal for a relatively long period, as a result of the excellent coverage of IES;
  - the appropriate methodology for the selection of corporations within the scope of the ITENF and the respective extrapolation procedure.

- Alone or combined with other information, **CBSD data also proved to be a great value for pursuing the statistical central bank statutory obligations**. The use of this information for the compilation of the NFC and HH sectors' financial accounts is an example of the statistical possibilities of such census information.