



NÁRODNÁ BANKA SLOVENSKA
EUROSYSTEM

CHAPTER 7

STATISTICS



7 STATISTICS

Národná banka Slovenska develops, collects, compiles and disseminates various types of statistics, mainly for supporting the implementation of monetary policy and financial stability, as well as for various other activities. The collection and compilation of statistics is one of the tasks of the Eurosystem, and therefore cooperation with the ECB and preparation for Slovakia's entry into the euro area was one of the main activities in the field of monetary and financial statistics, quarterly financial market statistics, and statistics on insurance companies, the capital market and the balance of payments. The final stages in the harmonization of different fields of statistics in line with activities of the ESCB, Eurostat, the BIS and other international institutions continued in 2008 in close cooperation with the ECB. Statistical data was provided according to schedule in 2008. An important step towards full integration with ECB requirements was the preparation and adoption of a legal framework that will in the near future ensure the provision of statistics in accordance with new requirements stemming from the financial market situation. Individual units of the statistics department cooperated in revamping the presentation of statistical data in the main menu of the NBS website. In accordance with the medium-term strategy, tasks were performed in relation to the adoption of the single European currency.

7.1 MONETARY AND FINANCIAL STATISTICS

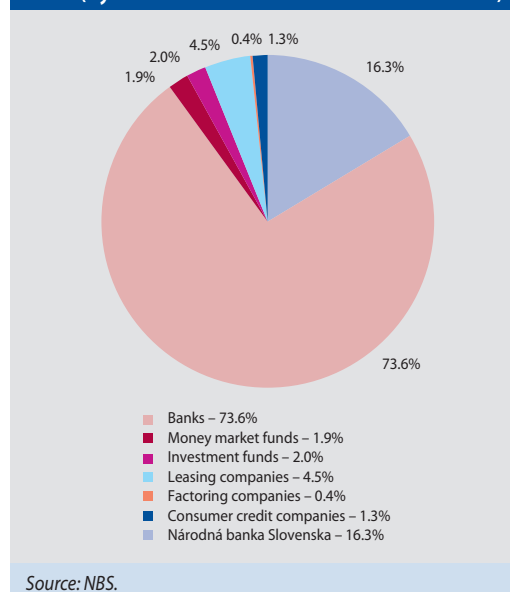
One of the priorities in 2008, besides ensuring the periodic processing of data and compiling and presenting individual types of statistics, was to complete the process for euro area entry by meeting all the requirements laid down by the ECB. Another priority was to prepare and adopt a legal framework for the collection and compilation of balance sheet statistics, statistics on interest rates on deposits and loans, and statistics on securitizations. NBS for the first time adopted measures on the submission of reports by banks, branches of foreign banks, and securities dealers (No. 26/2008) which fixed the requirements on reporting entities in regard to medium-term sta-

tistical data (the data requirements should not be modified for at least three years). Under this approach, banking entities in particular will have sufficient time to prepare for new requirements. The reporting to the ECB of additional statistics for the monetary financial institution (MFI) sector will begin from mid-2010. NBS, for its part, contributed to the preparation of ECB regulations. The preparation included an assessment of the merits of each item of the new statistics and an estimation of the related costs – both for NBS and our reporting entities – in order to ensure the fulfilment of user requirements as well as requirements arising from the financial market situation.

NBS also cooperated in the preparation of the Slovak Republic's section in the Convergence Report of May 2008, by compiling time series for selected indicators (debt securities issued by resident entities, stock market capitalization, bank loans, and the share of international loans of euro area banks in total liabilities of resident banks).

As regards statistics of other financial intermediaries, a new development from January 2008 was

Chart 46 Breakdown of reporting financial institutions (by share of assets as at 31 December 2008)



Source: NBS.



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the collection of data on investment funds on a security-by-security basis and the compilation of statistics not only for stock data at the months ends, but also for transactions. The reporting was introduced on the basis of the implementation in 2007 of the new ECB Regulation on statistics on the assets and liabilities of investment funds. The submission of data to the ECB, as well as their publication by NBS, began in January 2009. Also during 2008, a legal framework was prepared for the submission of source data with effect from January 2009, which in the case of reports on mutual funds submitted by asset management companies was based on the adoption of NBS Decree No. 23/2008, and in the case of reports submitted by factoring companies, consumer credit companies and leasing companies, it was based on NBS Decree No. 22/2008.

The final steps before entry into the euro area commenced in the second half of 2008 on the basis of bilateral cooperation with the ECB. It was necessary to prepare and send to the ECB a new time series for the complete balance sheet statistics on monetary financial institutions, from January 2006 to December 2008, using the same methodology and breakdown that is applied to euro area members. Slovakia's position vis-à-vis countries entering the euro area over the past three years had to be ascertained and reported. A complete dataset of balance sheet statistics (stocks and flows) has been sent to the ECB since October 2008 on a dual basis (separately as a new EU Member State and as a member of the euro area). The reporting of the reserve base for the calculation of minimum reserve requirements had to be prepared at the methodological and technical level. This necessitated the formulation of complete statistics on issued securities (debt securities and listed shares), which were not required for new EU Member States. In cooperation with Slovakia's central securities depository, Centrálny Depozitár CP SR, a.s., and the Bratislava Stock Exchange, we also managed to finalize the time series (from 1993 for debt securities, and from 2001 for shares). Another new development was the incorporation of the requirement to report bank lending to the non-financial corporation sector, broken down according to industry classification.

As for interest rate statistics of credit institutions, since January 2008 there has been dual

reporting of interest rates on deposits and loans made in Slovak korunas as well as in euros. The reporting of the long-term interest rate statistics continued, as did the preparation of the time series for 10-year government Eurobonds from 2001.

Statistical data published on the NBS website attracted greater interest in 2008. Visits to pages showing money and financial statistical data accounted for an average of 43% of all visits to the "Statistics" section. There was also a rise in the number of written questions submitted by users of the page, especially towards the end of the year.

In addition to cooperation with the IMF, our cooperation with the BIS in regard to statistics on issued debt securities was stepped up over the course of the year.

The interrelation and usability of monetary and financial statistics with other types of statistics and other activities ensured by NBS and the ECB is best illustrated by the fact that the data provided are employed not only for the conduct of monetary policy and analyses of financial market developments, but also as underlying documents for compiling quarterly financial account statistics, calculating the required reserves of credit institutions, compiling balance of payment statistics, bank development statistics, financial stability statistics (prudential analysis), structural statistical indicators, as well as payment system statistics within the ESCB.

7.2 QUARTERLY FINANCIAL ACCOUNT STATISTICS

Under ECB requirements, Národná banka Slovenska also plays a role in the compilation of the quarterly financial accounts (QFAs) of the monetary union. The main purpose of compiling QFAs is to create a supporting analytical tool for monitoring the monetary policy transmission mechanism and for financial stability analyses.

The QFA matrix contains data on the structure of financial flows for individual financial instruments (currency in circulation, deposits, loans, debt and equity securities, financial derivatives, mutual funds, and insurance technical reserves)



between different institutional sectors in the national economy, classified according to ESA95 (European System of National Accounts). Národná banka Slovenska works on the compilation of QFAs in close cooperation with the Slovak Statistical Office, which is responsible for the general government sector as well as the annual financial accounts for the whole economy and the quarterly non-financial accounts.

The main task in 2008 was to finalize the acquisition of the time series for all source data dating back to 2004, when Slovakia joined the European Union. Among those source data that are essential to the compilation of quarterly financial accounts are data acquired from monetary and financial statistics (deposits, loans, securities and other financial instruments for individual entities of the financial market), the balance of payments (international investment position and balance of payments flow data), as well as data collected for the purpose of financial market supervision (stock exchange, central securities depository, etc.) and data acquired in cooperation with the Statistical Office of the Slovak Republic (non-financial corporations, households, government sector).

In order to acquire a methodologically and statistically consistent QFA time series for the entire Slovak economy, the process of methodological adjustment and evaluation continued to be carried out throughout the year. This process included regular consultations with representatives of the Statistical Office of the Slovak Republic concerning the data collection methodology for the general government sector and each of its sub-sectors. As regards technical support for the processing and evaluation of statistical data, enhancements were made to the APS STATUS software application, which is used for two-way communication between NBS and financial market entities when exchanging statistical data and methodologies.

In connection with preparations for the regular quarterly transmission of QFA data to the ECB as part of the compilation of euro area economic accounts (quarterly financial and non-financial accounts), the QFA matrix for the second quarter of 2008 was published on the NBS website for the first time, along with analytical comments and the QFA compilation methodology.

An important project implemented in the application systems IS STATUS and STATUS DFT was the conversion of historical data using the euro conversion rate of the Slovak koruna. Since August 2008, users of these application systems were ensured access to two databases: in the Slovak currency (1996 – 2008) and in the euro currency (1996 – 2008), and new data in the euro from 2009. With the implementation of this project, it was possible to link new data in euro currency to historical data in Slovak korunas. The conversion mechanism also allows historical data to be immediately updated in both databases in the event of revision.

7.3 STATISTICS ON INSURANCE, THE CAPITAL MARKET AND PENSION SAVING

As regards statistics on insurance companies, the capital market and pension saving, the focus of NBS in 2008, in its role as supervisor of the entire financial market, was to ensure the provision of data necessary for the exercise of supervision and for statistical purposes, for both national and supranational institutions, and in particular to ensure the quality of the data in terms of their timeliness, accuracy and mutual comparability.

The collection, processing and storage of data on financial market entities continued to be performed using the STATUS – DFT information system.

The whole of 2008 was to a considerable extent influenced by the approaching introduction of the euro, the single European currency, and the related requirements regarding the amendment of the legal framework for data submission and the conversion of statistical databases.

Last year, in reaction to the complexity of financial markets and the interconnection of financial transactions made by different entities, including to a large extent insurance companies and pension funds, the ECB informed about the proposal to broaden the group of entities providing statistics of financial assets and liabilities, broken down by sector, to cover also insurance companies and pension funds. NBS participated in the implementation process for this ECB require-



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ment, mainly by surveying the availability of the source data and the timeliness of their provision.

Securities statistics were expanded to include a new balance of payments requirement for reporting the equity and debt portfolio of entities.

7.4 STATISTICS ON NON-BANKING ENTITIES

Statistics on non-banking entities are collected and processed from statistical reports submitted by entities other than banks and branches of foreign banks for the purpose of compiling the balance of payments and the international investment position statistics.

In 2008, statistics on non-banking entities underwent a process of harmonization in accordance with the recommendations of international institutions, primarily the ECB, in regard to the compi-

lation methodology for the balance of payments and international investment position statistics.

Entry into the euro area will also bring a change in the scope of reported data, enabling the compilation of overall euro area balance of payments and international investment position statistics. With Slovakia's entry into the euro area, residents of Slovakia will become euro area residents.

This change also has implications for statistics on non-banking entities, or balance of payments and international investment position statistics, since transactions between residents of Slovakia and other euro area residents must be consolidated.

Work connected with Slovakia's entry into the euro area and related requirements for statistical data conversion continued in 2008, as did preparations for providing historical data from 2004 (when Slovakia joined the EU) in a sufficiently detailed geographic and sectoral breakdown.