

Economic and Finance statistics



Balance of Payments (BoP) and International Investment Position (IIP)

Financial Accounts and IIP (3): Other investment, financial derivatives and reserve assets

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EMOS core module on economic and finance statistics

European System of
Central Bank (ESCB)



EMOS labelled
programmes



 **Universität Trier**

Structure

1. Other Investment
2. Financial Derivatives
3. Reserve Assets

Structure

1. Other Investment
2. Financial Derivatives
3. Reserve Assets

Other Investment - overview

Other investment in the b.o.p./i.i.p.

Financial instruments

Breakdowns and links with other accounts

Valuation and compilation

Income on other investment

Other Investment - overview

Other investment in the b.o.p./i.i.p.

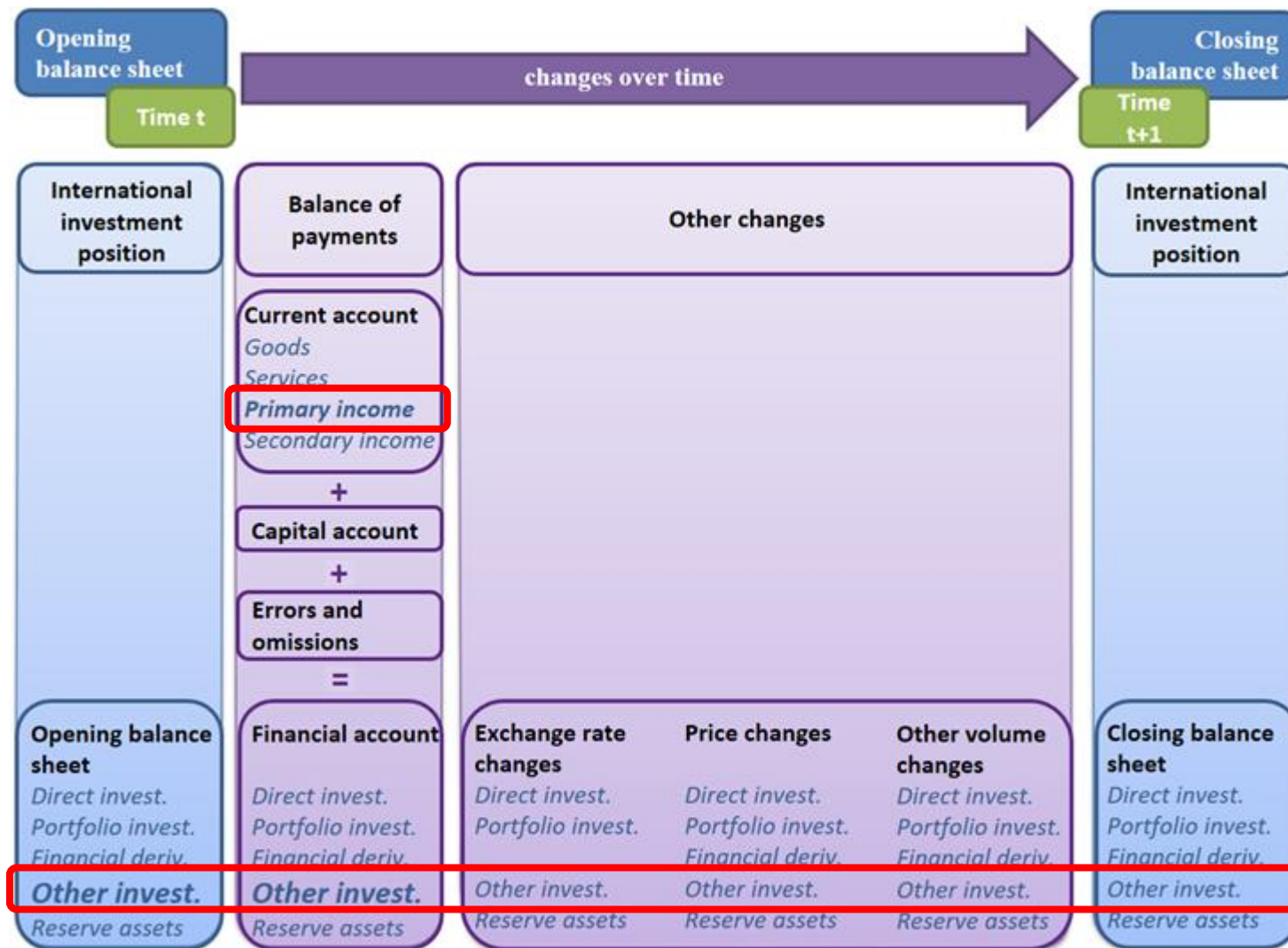
Financial instruments

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Other Investment in BoP and IIP



Other Investment - overview

What is **other investment**?

Other investment is a **residual category** that includes positions and transactions **other than** those included in direct investment, portfolio investment, financial derivatives and employee stock options, and reserve assets.

(BPM6 6.61)

Other investment in the b.o.p./i.i.p.

ECB Statistics Bulletin

7.3.1 Summary financial account

(EUR billions, unless otherwise indicated; outstanding amounts and growth rates at end of period; transactions during period)

	Total ¹⁾			Total as a % of GDP			Direct investment		Portfolio investment		Net financial derivatives	Other investment		Reserve assets
	Assets	Liabilities	Net	Assets	Liabilities	Net	Assets	Liabilities	Assets	Liabilities		Assets	Liabilities	
	1	2	3	4	5	6	7	8	9	10	11	12	13	14
Outstanding amounts (international investment position)														
2017	25,369.6	26,292.7	-923.1	226.2	234.4	-8.2	11,306.2	9,391.2	8,509.2	10,945.4	-92.7	4,977.1	5,956.1	669.7
2018	25,537.2	26,051.6	-514.4	220.4	224.8	-4.4	11,143.7	9,094.9	8,441.0	10,542.9	-115.4	5,348.8	6,413.8	719.1
2019	27,829.5	27,882.0	-52.5	233.1	233.6	-0.4	11,517.1	9,375.3	9,891.3	12,093.9	-85.5	5,693.1	6,412.8	813.6
2019 Q3	28,093.8	28,281.0	-187.1	237.0	238.5	-1.6	11,636.0	9,441.5	9,639.2	12,018.9	-123.5	6,115.2	6,820.6	827.0
Q4	27,829.5	27,882.0	-52.5	233.1	233.6	-0.4	11,517.1	9,375.3	9,891.3	12,093.9	-85.5	5,693.1	6,412.8	813.6
2020 Q1	27,462.6	27,541.7	-79.1	230.8	231.5	-0.7	11,265.3	9,318.6	8,883.9	11,121.5	-99.0	6,546.2	7,101.6	866.3
Q2	28,140.0	28,240.0	-100.0	244.3	245.1	-0.9	11,316.2	9,503.7	9,854.1	11,939.3	-70.7	6,135.5	6,797.0	905.0
Q3	28,088.2	28,098.3	-10.1	246.0	246.1	-0.1	11,165.5	9,335.2	9,972.6	12,062.8	-97.6	6,138.1	6,700.3	909.6
Transactions														
2018	182.5	-117.4	299.8	1.6	-1.0	2.6	-257.7	-396.6	191.9	-11.2	40.2	183.0	290.4	25.1
2019	700.3	486.4	213.9	5.9	4.1	1.8	24.7	96.7	436.1	483.0	-2.8	239.0	-93.3	3.2
2020	1,092.2	796.2	296.0	9.7	7.0	2.6	46.1	166.3	643.8	163.6	9.7	380.5	466.2	12.1
2020 Q2	153.0	111.7	41.4	1.3	1.0	0.4	81.7	173.6	383.2	201.2	38.0	-353.1	-263.1	3.2
Q3	195.6	101.1	94.5	1.7	0.9	0.8	39.3	-15.8	86.8	113.7	-31.0	97.1	3.2	3.4
Q4	135.0	-11.0	146.0	1.2	-0.1	1.3	-41.9	68.3	302.7	-210.8	-9.6	-118.3	131.5	2.1
2020 Sep.	-58.9	-102.8	43.8	-	-	-	-41.3	-48.3	19.5	21.3	-21.6	-18.2	-75.8	2.6
Oct.	166.5	134.1	32.4	-	-	-	13.2	-4.7	65.8	-18.5	-0.2	84.8	157.3	2.9
Nov.	219.9	188.7	31.2	-	-	-	34.8	100.6	85.8	-87.9	12.6	89.3	176.0	-2.6
Dec.	-251.4	-333.9	82.4	-	-	-	-89.9	-27.6	151.1	-104.5	-22.0	-292.4	-201.8	1.7
2021 Jan.	290.7	280.7	10.0	-	-	-	39.8	37.3	105.3	74.5	5.4	141.2	168.9	-0.9

Other investment in BPM6

3.86 - 3.87	Valuation
5.26	Other equity
5.39 - 5.43	Deposits
5.51-5.73	All other OI financial instruments
6.61G	SDR allocation
7.E	International Investment Position – OI
7.15 – 7.18	Other equity valuation
8.E	Financial Account – OI
11.48, 74	Interest
11.77-84	Income: insurance, standardized guarantees, pension funds
11.106-108	OI income

Other Investment - overview

Other investment in the b.o.p./i.i.p.

Financial instruments

Breakdowns and links with other accounts

Valuation and compilation

Income on other investment

Financial Instruments

Other investment: Assets/Liabilities classes

Other equity

Currency and deposits

Loans

Insurance, pension schemes & stand. guarantee schemes

Trade credit and advances

Other accounts receivable/payable

Special Drawing Rights (SDRs) allocations

Financial Instruments

Other equity



No security (Portfolio or FDI); no FDI
Including:

Equity in quasi-corporations IF equity is $< 10\%$

Ownership of international organizations IF not in the form of securities

Ownership of currency union central banks

Financial Instruments

Currency

€ notes and
coins in active
circulation

Foreign currency
in circulation

EA adjustment in Currency and
deposits/Eurosystem: for banknotes
held by non-EA residents

Based on:

- Cumulated net shipments of high denomination banknotes
- Fixed proportion of coins to banknotes

Financial Instruments

Loans and deposits

Loans

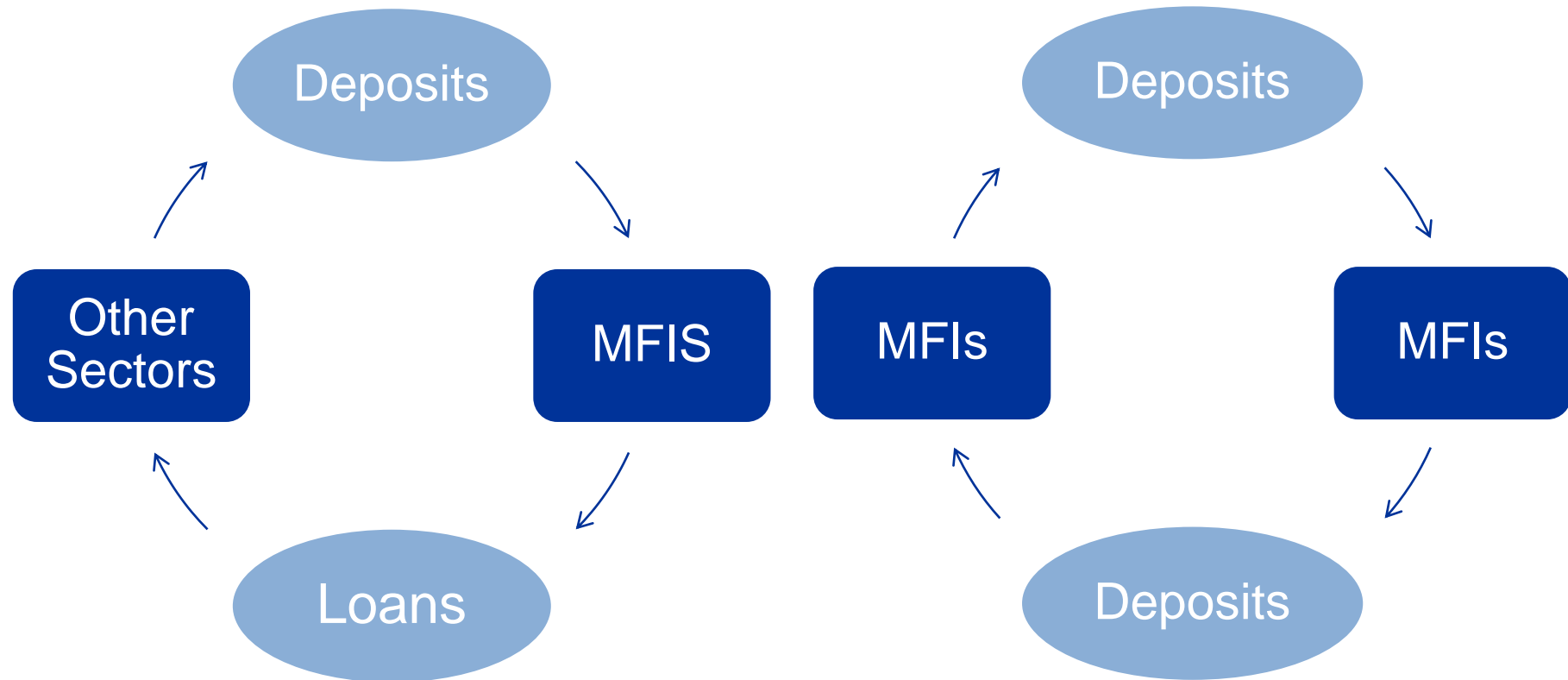
- Financial asset/liability
- Directly funded between creditor and debtor and
- Negotiable

Deposits

- Claims either on
- A central bank
- A deposit-taking corporation
- Some other institutional units (special cases)

Financial Instruments

Differentiating between loans and deposits

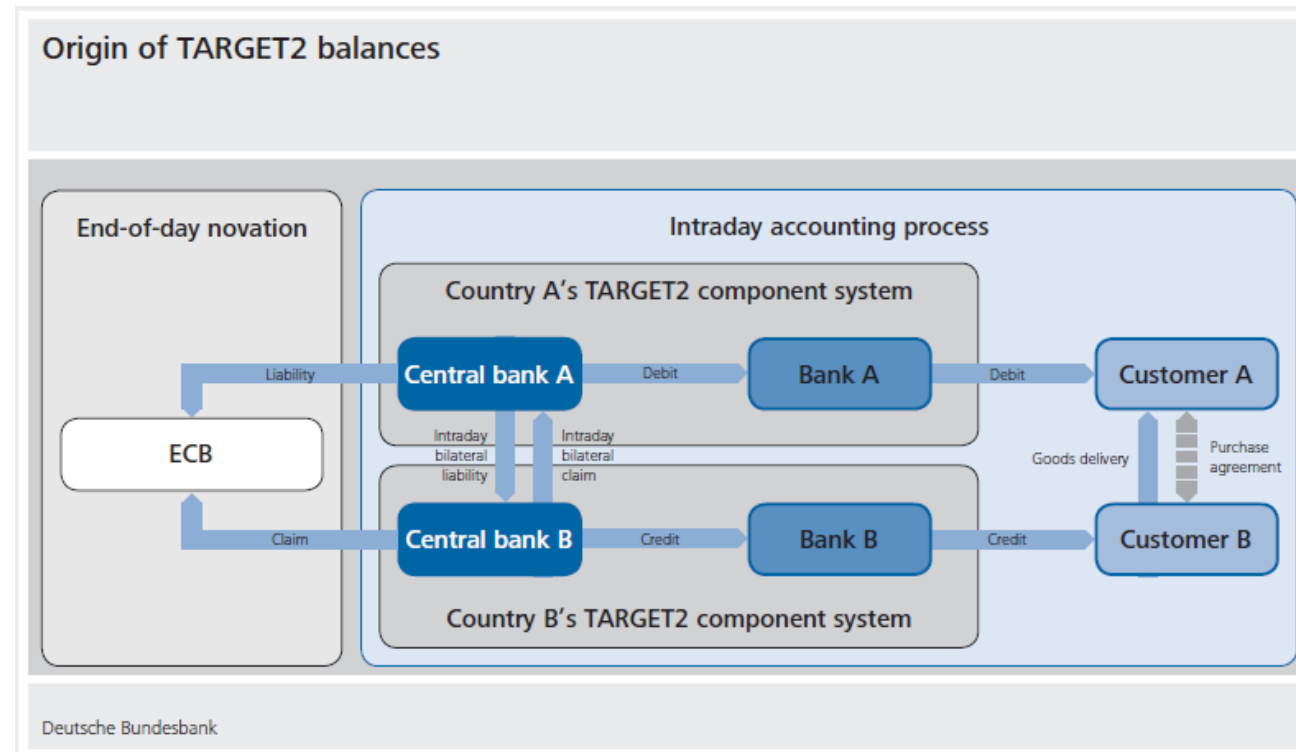


Financial Instruments

Target2

Special case in a **Currency Union**:

- TARGET2 balances
- Intra-Eurosystem technical claims and liabilities



Financial Instruments

Insurance, pension, and standardised guarantee schemes and SDR

Insurance, pension, and standardized guarantee schemes are

- liabilities of insurers, pension funds, or issuers of standardized guarantees
- + corresponding asset

SDR holdings → assets in Reserve Assets

SDR allocations → liabilities in Other Investment

SDRs can be held by:

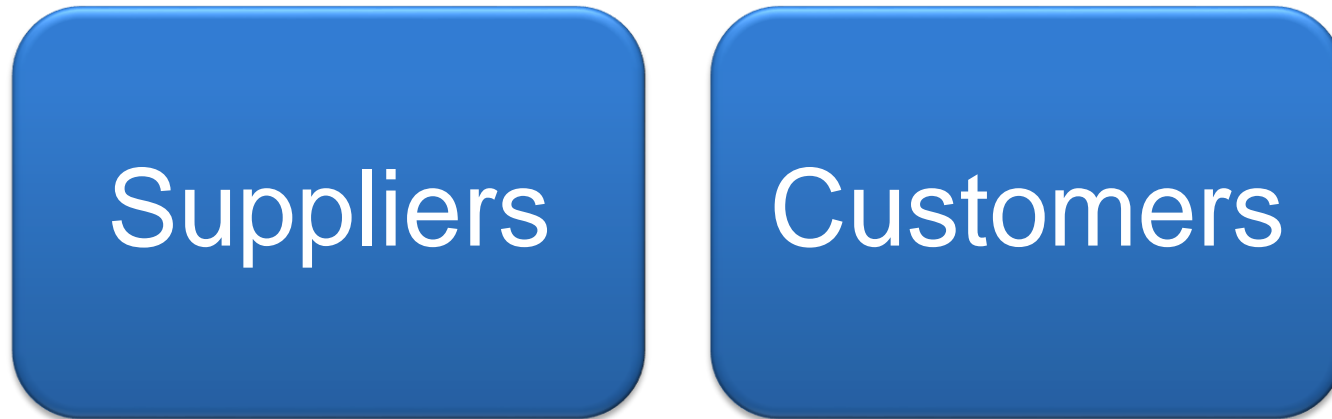
- Monetary authorities of IMF members
- International financial institutions - authorised holders

Financial Instruments

Other accounts receivable and payable

a) Trade credit and advances

Credit for goods and services



Advances for work in progress
Prepayments for goods and services

b) Other

Include

- Temporary liabilities accrued but not yet payed for
 - Taxes
 - Purchase/sale of securities,
 - Wages, dividends
 - Securities lending fees; gold loan fees
 - Social contributions

Exclude

- Interest accrued (→ respective financial asset/liab.)

Other Investment - overview

Other investment in the b.o.p./i.i.p.

Financial instruments

Breakdowns and links with other accounts

Valuation and compilation

Income on other investment

Breakdowns

Financial Account of the Euro Area

7.3.7 Other investment assets

(EUR billions, unless otherwise indicated; outstanding amounts and growth rates at end of period; transactions during period)

	Total	By instrument				By resident sector			
		Currency and deposits	Other assets ¹⁾			Eurosysteem	Other MFIs (excluding Eurosysteem)	General government	Other sectors
			Loans		Trade credits and advances				
	1	2	3	4	5	6	7	8	9
Outstanding amounts (international investment position)									
2016	4,946.2	2,549.4	-	1,660.6	268.7	15.8	3,018.2	182.2	1,730.1
2017	4,977.1	2,530.5	-	1,686.6	269.6	21.4	2,943.5	174.2	1,838.0
2018	5,348.8	2,659.2	2,689.6	1,898.8	297.4	32.6	3,323.9	179.7	1,812.6
2019 Q3	6,115.2	3,000.9	3,114.3	2,195.9	313.3	32.0	3,875.8	187.7	2,019.7
Q4	5,693.1	2,815.6	2,877.5	2,011.5	311.9	49.2	3,490.0	180.0	1,973.9
2020 Q1	6,546.2	3,200.3	3,345.8	2,221.2	310.9	32.0	4,175.8	181.8	2,156.6
Q2	6,135.5	3,015.5	3,119.9	2,056.8	304.9	35.4	3,800.2	181.1	2,118.8
Q3	6,138.1	3,037.1	3,101.1	2,032.1	314.0	46.2	3,795.2	184.3	2,112.4
Transactions									
2017	166.6	119.1	.	63.5	10.0	6.0	156.7	-2.5	6.5
2018	183.0	34.6	.	118.9	13.9	7.8	151.2	2.5	21.5
2019	239.0	98.6	140.4	65.9	6.9	15.2	75.6	0.5	147.7
2020 Q2	-353.1	-162.3	-190.8	-135.7	-6.7	2.2	-348.3	0.3	-7.3
Q3	97.1	81.0	16.0	0.1	11.7	10.8	71.3	4.6	10.3
Q4	-118.3	-133.1	14.9	-	-	17.6	-114.1	-6.4	-15.4
2020 Sep.	-18.2	9.1	-27.3	-	-	18.0	-19.7	5.7	-22.2
Oct.	84.8	8.9	75.9	-	-	-6.5	80.7	0.9	9.7
Nov.	89.3	34.1	55.2	-	-	6.9	57.0	-1.3	26.7
Dec.	-292.4	-176.1	-116.2	-	-	17.2	-251.8	-6.0	-51.8
2021 Jan.	141.2	110.1	31.1	-	-	-25.4	146.2	-0.2	20.6

Links with other accounts

Intersection with other functional categories

Reserve Assets

- SDRs
- Currency

Reserve Assets or Direct Inv.

- Other transferable deposits
- Other deposits
- Loans

Direct Investment

- Other equity
- Insurance, pension and stand. guarantee schemes
- Accounts receivable and payable

Other Investment - overview

Other investment in the b.o.p./i.i.p.

Financial instruments

Breakdowns and links with other accounts

Valuation and compilation

Income on other investment

Valuation and compilation

Other equity

- Methods as for unlisted DI and PI equity

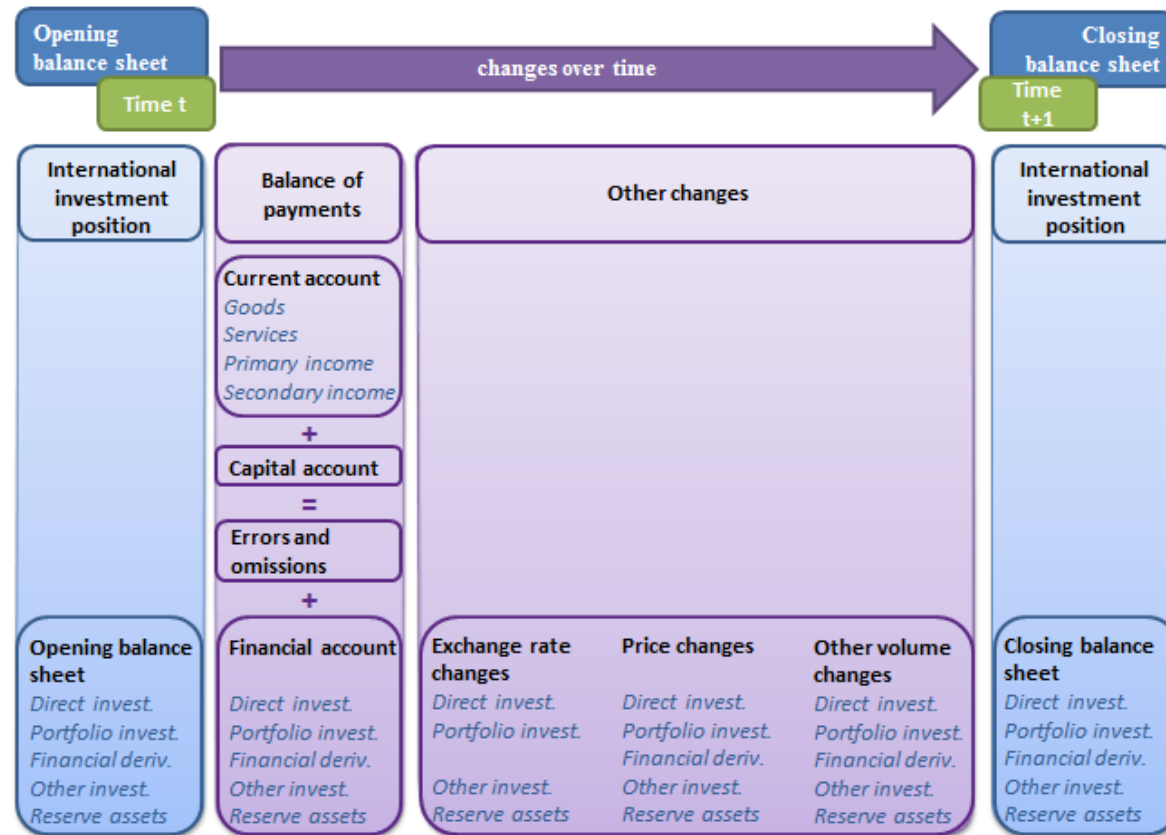
Loans, deposits, other acc. receivable/payable

- Transactions at market prices
- Positions at nominal value

Pension entitlements

- Direct or actuarial

Valuation and compilation



Write off/down of loans

Other Investment - overview

Other investment in the b.o.p./i.i.p.

Financial instruments

Breakdowns and links with other accounts

Valuation and compilation

Income on other investment

Income on other investment

Assets/Liabilities classes

Other equity

Equity income

Currency and deposits

Loans

Trade credit and advances

Interest

Other accounts receivable/payable

Special Drawing Rights (SDRs) allocations

Insurance, pension schemes & stand. guarantee schemes

Investment income

Structure

1. Other Investment
2. Financial Derivatives
3. Reserve Assets

Financial derivatives - overview

Financial derivatives in the b.o.p./i.i.p.

Financial instruments

Significance of financial derivatives

Valuation and compilation

Financial derivatives - overview

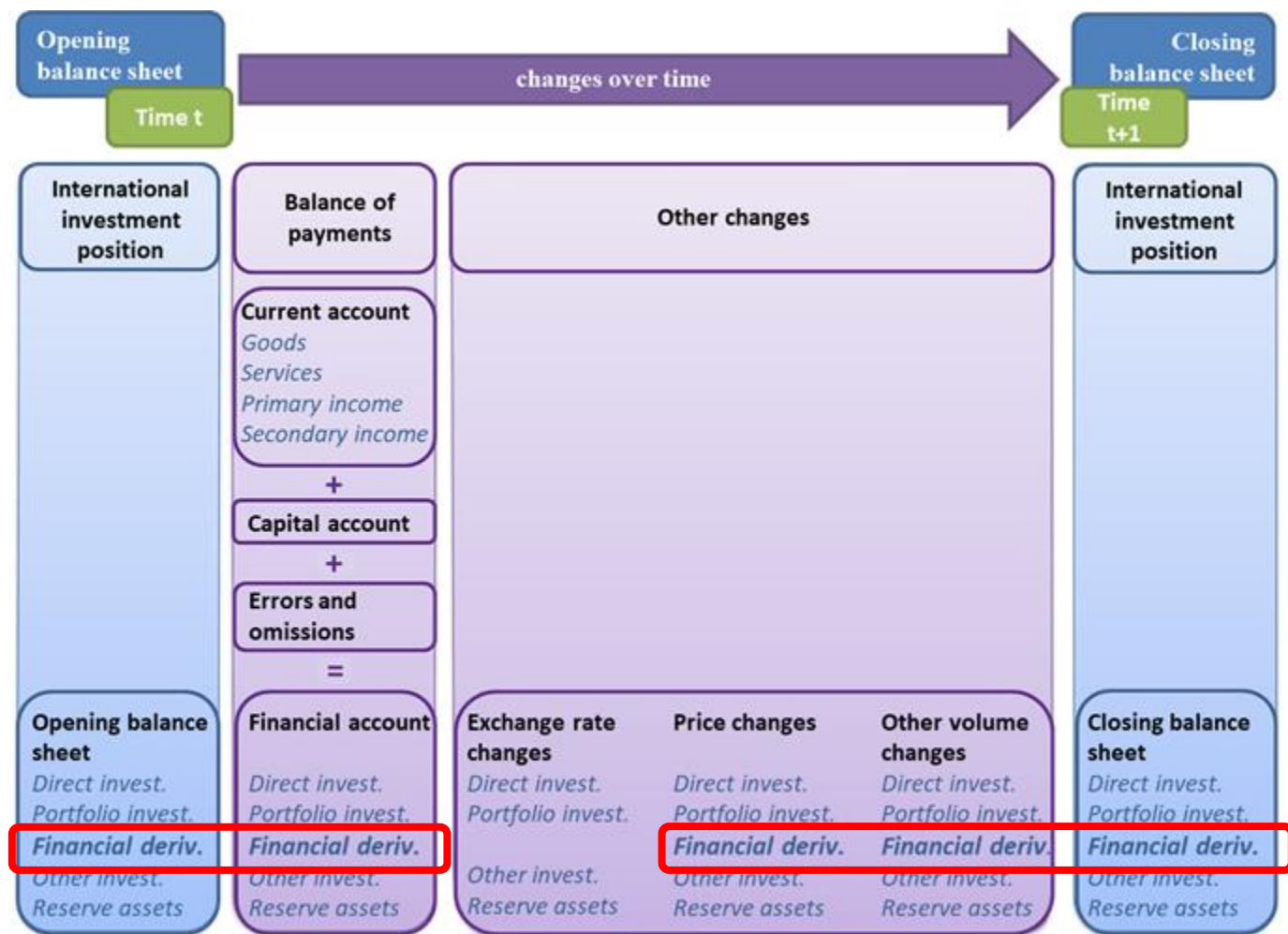
Financial derivatives in the b.o.p./i.i.p.

Financial instruments

Significance of financial derivatives

Valuation and compilation

Financial derivatives in the b.o.p./i.i.p.



Financial derivatives in the b.o.p.

Bundesbank Statistical Series

IV. Financial account

1. Overview

a) Total *

€ million

Period	Net domestic investment abroad (increase: +)					Net foreign investment in the reporting country (increase: +)					Net financial account
	Total	Direct investment 1	Portfolio investment	Financial derivatives and employee stock options 2	Other investment	Reserve assets	Total	Direct investment 1	Portfolio investment	Other investment	
	1	2	3	4	5	6	7	8	9	10	
2005	+ 408,993	+ 71,141	+ 205,631	+ 7,961	+ 126,442	- 2,182	+ 312,557	+ 49,355	+ 175,766	+ 87,436	+ 96,436
2006	+ 487,541	+ 117,812	+ 162,960	+ 4,504	+ 205,199	- 2,934	+ 330,399	+ 69,166	+ 144,632	+ 116,601	+ 157,142
2007	+ 675,584	+ 103,446	+ 148,001	+ 83,570	+ 339,615	+ 953	+ 492,415	+ 38,340	+ 301,825	+ 152,250	+ 183,169
2008	+ 213,156	+ 63,620	- 19,201	+ 27,651	+ 139,078	+ 2,008	+ 91,820	+ 20,352	+ 12,732	+ 58,736	+ 121,336
2009	+ 47,518	+ 72,192	+ 79,318	- 6,843	- 105,796	+ 8,648	- 82,174	+ 39,989	- 6,119	- 116,044	+ 129,693
2010	+ 418,365	+ 109,844	+ 170,434	+ 13,539	+ 122,935	+ 1,613	+ 325,608	+ 64,686	+ 57,599	+ 203,323	+ 92,757
2011	+ 261,157	+ 77,306	+ 18,788	+ 28,591	+ 133,636	+ 2,836	+ 140,300	+ 69,814	+ 53,103	+ 17,382	+ 120,857
2012	+ 373,797	+ 76,835	+ 105,603	+ 24,138	+ 165,925	+ 1,297	+ 222,380	+ 50,386	+ 53,817	+ 118,177	+ 151,417
2013	+ 62,438	+ 70,516	+ 137,004	+ 23,894	- 169,814	+ 838	- 163,575	+ 50,372	- 21,096	- 192,852	+ 226,014
2014	+ 308,361	+ 79,463	+ 151,418	+ 38,547	+ 41,497	- 2,564	+ 68,103	+ 13,765	+ 16,068	+ 38,270	+ 240,258
2015	+ 276,351	+ 117,819	+ 124,529	+ 30,388	+ 5,829	- 2,213	+ 41,959	+ 56,094	- 65,203	+ 51,068	+ 234,392
2016	+ 407,469	+ 101,376	+ 98,845	+ 28,605	+ 176,957	+ 1,686	+ 146,346	+ 57,986	- 99,924	+ 188,283	+ 261,123
2017	+ 397,050	+ 131,115	+ 117,001	+ 11,122	+ 139,081	- 1,269	+ 120,341	+ 97,587	- 86,291	+ 109,045	+ 276,709
2018	+ 398,714	+ 156,050	+ 82,648	+ 22,539	+ 137,085	+ 392	+ 152,171	+ 135,583	- 70,988	+ 87,576	+ 246,544
2019	+ 247,406	+ 136,291	+ 136,850	+ 24,532	- 49,723	- 544	+ 43,607	+ 60,170	+ 63,443	- 80,006	+ 203,799
2020	+ 703,655	+ 96,602	+ 186,532	+ 99,097	+ 321,475	- 51	+ 476,016	+ 97,216	+ 143,783	+ 235,017	+ 227,639

Financial derivatives in the i.i.p

Bundesbank Statistical Series

I. International investment position

a) Overview

€ million

Debt securities			Other investment										Reserve assets	End of reporting period
Short-term ⁶	Long-term ⁷	Financial derivatives and employee stock options	Total	Loans ^{8, 9}	of which: Monetary financial institutions ¹⁰	Currency and deposits ⁸	of which: Monetary financial institutions ¹⁰	Trade credits and advances ¹¹	Insurance, pensions and standardised guarantee schemes	Other equity ¹²	Other accounts receivable/payable	Special drawing rights		
14	15	16	17	18	19	20	21	22	23	24	25	26	27	
Assets														
21,676	1,772,762	665,275	2,600,787	593,749	423,991	1,772,499	843,715	87,582	54,433	69,532	22,992	–	159,532	2015
19,942	1,846,809	611,375	2,781,215	617,696	451,242	1,921,570	835,025	91,148	53,272	72,922	24,607	–	175,765	2016
18,755	1,856,053	475,166	2,855,750	617,505	441,918	1,982,445	761,911	97,513	56,951	76,665	24,671	–	166,842	2017
19,407	1,874,164	425,893	3,017,497	666,233	489,248	2,071,504	779,796	102,674	64,070	87,864	25,152	–	173,138	2018
24,464	2,034,562	625,130	3,029,234	696,760	512,955	2,037,057	821,915	103,932	63,973	101,970	25,542	–	199,295	2019
24,464	2,034,562	625,130	3,029,234	696,760	512,955	2,037,057	821,915	103,932	63,973	101,970	25,542	–	199,295	2019 Q4
28,892	1,999,355	925,684	3,216,254	731,213	543,079	2,182,021	896,509	106,532	63,720	107,079	25,689	–	213,722	2020 Q1
33,330	2,074,236	908,546	3,267,363	730,705	538,069	2,240,605	867,475	95,038	63,736	111,224	26,055	–	226,135	Q2
33,373	2,081,540	904,462	3,402,871	721,525	530,349	2,376,766	844,994	98,614	63,924	115,870	26,172	–	227,150	Q3
Liabilities														
171,286	1,793,193	681,115	1,887,255	331,668	–	1,287,082	820,643	102,889	135,106	5,933	9,228	15,349	–	2015
174,535	1,754,294	640,972	2,074,021	320,116	–	1,487,467	910,114	107,898	130,090	5,790	7,289	15,371	–	2016
149,848	1,660,456	489,718	2,155,798	329,272	–	1,562,164	907,813	107,863	129,250	5,908	7,019	14,322	–	2017
148,798	1,578,488	444,666	2,251,547	338,711	–	1,638,578	882,546	113,278	130,134	6,225	9,965	14,656	–	2018
173,278	1,671,864	657,975	2,213,504	354,528	–	1,576,866	918,120	116,306	134,190	6,553	10,181	14,880	–	2019
173,278	1,671,864	657,975	2,213,504	354,528	–	1,576,866	918,120	116,306	134,190	6,553	10,181	14,880	–	2019 Q4
196,687	1,686,933	955,610	2,375,483	381,111	–	1,706,606	1,103,713	119,268	134,938	6,572	11,961	15,027	–	2020 Q1
233,458	1,786,708	936,022	2,419,736	413,849	–	1,723,037	1,119,022	112,340	135,686	6,707	13,307	14,810	–	Q2
279,146	1,885,848	920,179	2,411,805	380,921	–	1,745,175	1,109,891	115,796	136,434	6,794	12,187	14,498	–	Q3
Balance														
– 149,610	– 20,431	– 15,840	713,532	262,081	423,991	485,417	23,072	– 15,307	– 80,673	63,599	13,764	– 15,349	159,532	2015
– 154,593	92,515	– 29,597	707,194	297,580	451,242	434,103	– 75,089	– 16,750	– 76,818	67,132	17,318	– 15,371	175,765	2016
– 131,093	195,597	– 14,552	699,952	288,233	441,918	420,281	– 145,902	– 10,350	– 72,299	70,757	17,652	– 14,322	166,842	2017
– 129,391	295,676	– 18,773	765,950	327,522	489,248	432,926	– 102,750	– 10,604	– 66,064	81,639	15,187	– 14,656	173,138	2018
– 148,814	362,698	– 32,845	815,730	342,232	512,955	460,191	– 96,205	– 12,374	– 70,217	95,417	15,361	– 14,880	199,295	2019
– 148,814	362,698	– 32,845	815,730	342,232	512,955	460,191	– 96,205	– 12,374	– 70,217	95,417	15,361	– 14,880	199,295	2019 Q4
– 167,795	312,422	– 29,926	840,771	350,102	543,079	475,415	– 207,204	– 12,736	– 71,218	100,507	13,728	– 15,027	213,722	2020 Q1
– 200,128	287,528	– 27,476	847,627	316,856	538,069	517,568	– 251,547	– 17,302	– 71,950	104,517	12,748	– 14,810	226,135	Q2
– 245,773	195,692	– 15,717	991,066	340,604	530,349	631,591	– 264,897	– 17,182	– 72,510	109,076	13,985	– 14,498	227,150	Q3

Financial derivatives in BPM6

5.79 - 5.98 Classifications of Financial Assets and Liabilities

6.58 - 6.60 Functional Categories

7.33 – 7.39 International Investment Position

8.34 – 8.41 Financial Account

9.30 – 9.31 Other changes

Financial derivatives - overview

Financial derivatives in the b.o.p./i.i.p.

Financial instruments

Significance of financial derivatives

Valuation and compilation

Financial derivatives

What are financial derivatives?

1. What are they used for?

- **Trading financial risks**
 - **Interest rate risk**
 - **Foreign exchange risk**
 - **Equity price risk**
 - **Commodity price risk**
 - **Credit risk**
 - ...
- **Main purposes**
 - **Hedging**
 - **Speculation**

Financial derivatives

What are financial derivatives

2. What is particular about them?

- Value “derived” from underlying asset or price
- High leverage
- Contractual freedom
- Counterparty risk
- Pricing

Financial derivatives

What are financial derivatives

3. What determines their value?

- **Price of an underlying asset**
 - **Shares**
 - **Interest rates**
 - **Exchange rates**
 - **Commodities**
 - **Indices**
 - **Freight rates**
 - ...
- **Occurrence of a certain event**
 - **Credit event (default)**
 - **Weather conditions**
 - ...

Financial derivatives

What are financial derivatives

4. What types of derivatives exist? (Financial Instruments)

- **Forwards**

Agreements where the seller/buyer has the **obligation** to deliver/pay for an asset at a fixed price at an agreed future date.

- **Options**

Contracts that give the buyer **the right** but not the obligation to

- buy (**call** option) or
- sell (**put** option) an asset at a fixed price in the future

- **Swaps**

Obligation to exchange future cash flows over an agreed

term, e.g. based on a fixed interest rate.

Financial derivatives

What are financial derivatives

5. How are they traded?

- **Exchange traded**

- **Standardization**
- **Liquidity**
- **Transparency**
- **No counterparty risk**

(Futures and plain vanilla options...)

- **Over-the-counter (OTC)**

- **Dealer-based**
- **Customization**
- **Liquidity risk**
- **Counterparty risk**
- **Increasingly cleared via CCPs**

(Swaps, forwards and exotic options...)

Financial derivatives - overview

Financial derivatives in the b.o.p./i.i.p.

Financial instruments

Significance of financial derivatives

Valuation and compilation

Financial derivatives in the b.o.p./i.i.p.

Are they significant? (ECB Statistics Bulletin)

7.3.1 Summary financial account

(EUR billions, unless otherwise indicated; outstanding amounts and growth rates at end of period; transactions during period)

	Total ¹⁾			Total as a % of GDP			Direct investment		Portfolio investment		Net financial derivatives	Other investment		Reserve assets
	Assets	Liabilities	Net	Assets	Liabilities	Net	Assets	Liabilities	Assets	Liabilities		Assets	Liabilities	
	1	2	3	4	5	6	7	8	9	10	11	12	13	14
Outstanding amounts (international investment position)														
2017	25,369.6	26,292.7	-923.1	226.2	234.4	-8.2	11,306.2	9,391.2	8,509.2	10,945.4	-92.7	4,977.1	5,956.1	669.7
2018	25,537.2	26,051.6	-514.4	220.4	224.8	-4.4	11,143.7	9,094.9	8,441.0	10,542.9	-115.4	5,348.8	6,413.8	719.1
2019	27,829.5	27,882.0	-52.5	233.1	233.6	-0.4	11,517.1	9,375.3	9,891.3	12,093.9	-85.5	5,693.1	6,412.8	813.6
2019 Q3	28,093.8	28,281.0	-187.1	237.0	238.5	-1.6	11,636.0	9,441.5	9,639.2	12,018.9	-123.5	6,115.2	6,820.6	827.0
Q4	27,829.5	27,882.0	-52.5	233.1	233.6	-0.4	11,517.1	9,375.3	9,891.3	12,093.9	-85.5	5,693.1	6,412.8	813.6
2020 Q1	27,462.6	27,541.7	-79.1	230.8	231.5	-0.7	11,265.3	9,318.6	8,883.9	11,121.5	-99.0	6,546.2	7,101.6	866.3
Q2	28,140.0	28,240.0	-100.0	244.3	245.1	-0.9	11,316.2	9,503.7	9,854.1	11,939.3	-70.7	6,135.5	6,797.0	905.0
Q3	28,088.2	28,098.3	-10.1	246.0	246.1	-0.1	11,165.5	9,335.2	9,972.6	12,062.8	-97.6	6,138.1	6,700.3	909.6
Transactions														
2018	182.5	-117.4	299.8	1.6	-1.0	2.6	-257.7	-396.6	191.9	-11.2	40.2	183.0	290.4	25.1
2019	700.3	486.4	213.9	5.9	4.1	1.8	24.7	96.7	436.1	483.0	-2.8	239.0	-93.3	3.2
2020	1,092.2	796.2	296.0	9.7	7.0	2.6	46.1	166.3	643.8	163.6	9.7	380.5	466.2	12.1
2020 Q2	153.0	111.7	41.4	1.3	1.0	0.4	81.7	173.6	383.2	201.2	38.0	-353.1	-263.1	3.2
Q3	195.6	101.1	94.5	1.7	0.9	0.8	39.3	-15.8	86.8	113.7	-31.0	97.1	3.2	3.4
Q4	135.0	-11.0	146.0	1.2	-0.1	1.3	-41.9	68.3	302.7	-210.8	-9.6	-118.3	131.5	2.1
2020 Sep.	-58.9	-102.8	43.8	-	-	-	-41.3	-48.3	19.5	21.3	-21.6	-18.2	-75.8	2.6
Oct.	166.5	134.1	32.4	-	-	-	13.2	-4.7	65.8	-18.5	-0.2	84.8	157.3	2.9
Nov.	219.9	188.7	31.2	-	-	-	34.8	100.6	85.8	-87.9	12.6	89.3	176.0	-2.6
Dec.	-251.4	-333.9	82.4	-	-	-	-89.9	-27.6	151.1	-104.5	-22.0	-292.4	-201.8	1.7
2021 Jan.	290.7	280.7	10.0	-	-	-	39.8	37.3	105.3	74.5	5.4	141.2	168.9	-0.9

Financial derivatives

Are they significant?

Financial derivatives played roles in

- During the [global financial crisis](#) especially for the cases of [Lehman Brothers](#) and [AIG](#)
- More currently: Case of [Archegos](#) and [total return swaps](#)
- Have been in the [focus of regulators](#) since then
- Current project: The [European Market Infrastructure Regulation \(EMIR\)](#)
 - Obligation to clear certain classes of OTC-derivatives through central counterparties (CCPs)
 - Mandatory reporting of all derivative contracts to trade repositories
 - European Securities and Markets Authority (ESMA) responsible for surveillance of trade repositories

Financial derivatives - overview

Financial derivatives in the b.o.p./i.i.p.

Financial instruments

Significance of financial derivatives

Valuation and compilation

Financial derivatives

Valuation and compilation

Transactions (BoP)

- **Net reporting** of transactions is accepted (BPM6 8.34)
- Financial derivatives do **not** yield **primary (investment) income** (BPM6 6.59, 11.3b)
- In general, transactions that increase/reduce assets/liabilities have to be reported (BPM6 8.34-8.41)
Difference payments, option premiums, variation margins, etc.
- Financial derivatives associated with reserve asset management are part of **reserve assets** (BPM6 6.58); all other financial derivatives fall into the functional category of **financial derivatives**

Financial derivatives

Valuation and compilation

Positions (IIP)

- Gross reporting of positions (BPM6 7.37)
- Positions are reported at market values (BPM6 7.33)
- Positions in financial derivatives can switch between assets and liabilities (BPM6 9.30)
- As a convention, financial derivative positions are not affected by exchange rate changes (somewhat in opposition to BPM6 9.31)
- Financial derivatives associated with reserve asset management are part of reserve assets (BPM6 6.58); all other financial derivatives fall into the functional category of financial derivatives

Structure

1. Other Investment
2. Financial Derivatives
3. Reserve Assets

Reserve assets - overview

Reserve assets in the b.o.p./i.i.p.

Financial instruments

Breakdowns and links with other accounts

Valuation and compilation

Income on reserve assets

Reserve assets - overview

Reserve assets in the b.o.p./i.i.p.

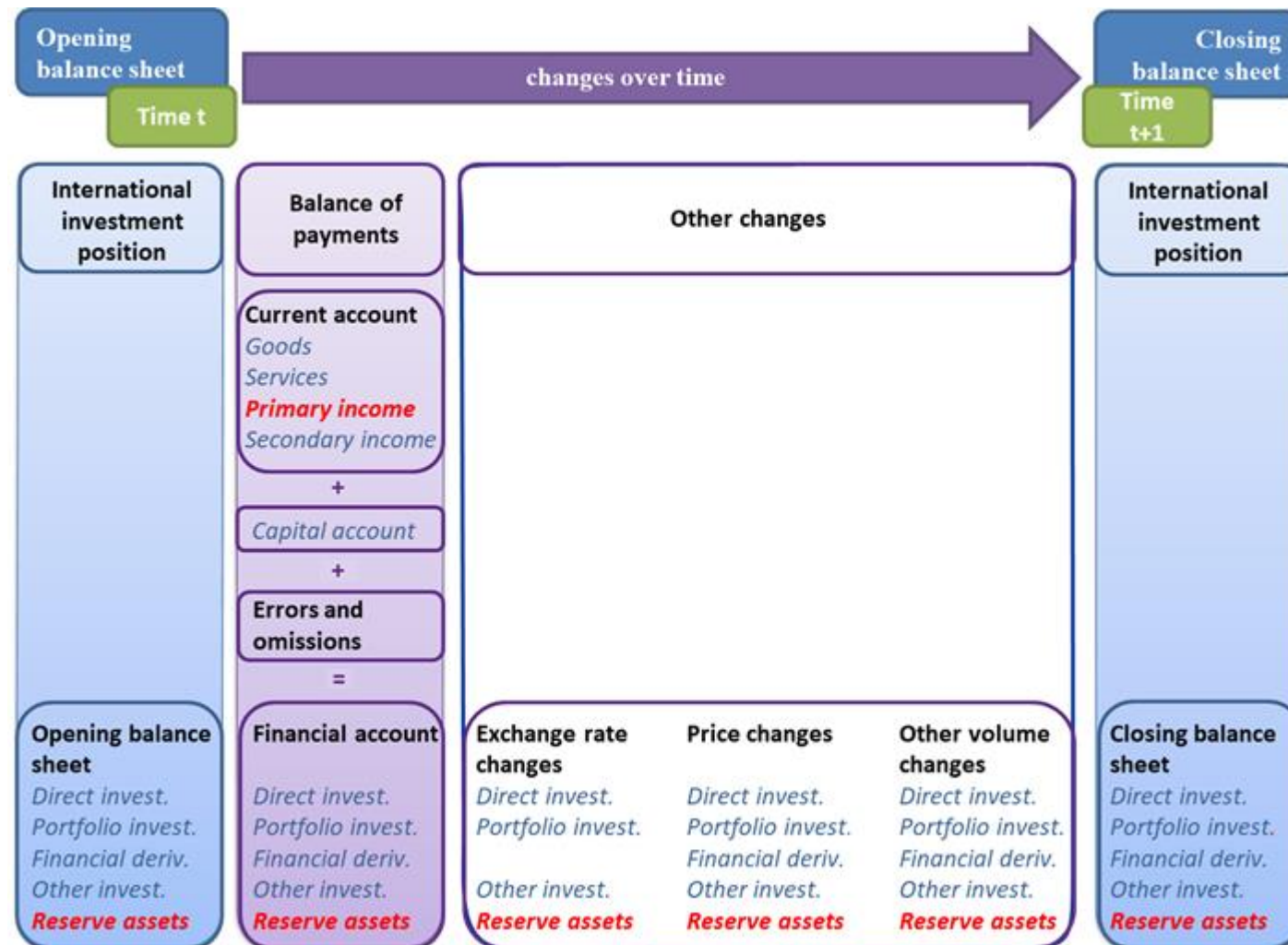
Financial instruments

Breakdowns and links with other accounts

Valuation and compilation

Income on reserve assets

Reserve assets in the b.o.p./i.i.p.



Reserve assets in the b.o.p./i.i.p.

ECB Statistics Bulletin

7.3.1 Summary financial account

(EUR billions, unless otherwise indicated; outstanding amounts and growth rates at end of period; transactions during period)

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2019 Q3	28,093.8	28,281.0	-187.1	237.0	238.5	-1.6	11,636.0	9,441.5	9,639.2	12,018.9	-123.5	6,115.2	6,820.6	827.0
Q4	27,829.5	27,882.0	-52.5	233.1	233.6	-0.4	11,517.1	9,375.3	9,891.3	12,093.9	-85.5	5,693.1	6,412.8	813.6
2020 Q1	27,462.6	27,541.7	-79.1	230.8	231.5	-0.7	11,265.3	9,318.6	8,883.9	11,121.5	-99.0	6,546.2	7,101.6	866.3
Q2	28,140.0	28,240.0	-100.0	244.3	245.1	-0.9	11,316.2	9,503.7	9,854.1	11,939.3	-70.7	6,135.5	6,797.0	905.0
Q3	28,088.2	28,098.3	-10.1	246.0	246.1	-0.1	11,165.5	9,335.2	9,972.6	12,062.8	-97.6	6,138.1	6,700.3	909.6
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2019	700.3	486.4	213.9	5.9	4.1	1.8	24.7	96.7	436.1	483.0	-2.8	239.0	-93.3	3.2
2020	1,092.2	796.2	296.0	9.7	7.0	2.6	46.1	166.3	643.8	163.6	9.7	380.5	466.2	12.1
2020 Q2	153.0	111.7	41.4	1.3	1.0	0.4	81.7	173.6	383.2	201.2	38.0	-353.1	-263.1	3.2
Q3	195.6	101.1	94.5	1.7	0.9	0.8	39.3	-15.8	86.8	113.7	-31.0	97.1	3.2	3.4
Q4	135.0	-11.0	146.0	1.2	-0.1	1.3	-41.9	68.3	302.7	-210.8	-9.6	-118.3	131.5	2.1
2020 Sep.	-58.9	-102.8	43.8	-	-	-	-41.3	-48.3	19.5	21.3	-21.6	-18.2	-75.8	2.6
Oct.	166.5	134.1	32.4	-	-	-	13.2	-4.7	65.8	-18.5	-0.2	84.8	157.3	2.9
Nov.	219.9	188.7	31.2	-	-	-	34.8	100.6	85.8	-87.9	12.6	89.3	176.0	-2.6
Dec.	-251.4	-333.9	82.4	-	-	-	-89.9	-27.6	151.1	-104.5	-22.0	-292.4	-201.8	1.7
2021 Jan.	290.7	280.7	10.0	-	-	-	39.8	37.3	105.3	74.5	5.4	141.2	168.9	-0.9

Reserve assets in BPM6

6.64 – 6.116 Functional Categories

7.69 – 7.73 International Investment Position

8.55 – 8.57 Financial Account

“Reserve assets are those **external assets** that are **readily available** to and controlled by **monetary authorities** for meeting **balance of payments financing needs**, for **interventions in exchange markets** to affect the currency exchange rates, and for **related purposes**“... (BPM6 6.64)

Reserve assets - overview

Reserve assets in the b.o.p./i.i.p.

Financial instruments

Breakdowns and links with other accounts

Valuation and compilation

Income on reserve assets

Reserve assets

Financial Instruments

Reserve assets are

- external assets that are (claims on nonresidents)
- readily available (liquid assets, convertible currency)
- controlled by monetary authorities (e.g. central bank)
- for meeting BoP financing needs, for interventions in exchange markets, for other purposes (denominated and settled in foreign currency)

→ All financial instruments that fulfil these conditions

Reserve assets - overview

Reserve assets in the b.o.p./i.i.p.

Financial instruments

Breakdowns and links with other accounts

Valuation and compilation

Income on reserve assets

Reserve assets

Breakdown

- Monetary gold
- Reserve position in the IMF
- SDRs
- Other reserve assets
 - Currency and deposits
 - Securities
 - Financial derivatives
 - Other claims

Reserve assets

Structure

7.3.9 Reserve assets ¹⁾

(EUR billions, unless otherwise indicated; outstanding amounts and growth rates at end of period; transactions during period)

	Reserve assets												Memo items	
	Total	Monetary gold		SDR holdings	Reserve position in the IMF	Other reserve assets							Other foreign currency assets	Pre-determined short-term net drains on foreign currency
		In EUR billions	In fine troy ounces (millions)			Currency and deposits		Securities		Financial derivatives (net)	Other claims			
						With monetary authorities, IMF and the BIS	With banks	Equity and investment fund shares	Debt securities			Long-term		
	1	2	3	4	5	6	7	8	9	10	11	12	13	14
Outstanding amounts (international investment position)														
2017	669.7	375.0	346.654	49.9	17.3	29.9	7.3	1.1	151.6	34.3	0.2	3.0	38.6	-44.9
2018	719.1	388.5	346.534	51.8	22.1	41.7	8.7	1.5	162.2	39.0	0.0	3.5	20.6	-39.7
2019	813.6	469.1	346.458	53.4	24.4	30.9	10.4	1.9	179.7	41.8	-1.0	3.0	20.1	-38.3
2020 Q2	905.0	546.9	346.352	52.5	27.9	27.8	8.2	2.6	178.7	56.2	0.0	4.2	46.6	-58.8
Q3	909.6	557.4	346.333	51.4	29.5	32.0	9.6	4.0	176.6	45.0	0.1	4.2	17.9	-38.2
Q4	879.8	534.7	346.338	50.6	31.1	30.1	9.5	4.1	168.9	46.3	0.1	4.5	19.3	-36.4
2020 Oct.	915.6	558.8	346.334	51.8	29.6	29.5	11.4	4.9	180.2	45.2	-0.2	4.6	16.8	-37.7
Nov.	860.4	511.7	346.338	51.2	29.2	29.5	9.8	4.3	174.6	45.4	0.0	4.5	16.4	-36.8
Dec.	879.8	534.7	346.338	50.6	31.1	30.1	9.5	4.1	168.9	46.3	0.1	4.5	19.3	-36.4
2021 Jan.	880.2	533.4	346.339	50.8	31.1	29.0	8.9	4.3	168.4	49.4	0.1	4.8	18.3	-35.0
Feb.	848.6	504.0	346.334	50.8	31.1	28.6	9.5	4.5	167.1	48.9	0.1	3.9	19.0	-35.3
Transactions														
2018	25.1	0.0	-	0.7	4.5	10.1	1.2	0.2	5.4	2.9	-0.3	0.5	-	-
2019	3.2	0.0	-	0.8	-1.4	-11.2	1.4	0.1	12.0	1.8	0.3	-0.6	-	-
2020	12.1	0.0	-	-0.5	8.1	-4.0	-0.5	-0.7	0.0	8.7	-0.5	1.5	-	-
2020 Q2	3.2	0.0	-	-0.6	4.3	-14.2	-1.9	0.2	-3.8	18.5	-0.3	1.1	-	-
Q3	3.4	0.0	-	0.0	2.1	3.4	1.9	-0.1	4.9	-9.0	0.0	0.2	-	-
Q4	2.1	0.0	-	0.1	2.1	-1.4	0.0	-1.3	-0.9	3.0	0.0	0.4	-	-
2020 Sep.	2.6	0.0	-	0.0	0.7	1.2	0.5	0.0	1.2	-1.2	0.1	0.2	-	-
Oct.	2.9	0.0	-	0.2	0.0	-2.8	1.4	0.0	3.6	0.2	0.0	0.4	-	-
Nov.	-2.6	0.0	-	0.0	0.0	0.5	-1.1	-0.9	-2.3	1.2	0.0	0.0	-	-
Dec.	1.7	0.0	-	-0.1	2.2	0.9	-0.3	-0.4	-2.2	1.6	0.0	0.0	-	-
2021 Jan.	-0.9	0.0	-	-0.1	-0.1	-1.4	-0.6	0.2	-2.0	2.7	0.1	0.3	-	-

Reserve assets - overview

Reserve assets in the b.o.p./i.i.p.

Financial instruments

Breakdowns and links with other accounts

Valuation and compilation

Income on reserve assets

Reserve assets

Valuation and compilation

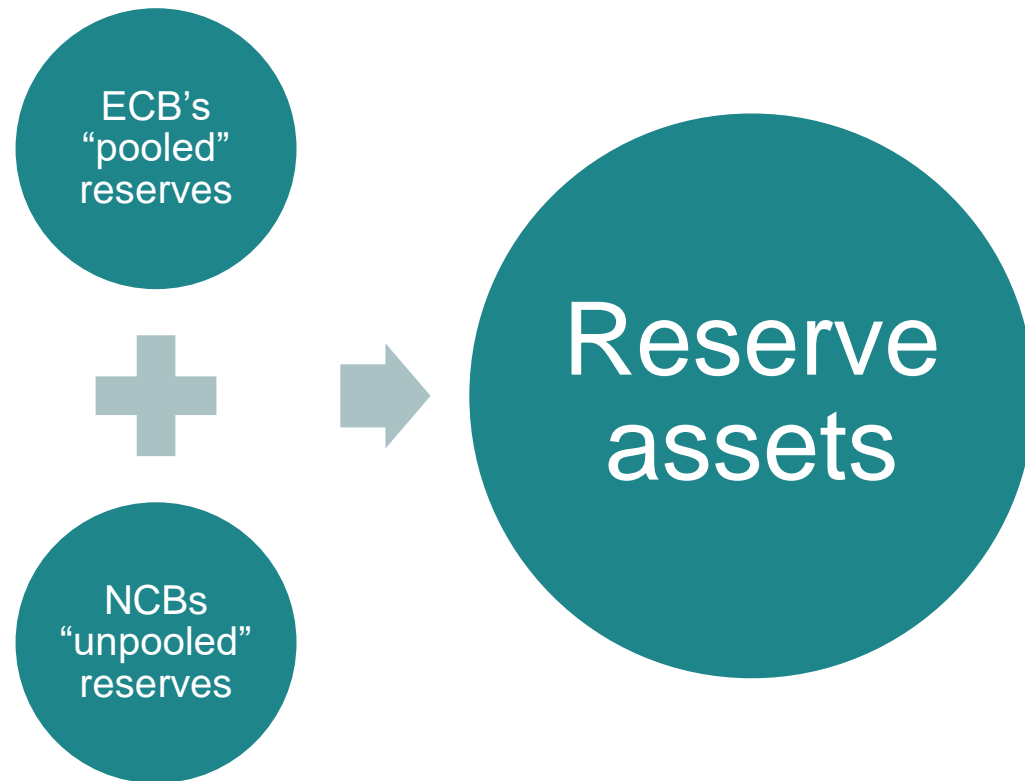
Reserve assets are generally valued at **market value**

Exceptions: **deposits** and **loans** are valued at **nominal values**

Financial derivatives for the purpose of managing reserve assets are reported on a **net basis** (assets minus liabilities)

Reserve assets

Special case: Eurosystem international reserve assets definition



External
assets in
foreign
currency

claims on
non-residents
in the euro
area



EUR and the
legacy
currencies

held by the
national
central
governments

Reserve assets - overview

Reserve assets in the b.o.p./i.i.p.

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Income on reserve assets

Reserve assets

Income

- Return for providing financial assets;
- It consists of
 - Income on equity and investment fund shares
 - Interest

Thank you

