

NATIONAL BANK OF SLOVAKIA

STATISTICS DEPARTMENT

SECTION QUARTERLY FINANCIAL ACCOUNTS STATISTICS

# METHODOLOGY

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for the quarterly financial accounts

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## 1 Introduction

**The quarterly financial accounts (QFAs)** are financial statistics forming an integral part of the system of national accounts. The national accounts for Slovakia are reported pursuant to internationally accepted and standardised directives and standards in accordance with the new methodology – the European system of national and regional accounts in the European Union (hereinafter the 'ESA 2010') (The ESA 2010 was published in the EU's Official Journal as Annex A to Regulation (EU) No 549/2013 of the European Parliament and of the Council, Annex B of which sets out the ESA 2010 data transmission programme.) In so far as the ESA 2010 methodology differs from its predecessor, the ESA 95 methodology, the main purpose is to capture shifts in economic reality conditioned by increasing globalisation. The reporting of data under the new ESA 2010 methodology ensures improved and enhanced functioning of the whole system of national accounts. The way of data compilation elaborated within the line of ESA 2010 results in quality increasment of the whole national accounts system functioning. New methodology also implements higher degree of precision principles with respect to sectorisation and classification of defined sectors and subsectors, non-financial and financial assets and liabilities, transactions and other flows.

Data on euro-area QFA are currently available on the web site of European Central Bank <http://www.ecb.int/stats/acc/html/index.en.html> as a part of integrated Euro Area Accounts (EAA). EAA represent connected non-financial and financial accounts, i.e. interconnection of data on production process, its distribution and consequent consumption with the use of savings (as a non-consumed part) in financial flows of funds.

## 2 Key aspects of the quarterly financial accounts (QFAs)

The QFAs systematically define and describe the different states of the economic process — production of goods and services, generation of income, distribution and redistribution of income, and use of income — while at the same time reflecting and capturing all changes in financial assets and liabilities in all the sectors under review. The QFAs are an integral part of the European system of national and regional accounts in the European Union (ESA 2010). The ESA 2010's structure is consistent with worldwide guidelines on national accounting, while its methodology is focused mainly on the detailed capturing of data across the European Union. In so far as the ESA 2010 methodology differs from its predecessor, the ESA 95 methodology, the main purpose is to capture shifts in economic reality conditioned by increasing globalisation. In line with the need for more precise and consistent reporting, the ESA 2010 methodology includes changes in the classification of institution sectors, non-financial and financial transactions, and other flows. Compared with the ESA 95 methodology, the breakdown of the financial corporations sector (S.12) is more detailed, in order to allow a more granulated analysis of the individual sub-sectors as well as to ensure consistency with the financial statistics systems of the European Central Bank (ECB) and the International Monetary Fund (IMF). Whereas the ESA 95 had five S.12 sub-sectors, the ESA 2010 has nine. The main role of the QFAs continues to be to **provide exhaustive information about financial flows** both between different economic units in the national economy and between residents and the rest of the world, and relevant information about the volume (stocks) of financial assets available to these economic units. The information so obtained makes it possible to analyse in particular the central bank's monetary policy transmission mechanism and, by observing the volume and composition of the economic units' financial assets and financial debt, to monitor the stability of the country's financial system.

Národná banka Slovenska (NBS) is responsible for compiling and publishing the QFAs for the entire economy with the exception of the general government sector, which is covered by the Statistical Office of the Slovak Republic (SO SR). In preparing the QFAs, the NBS cooperates closely with the Ministry of Finance of the Slovak Republic (MF SR) and with other financial sector participants. Data on non-financial units (S.11, S.14, S.15, S.2) are obtained by NBS from SO SR statements, from the balance of payments prepared by NBS, and from existing statistical statements, i.e. data from counterparts- for example, data on household deposits (S.14) are not obtained directly from households, but from banks' statistical statements).

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<b>Coverage</b>	The QFAs are an integral part of the National Accounts as defined by the ESA 2010; they provide information about stocks and flows of financial investments and financial activities across different sectors of the economy.
<b>Statistical population</b>	The statistical population includes all institutional units (households, financial and non-financial corporations, general government institutions, non-profit institutions serving households) that have resident status in Slovakia.
<b>Type of statistics</b>	System of accounts
<b>Data source/Compilation</b>	<p>'Multisource statistics' - comprising data principally reported within the remit of Národná banka Slovenska (NBS):</p> <ol style="list-style-type: none"> <li>1. monetary and financial statistics (source: NBS);</li> <li>2. statistics for insurance corporations, pension funds, and capital market units (source: NBS, Ministry of Finance of the Slovak Republic (MF SR));</li> <li>3. balance of payment (BoP) and international investment position (IIP) statistics (source: NBS, Debt and Liquidity Management Agency (ARDAL), State Treasury, MF SR);</li> <li>4. securities statistics (source: NBS);</li> <li>5. government finance statistics and statistics for general government units (source: MF SR, ARDAL, State Treasury);</li> <li>6. quarterly financial accounts of the Slovak government (source: Statistical Office of the Slovak Republic (SO SR));</li> <li>7. government final account (source: MF SR)</li> <li>8. sample surveys of non-financial corporations and households (source: SO SR);</li> <li>9. internal enumerations, calculations and expert estimates (mainly for transactions/stocks in the absence of the respective data) (source: counterparty sector, actuarial calculation methods).</li> </ol>
<b>Reporting period and frequency</b>	Quarterly reporting beginning from Q1 2004.
<b>Legislative framework</b>	<ul style="list-style-type: none"> <li>• Regulation (EU) No 549/2013 of the European Parliament and of the Council on the European system of national and regional accounts in the European Union (ESA 2010);</li> <li>• Guideline ECB/2013/24 of 25 July 2013 on the statistical reporting requirements of the European Central Bank in the field of quarterly financial accounts;</li> <li>• Regulation (EU) No 1374/2014 of the European Central Bank of 28 November 2014 on statistical reporting requirements for insurance corporations (ECB/2014/50);</li> <li>• Decree No 10/2013 of Národná banka Slovenska of 10 December 2013 on reporting for statistical purposes by insurance undertakings, reinsurance undertakings, branches of foreign insurance undertakings, branches of foreign reinsurance undertakings, insurance undertakings and reinsurance undertakings from other Member States, pension funds management companies and supplementary pension management companies.</li> </ul>
<b>Reporting deadlines</b>	<ul style="list-style-type: none"> <li>• T+82 - preliminary</li> <li>• T+97 - final</li> <li>• T+108 - publication on internet</li> </ul>

### 3 QFAs in the ESA 2010 system

The ESA95 system records two basic kinds of information: **flows (F)** and **stocks (AF)**. Flows refer to actions and effects of events that take place within a given period of time (e.g. an increase in new household deposits in one quarter), while stocks refer to positions at a point of time (e.g. the total volume of all household deposits at the end of a particular quarter).

#### 3.1 Flows of financial assets and liabilities

Flows reflect the creation, transformation, exchange, transfer or extinction of economic value. Economic flows are of two kinds:

- a) transactions,
- b) other changes.

##### 3.1.1 Transactions

Financial transactions comprise transactions in financial assets and liabilities between economic units resident in the country and between these units and the rest of the world.

Under the ESA 2010, units in the national economy are grouped into institutional sectors; the level of and changes in their stocks and financial flows show, on the one hand, the economic processes in all kinds of economic assets and liabilities, both financial and non-financial, and, on the other hand, their links with the rest of the world recorded in the financial account. Transactional changes themselves contain information about the *actual acquisition and disposal of financial assets and liabilities*; in other words, financial transactions do not include changes in financial assets and liabilities resulting from *changes in price, classification or structure*.

##### 3.1.2 Other changes in assets and liabilities

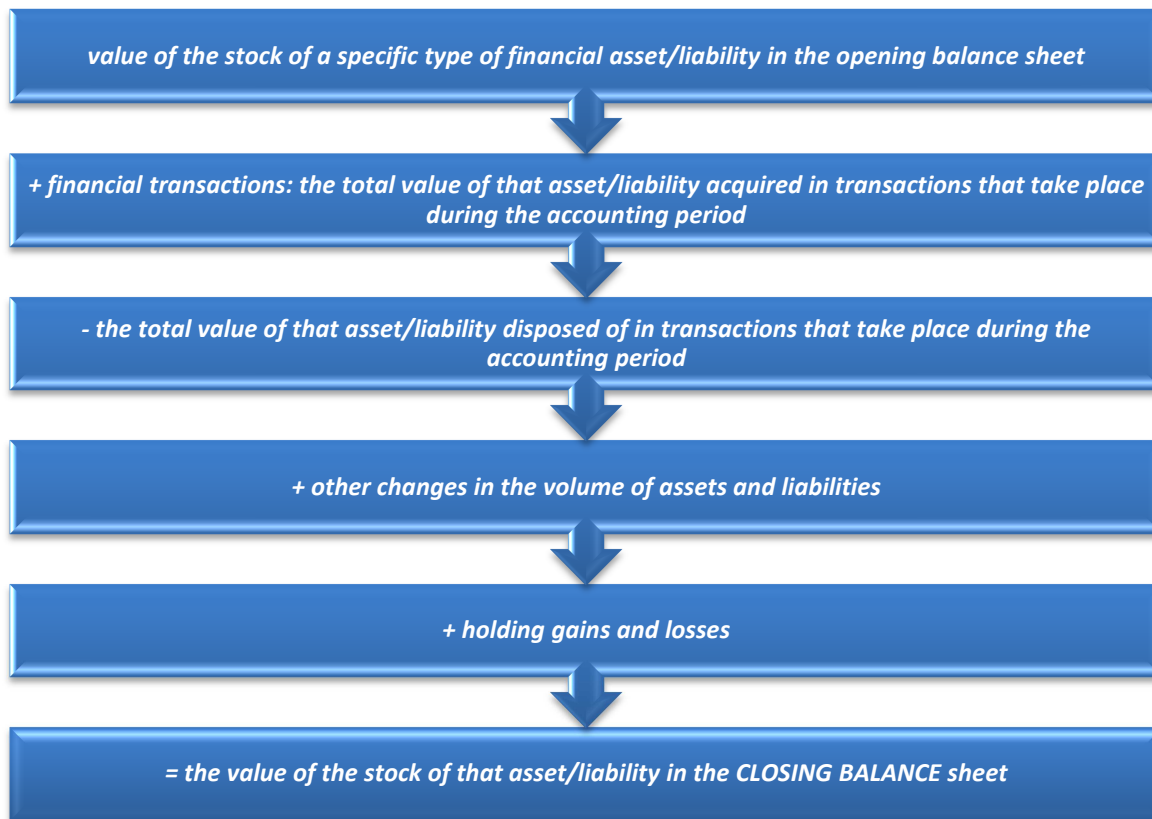
Other changes in assets and liabilities record changes that are not the result of transactions. They are either:

- 1) **other changes in the volume of assets and liabilities** (this category includes, for example, changes in the classification and structure of institutional sectors or financial assets and liabilities, and the unilateral cancellation of debt and uncompensated seizure of assets);  
or
- 2) **holding gains and losses** (these occur when there are changes in the prices of assets; they occur on all kinds of financial assets and liabilities where the assets or liabilities are held over time without being transformed in any way or affected by revaluation or exchange rate movements).

#### 3.2 Stocks of financial assets and liabilities

Stocks are the holdings of financial assets and liabilities at a point in time. They are recorded at the beginning and end of each accounting period (in opening and closing balance sheets). Within its boundaries, the ESA 2010 system is exhaustive in respect of both flows and stocks. (This implies that all changes in stocks can be fully explained by recorded flows)

In accordance with the above description of financial stocks and flows, a complete financial account for the national economy for a specific quarter appears as follows:



### 3.3 The sequence of national accounts

The ESA 2010 records flows and stocks in an ordered set of accounts which describe the economic cycle from production and the generation of income, through its distribution and redistribution, and, finally, what is used for the accumulation of assets. The accounts are grouped in three categories:

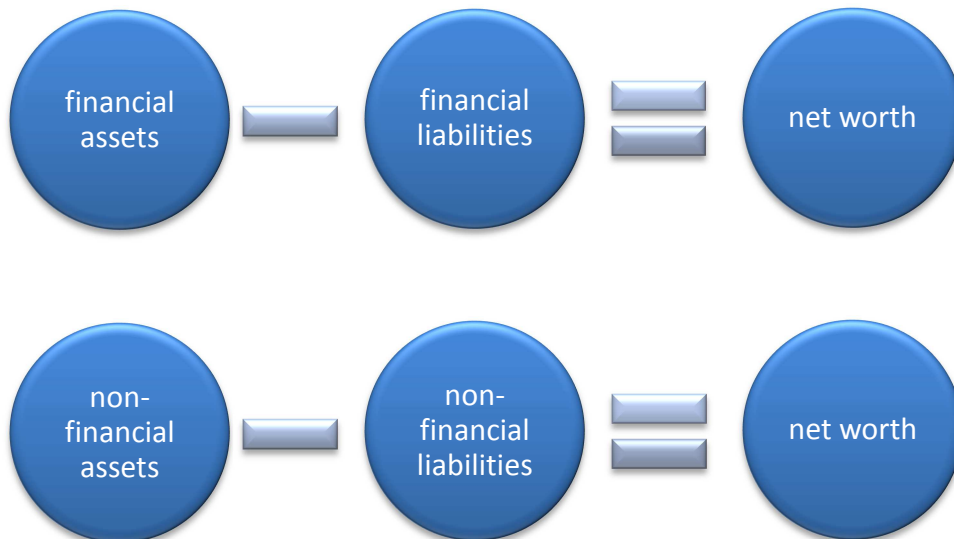
- a) current accounts
- b) accumulation accounts
- c) balance sheets

**Current accounts** are transaction accounts covering the generation, distribution and redistribution of income and its use in the form of final consumption. The income not directly used for final consumption is recorded as saving, the last balancing item of the current account, and it is the base amount in the accumulation accounts.

**Accumulation accounts** are flow accounts that record the various causes of changes in the assets and liabilities of institutional sectors and the change in their net worth. The accumulation accounts comprise the capital account (non-financial account) and financial account. The capital account measures the change in net worth due to saving and capital transfers and subsequently records acquisitions less disposals of non-financial assets/liabilities by resident units. The difference between net worth and acquisitions less disposals

of non-financial assets/liabilities creates a balancing item for the financial account. If the difference in the capital account is positive (+€100, for example), the difference between the financial assets and liabilities in the financial account will be the same (i.e. +€100). These differences in the capital and financial accounts are referred to as net lending or borrowing.

**Balance sheets** give a picture of the stocks of financial and non-financial assets and liabilities and net worth, where:



### 3.4 Rules of accounting

National accounting is based on the principle of double entry. Accordingly, *each transaction* is to be recorded twice, once as a *resource* (or a change in liabilities) and once as a *use* (or a change in assets). The total of transactions recorded as resources or uses must be equal, thus permitting a check on the consistency of the accounts.

#### 3.4.1 Valuation

In the national accounts, all **flows and stocks** are measured according to their exchange value, i.e. the value at which they are exchangeable for cash. **Market prices** are thus the ESA 2010's reference for valuation. If no market prices for certain financial or non-financial assets are available, the best method of valuation is by reference to market prices for analogous assets. If neither of these methods can be used, it is necessary to make an informed estimate of the market price.

#### 3.4.2 Time of recording

The system records flows on an accrual basis; that is, when economic **value is created**, transformed or extinguished, or when claims and obligations arise, are transformed or are cancelled. The classification of non-financial assets consists of fixed assets, inventories and valuables. Some debt securities are reported only at their nominal or issue price, as a current market price is not available. The acquisition or sale of a financial asset is recorded when



the asset changes hands, not when the corresponding payment is made. Interest is recorded in the accounting period when it accrues, regardless of whether or not it is paid in that period.

### 3.4.3 Consolidation

Consolidation refers to the elimination, from both uses and resources, of transactions (financial operations) that occur between units when units are grouped. For the compilation of the QFAs, consolidation applies only in the case of financial relationships within the general government sector (S.13); data for other sectors of the national economy are not consolidated.

## 3.5 Classification of institutional sectors and financial instruments

The QFAs provide information about relations between institutional sectors in terms of specific financial instruments. Each institutional sector and sub-sector group together institutional units which have a similar type of economic behavior.

The QFAs divide sectors into two principal categories:

- **residents** (or the total economy - **S.1**),
- **non-residents** (or the rest of the world - **S.2**).

**Residents** are those units that have a centre of economic interest, and are domiciled, in the given country.

**Non-residents** constitute the rest of the world sector, vis-à-vis which the total volume of financial assets and liabilities in specific sectors of the Slovak economy may be recorded, therefore allowing the net creditor or debtor position of the country to be calculated.

**Financial instruments** are economic assets (liabilities) comprising means of payment, financial claims, and economic assets (liabilities) that are close in nature to financial claims. In the ESA 2010 system, each financial asset has a counterpart liability. In contrast to the ESA 95, under which financial assets included in the category of monetary gold and special drawing rights (AF/F.1) were treated as an exception, the ESA 2010 recognises SDRs as assets with a counterpart liability, even though these assets represent claims on participants collectively and not on the IMF. The classification of financial assets and liabilities is based primarily on the principle of liquidity and the legal status of specific financial assets and liabilities. Even though innovations in financial markets have diminished the utility of the distinction between short-term and long-term financial assets and liabilities, this breakdown in the QFAs remains relevant for analysing instrument maturities as well as for analysing interest rates and asset yields. Short-term financial assets (liabilities) are financial assets (liabilities) whose original maturity is normally one year or less, and may exceptionally be longer, up to two years at most. Long-term financial assets (liabilities) are financial assets (liabilities) whose **original maturity is normally more than one year**.

In the Slovak QFAs, in accordance with the ESA 2010 system, **institutional sectors and sub-sectors are entered in the QFA matrix** (vertically in the creditor position on the asset side, and horizontally in the position of the financial instrument's issuer), as follows:

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<b>AREA/SECTOR</b>	<b>Code</b>
<b>Residents</b>	<b>S.1</b>
<b>Non-financial corporations</b>	<b>S.11</b>
<b>Financial corporations</b>	<b>S.12</b>
Central bank	S.121
Deposit-taking corporations	S.122
Money market funds (MMFs)	S.123
Non-MMF investment funds	S.124
Other financial intermediaries, except insurance corporations and pension funds	S.125
Financial auxiliaries	S.126
Captive financial institutions and money lenders	S.127
Insurance corporations (ICs)	S.128
Pension funds (PFs)	S.129
<b>General government</b>	<b>S.13</b>
Central government	S.1311
Regional government	S.1312
Local government	S.1313
Social security funds	S.1314
<b>Households</b>	<b>S.14</b>
<b>Non-profit institutions serving households</b>	<b>S.15</b>
<b>Rest of the world (non-residents)</b>	<b>S.2</b>
EU Member States of the euro area	S.21
EU Member States outside the euro area	S.22
Non-EU Member States and international organisations	S.23

The **ESA 2010 system** has the following classification of **financial instruments** (horizontal position of the issuer), which is identical for all reported sectors and sub-sectors:

FINANCIAL INSTRUMENT	Code
Monetary gold and special drawing rights (SDRs)	(A)F.1
Monetary gold	(A)F.11
SDRs	(A)F.12
Currency and deposits	(A)F.2
Currency	(A)F.21
Transferable deposits	(A)F.22
Other deposits	(A)F.29
Debt securities other than shares	(A)F.3
Short-term with an original maturity of one year or less	(A)F.31
Long-term	(A)F.32
Loans	(A)F.4
Short-term with an original maturity of one year or less	(A)F.41
Long-term	(A)F.42
Equity and investment fund shares/unit	(A)F.5
Equity	(A)F.51
Listed shares	(A)F.511
Unlisted shares	(A)F.512
Other equity	(A)F.519
Investment fund shares/units	(A)F.52
Money market fund shares/units	(A)F.521
Non-MMF investment fund shares/units	(A)F.522
Insurance, pension and standardised guarantee schemes	(A)F.6
Non-life insurance technical reserves / Provisions for calls under standardised guarantees	(A)F.61,66
Life insurance and annuity entitlements	(A)F.62
Pension entitlements / Claims of PFs on pension managers / Entitlements to non-pension benefits	A)F.63, 64,65
Financial derivatives and employee stock options	(A)F.7,71,72
Other accounts receivable/payable	(A)F.8
Trade credits and advances	(A)F.81
Other accounts receivable/payable	(A)F.89

### 3.6 Data sources for QFA compilation

As already mentioned in the introduction, the main role of the QFAs is to give a comprehensive picture of financial flows within the national economy as well as in relation to the rest of the world. This requires maximum possible data coverage for the production of high-quality data and analytical outputs, as well as comparability of the data over time.

### 3.6.1 QFAs as compiled statistics

Since the QFAs represent all financial transactions between all units in the national economy, and between these and the rest of the world, it is necessary to use various data sources in their compilation. The content of the data sources is either focused on a specific area of business activity (for example, data reported for institutional sectors S.121, S.122 and S.123 - monetary financial institutions), i.e. on economic activities and financial instruments related to the specific sector, or focused on a specific type of financial instrument (for example, securities data obtained from the database of the Central Securities Depository). Data thus obtained are considered partial primary inputs, and therefore the QFAs are a secondary output from these sources. The overall quality, data release times, and comparability of the QFAs depend to a great extent on such input statistics.

### 3.6.2 Data coverage

The volume of available data required for the QFAs varies. Dissimilarities and differences are observed both between sectors (and sub-sectors) and between different financial instruments. For example, the most reliable and most complete data that can be obtained relatively quickly after the end of the respective quarter are the data for sectors S.121, S.122, S.123, S.124, S.128 and S.129 (known as internal sources). The timeliness with which data for these sectors is obtained and the high-quality of these data are explained by the fact that NBS, through its role as the financial market supervisor, has long experience in collecting data from financial institutions, and that it is possible to address and obtain data from the relevant units with these sectors. Nevertheless, and despite the many innovative collection methods, there remain shortcomings and shortfalls in the obtaining of data from some sectors grouping a sizeable number of units that can neither be regulated nor influenced (reporting discipline) in regard to the required data. This is particularly the case with the sectors S.11, S.14 and S.15 - i.e. non-financial corporations, households, and non-profit institutions serving households (known as external sources). In consequence, missing data for relevant sectors are imputed using statistical calculations and expert estimates.

### 3.6.3 Counterparts

The QFAs enable monitoring of financial flows in the economy through different financial instruments, with there being an implicit relationship between instruments in sectoral terms: a financial instrument that is an asset in one sector is automatically shown as a liability of the counterpart sector. The double-entry recording of financial instruments allows data on one financial flow to be collected both from the unit holding the financial asset and from the unit that issued the asset, i.e. from the debtor (in the case of securities, for example, the issuer is a debtor of the security holder). As regards certain financial instruments where data are available from only one of the participants in the financial transaction, broken down by counterparty, the other participant is determined automatically, i.e. from the counterpart. This system for the collection of counterpart data is used mainly to obtain data on those sectors (e.g. households) from which precise data is uncollectable.

### 3.6.4 Data consistency

Often data on a specific financial instrument are available from both the sectors and sub-sectors concerned. Even though the counterparties to a financial instrument transaction both report data on it (one sector reporting the instrument as an asset, the other as a liability), it often happens

that these data differ. While such discrepancy may not be a problem in regard to the source sectors, its identification and rectification is crucial for the compilation of the QFAs as consistent system. These discrepancies may not necessarily result from errors in one of the source statistics; other causes may include, for example:

- differences between the reporting methodology used by the different sectors, i.e. differences in how the same financial instrument is defined or valued in the accounting and statistical statements of each sector;
- differences in the intervals at which the reported data are updated, or differences in the point at which a financial instrument is recorded (for example, shares acquired on 31 March 20xx, may be recorded in the statements of one sector as a transaction conducted in Q1 20xx, but in the other sector as a transaction conducted in Q2 20xx).

The scope for errors heightens the importance of having a reliable control mechanism for the data obtained. The principle of data consistency takes precedence over all other principles applied in the compilation of the QFAs. It is particularly important for recording the correct valuation of financial instruments, since the price of an asset (especially in the case of debt or equity securities) may be perceived differently by the asset holder and the debtor (issuer). In general, the market valuation principle is applicable only to financial assets that are publicly traded on the market; in other cases, a different valuation method must be applied.

### 3.6.5 Financial asset valuation for the purposes of the QFAs

Financial instrument	Valuation method
Monetary gold and SDRs (A)F.1	
Monetary gold (A)F.11	Market price
SDRs (A)F.12	Nominal value
Currency and deposits (A)F.2 <sup>1,2</sup>	
Currency (A)F.21	Nominal value
Transferable deposits (A)F.22	Nominal value
Other deposits (A)F.29	Nominal value
Debt securities other than shares (A)F.3 <sup>2</sup>	
Short-term with an original maturity of one year or less (A)F.31	Nominal value + <b>market price</b>
Long-term (A)F.32	Nominal value + <b>market price</b>
Loans (A)F.4 <sup>1,2</sup>	
Short-term with an original maturity of one year or less (A)F.41	Nominal value
Long-term (A)F.42	Nominal value
Equity and investment fund shares/units (A)F.5	
Equity (A)F.51	

<sup>1</sup> The nominal value is the price of the financial instrument shown on the means of payment or the amount in which the claim or liability has been recorded.

<sup>2</sup> The QFAs record interest on financial assets and liabilities in the respective financial instrument, as if it were reinvested.

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Listed shares (A)F.511	Market price
Unlisted shares (A)F.512	Market price
Other equity (A)F.519	Market price
Investment fund shares/units (A)F.52	
Money market fund shares/units (A)F.521	Market price
Non-MMF investment fund shares/units (A)F.522	Market price
Insurance, pension and standardised guarantee schemes (A)F.6	
Non-life insurance technical reserves / Provisions for calls under standardised guarantees (A)F.61,66	Market price
Life insurance and annuity entitlements (A)F.62	Market price
Pension entitlements / Claims of PFs on pension managers / Entitlements to non-pension benefits (A)F.63, 64,65	Market price
Financial derivatives and employee stock options (A)F.7,71,72	Nominal value + <b>market price</b>
Other accounts receivable/payable (A)F.8	
Trade credits and advances (A)F.81	Book value
Other accounts receivable/payable (A) F.89	Book value

### 3.7 Internal and external data sources for the compilation of the QFAs

In compiling the QFAs, the NBS in principle uses two kinds of source data: **internal** and **external**. As regards external data sources, the key players are the SO SR, the MF SR, ARDAL, and the State Treasury. Cooperation with these institutions not only enables the QFAs to be compiled, but also enables them to be compared with the quarterly non-financial accounts (QNFAs) and with the annual financial accounts (AFAs) for which the SO SR is responsible.

#### Internal sources and data release times:

- Monetary and financial statistics (T+26)
- Balance of payments (T+82)
- International investment position (T+82)
- Statistics for investment funds and investment fund management companies (T+30)
- Statistics for other financial intermediaries other than insurance corporations and pension funds (T+30) and other than intermediaries engaged in financial leasing, factoring or hire purchase (T+30);
- Statistics for investment firms (T+30)
- Statistics for the stock exchange and the Central Securities Depository (T+30)
- Financial balance sheets of insurance corporations (T+30)
- Financial balance sheets and statistics for insurance corporations (ICs), pension funds (PFs), supplementary pension funds (SPFs), pension funds management companies (PFMCs) and supplementary pension management companies (SPMCs) (T+30, or T+90 for revised quarterly data).

**External sources and data release times:**

- Financial balance sheets of general government units (MF SR) and the government's quarterly financial accounts (SO SR) (T+60)
- Government final account (MF SR) (T+60)
- Monthly statistical balance sheet (State Treasury) (T+40)
- Sample survey of non-financial corporations and households (SO SR) (T+70)
- Revenue and expenditure summary (State Treasury) (T+60)
- Corporation tax data broken down by institutional sector (MF SR and Tax Authority) (T+150)
- Annual financial accounts (SO SR).

### 3.8 QFA compilation process

Key factors in the QFA compilation process include the data release times, quality as defined by methodological requirements, and the required structure of the existing data. It is necessary to ensure that the 'incoming' data are evaluated continuously for their completeness, quality and economic interpretability and that simultaneously the asset and liability sides are reviewed.

If in respect of a certain financial instrument that is an asset of one sector/sub-sector and liability of another sector/sub-sector, different data are reported, a review is conducted to find the possible cause(s) of the discrepancies and a consensus is reached on "giving preference" to a higher-quality data source that will be used to reconcile the values on the asset and liability sides.

Sometimes when the precise data source can be identified (as in the case of financial market and general government units), the units concerned are consulted about the validation of the reported data and the rectification of any errors or inaccuracies. Certain differences exist in the compilation and reconciliation of stocks and transactions in the QFAs. For the majority of institutional sectors, data on stocks are generally more available and are of a higher quality.

Data on transactions are available in full or in part in most sectors with the exception of S.11 (non-financial corporations) and S.14/S.15 (households and non-profit institutions serving households).

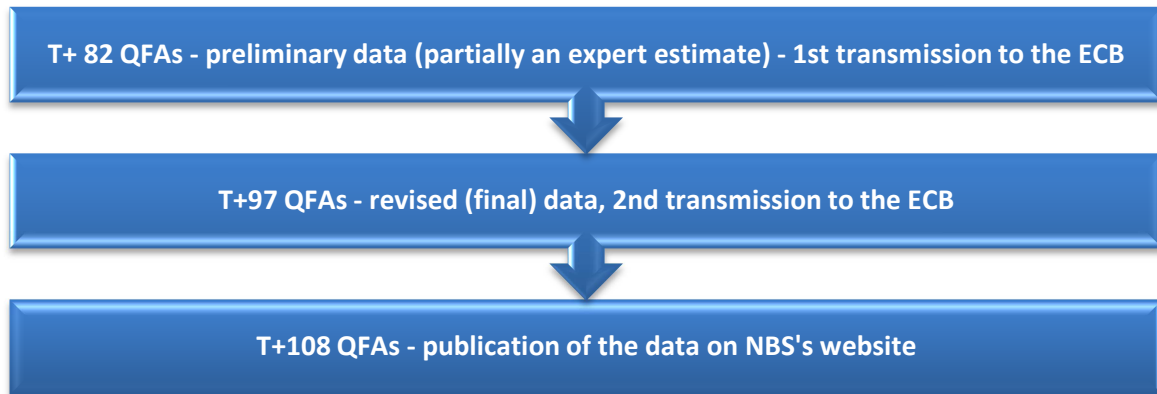
The full or partial availability of data on transactions in the majority of sectors results from the use of two different methods to compile the data.

- The first is the '**direct method**', under which sectors directly report data on transactions.
- The second is the '**indirect method**', which initially involves the collection of data on stocks, revaluations, reclassifications and exchange rate differences for specific financial instruments, and then the obtaining of the data on transactions as the difference in stocks between two quarters less the values for other flows (revaluations, reclassifications, and exchange rate differences)

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In cases where different sectors and sub-sectors use different types of data for the calculation of transactions<sup>3</sup>, **transactions between them are calculated using a combination of both methods.** In accordance with the data release times, NBS compiles a balance sheet matrix of the data and transmits it to the European Central Bank in the following sequence:



At the EU level, the quarterly financial accounts are published on the ECB's website (at <http://www.ecb.int/stats/acc/html/index.en.html>) as part of the integrated euro area accounts (EAAs). The EAAs link financial and non-financial accounts for the euro area, i.e. they describe the different stages of the economic process: production, generation of income, the distribution and redistribution of income, the use of income, and financial and non-financial accumulation.

<sup>3</sup> In some sectors the only data are those on transactions, while in other sectors the only data are on other flows. There are also sectors in which some units report only data on transactions and other units report only data other than data on transactions. In some sectors there is no reporting of data necessary for the calculation of transactions; in these cases the calculated difference in stocks between two consecutive quarters is combined with counterpart data.



## 4 Scheme of QFA compilation

