

## Methodological changes in the money and banking statistics

Starting from end-July 2007 reporting period the methodology of compiling monetary aggregates has been changed.

1. The first change is related to the calculation of debt securities issued included in M3, and is aimed at full harmonization of M3 compilation in line with the European Central Bank (ECB) requirements.

The amount of debt securities with original maturity up to 2 years (included in M3) will be calculated as the value of securities issued by monetary financial institutions (MFIs) (purchased by residents and non-residents) less the value of MFI holdings of debt securities issued by other MFIs. The formula of calculating this component is presented below.

$$\begin{array}{c} \text{debt securities issued by resident MFIs} \\ \text{and sold to residents and non-residents (liabilities)} \\ \text{less} \\ \text{MFI holdings of debt securities (assets)} \\ = \\ \text{debt securities in circulation} \end{array}$$

Up till now the component was calculated as the value of debt securities up to 2 years issued by MFIs and sold to residents less those sold to resident MFIs.

The difference is thus in the source of information on the value of debt securities issued by resident MFIs and purchased by other resident MFIs (assets or liabilities of the balance sheet), and the treatment of debt securities sold to non-residents.

Consequently, the above change will result in an increase in M3 and decrease in external liabilities. Year-to-year M3 growth rates remain actually unchanged and stocks change insignificantly. **Related time series have been adjusted backwards from end-January 2004 data.**

2. The second change is associated with the unification of instrument classification of deposits without an agreed term among all reporting MFIs. Deposits without an agreed term are those for which:
  - no term has been specified in the deposit agreement;
  - partial or full withdrawal of funds is possible on demand and without loss of interest;
  - only a minor fee is charged in case of more than one withdrawal per month;
  - interest rate is comparable to the rate offered on deposits with an agreed term.

The deposits described above meet the definition of „demand deposits” and should be included in M3. Their reclassification from the category „deposits with agreed term over 2 years” to „demand deposits” and related inclusion in M3 will consequently result in an increase in the broad money aggregate, however, year-to-year M3 growth rates remain

unchanged. **Related time series have been adjusted backwards from end-April 2001 data.**