

BANCA D'ITALIA

Tematiche istituzionali

The Italian financial accounts



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Introduction

The financial accounts record a country's financial assets and liabilities in terms of annual stocks and flows.¹ Financial accounts can be used to evaluate the composition of households' financial savings and wealth, the quantity of funds raised by enterprises and general government, the stocks and flows of a country's assets and liabilities vis-à-vis the rest of the world, and the evolution of the financial structure with respect to indicators such as real wealth and disposable income.²

The financial accounts supplement the information provided by a country's non-financial national accounts. These are divided into a series of accounts (Table 1) which record the goods and services the country produces, consumes and saves. In particular, the capital account shows the excess of saving over investment in non-financial assets of the various institutional sectors. The financial accounts complete this picture by recording the financial instruments issued and held by the various institutional sectors and show the flows of financing to the sectors in financial deficit from those in financial surplus.³

In terms of stocks, the financial accounts, together with non-financial assets, comprise the balance sheet, which measures the accrued wealth or debt (Table 2).

Taking the start-of-period balance sheet (opening balance) and adding the changes recorded in the period as a result of the accumulation transactions recorded in the capital account (for real assets) and in the financial accounts (for financial assets), one obtains, shortly, the end-of-period balance sheet (closing balance).

¹ Italy's financial accounts are also produced on a quarterly basis.

² See Cotula (1979) and Cotula and Filosa (1989).

³ See Cotula and Ercolani (1969) and Siesto (1977). Several reasons make it impossible for the balance on the capital account to coincide exactly with that obtainable from the financial accounts (see Marchese, 2002). On this point, see the contributions to the project for the integration of the non-financial and financial accounts (Di Giacinto and Massaro, 1999), which is coordinated by Iscona (Istituto per la contabilità nazionale) and in which Istat, CNR and the Bank of Italy have participated.

Table 1

THE SEQUENCE OF ECONOMIC ACCOUNTS

RESOURCES	USES
PRODUCTION ACCOUNT (EXTERNAL ACCOUNT)	
Output (Imports of goods and services) Taxes less subsidies on products	Intermediate consumption (Exports of goods and services)
	<i>Gross domestic product / Value added, gross (External account)</i>
GENERATION OF INCOME ACCOUNT	
<i>Gross domestic product / Value added, gross</i>	Compensation of employees Taxes on production and imports – Subsidies
	<i>Operating surplus, gross / Mixed income, gross</i>
ALLOCATION OF INCOME ACCOUNT	
<i>Operating surplus, gross / Mixed income, gross</i>	Property income
Compensation of employees Taxes on production and imports – Subsidies Property income	
	<i>National income, gross / Balance of primary income, gross</i>

Table 1 (cont.)

RESOURCES	USES
SECONDARY DISTRIBUTION OF INCOME ACCOUNT	
<i>National income, gross / Balance of primary income, gross</i>	Current taxes on income, wealth, etc.
Current taxes on income, wealth, etc.	Social contributions
Social contributions	Social benefits
Social benefits	Other current transfers
Other current transfers	
	<i>Disposable income, gross</i>
USE OF DISPOSABLE INCOME ACCOUNT	
<i>Disposable income, gross</i>	Final consumption expenditure
Adjustment for the change in net equity of households in pension fund reserves	Adjustment for the change in net equity of households in pension fund reserves
	<i>Saving, gross</i>
CAPITAL ACCOUNT	
<i>Saving, gross</i>	Gross fixed capital formation
Capital transfers, receivable	Changes in inventories
– Capital transfers, payable	Acquisitions less disposals of valuables
	– Consumption of fixed capital
	Acquisitions less disposals of non-produced non-financial assets
	<i>Net lending (+) or net borrowing (–)</i>

$$\begin{array}{ccccc} \textit{Opening balance sheet} & +/\text{--} & \textit{Total changes in} & = & \textit{Closing balance sheet} \\ \textit{(stocks)} & & \textit{assets/liabilities} & & \textit{(stocks)} \\ & & \textit{(flows)} & & \end{array}$$

or

$$\begin{array}{ccccc} \textit{Start-of-period} & +/\text{--} & \textit{Total changes in} & = & \textit{End-of-period} \\ \textit{net worth} & & \textit{assets/liabilities} & & \textit{net worth} \end{array}$$

Following the Second World War, the prevalence of Keynesian theory – with its emphasis on macroeconomic aggregates – contributed to improving national accounts. The construction of financial accounts between the 1950s and the 1960s put the integration of non-financial accounts and monetary and credit flows on a systematic basis. In the United States, in particular, the methodological work of M. A. Copeland and the research subsequently carried out at the National Bureau of Economic Research gave impetus to the measurement of financial flows alongside those of a real nature. In the 1950s the Federal Reserve began to publish flow-of-funds statistics on a continuous basis.⁴ In addition to the prevalence of the Keynesian approach, the increased interest in financial accounts derived from the pre-Keynesian research on the economic cycle, especially the analysis of the changes in financial aggregates during recessions and expansions.⁵

The measurement of the flows of financial aggregates was followed by that of the stocks of financial assets and liabilities. Examining the various methods of dynamic analysis, Hicks stressed that the study of economic change had been made possible by the introduction of an accounting system based on stocks and flows. His favourite analogy was between company accounts – based on the balance sheet and the profit and loss account – and the dynamic analysis of an economy, also based on the measurement of stocks and flows. The economic results of a firm in a given period, the flows, influence its balance sheet at the end of the period, the stocks. Likewise, in a sequential economy, economic agents hold money and other financial assets and their current choices, measured by flows, influence their future holdings, measured by stocks.⁶

⁴ See Copeland (1952), Cohen (1975) and Roe (1992).

⁵ On this aspect, see Della Torre (2000).

⁶ See Hicks (1956).

Table 2

THE BALANCE SHEET

BALANCE SHEET	
NON-FINANCIAL ASSETS	FINANCIAL LIABILITIES
Produced assets	Currency and deposits
Fixed assets	Securities other than shares
Inventories	Loans
Valuables	Shares and other equity
Non-produced assets	Insurance technical reserves
Tangible non-produced assets	Other accounts receivable or payable
Intangible non-produced assets	
FINANCIAL ASSETS	
Monetary gold and SDRs	
Currency and deposits	
Securities other than shares	
Loans	
Shares and other equity	
Insurance technical reserves	
Other accounts receivable or payable	
	<i>Net worth</i>

An additional impulse was given to the construction of financial accounts by the evolution of the theory of the demand for money. Keynes stressed the determinants in terms of flows. In the *General Theory*, the period of time considered is so short, however, that they do not produce changes in stocks. It was Tobin, in particular, who developed the analysis of the demand for financial assets in terms of stocks. Under his approach, economic agents manage their financial portfolio by demanding assets having different liquidities, risks and yields. It is these features that explain why assets are not perfectly interchangeable. The assets that economic agents choose – currency, deposits, securities and shares – are those usually considered in the financial accounts. Tobin remained faithful to the method of constructing models that take account of stocks and flows by

analysing the portfolio choices that guide the accumulation of capital assets.⁷

One of the first systematic applications of financial accounts in economic analysis was made by Goldsmith,⁸ who represented the most important characteristics of a country's financial structure by summary indicators: the ratio between gross financial assets and national real wealth (the financial interrelations ratio, FIR); the ratio between banks' financial assets and the financial assets (or liabilities) of the other institutional sectors (the financial intermediation ratio, FIN); and the ratio between an economy's total issues of liabilities and national income.

In the Bank of Italy work on financial accounts developed in parallel with that at the international level. The Bank's Annual Report for 1948 included a first, highly simplified, table of financial flows with a limited number of sectors. During the 1950s lack of data continued to restrict the financial accounts to a small number of sectors. The Bank of Italy's Annual Report for 1964 contained the first complete financial accounts, which covered data for 1963, although households' and firms' financial assets and liabilities were reconstructed back to 1950.⁹ Since that Annual Report the financial accounts have been published on a regular basis.

The first versions of the Bank of Italy's econometric model contained a complete set of relationships between saving, investment and monetary and financial flows in the Italian economy. The aim of the financial sector of the model was to explain the changes in the economy's main financial assets and liabilities in terms of real variables and monetary policy instruments (see Fazio, Caligiuri, Cotula and Savona, 1970 and Fazio, 1974).

Since 1970 the financial accounts have been compiled by applying the concepts introduced by the European System of Accounts (ESA), drafted by the Statistical Office of the European Communities (Eurostat). The data-set with the series of financial accounts was put into electronic form during the 1980s. The same period also saw the application of the institutional sectors, financial instruments and other standards of ESA79.

⁷ See, in particular, Tobin (1980) and (1998). Gnesutta (1992) describes the various interpretations of the relationship between stocks and flows in models based on Keynesian theory.

⁸ See, for example, Goldsmith (1969).

⁹ For the evolution of Italy's financial accounts, see Baffi (1957), Cotula and Ercolani (1969) and Caron and Cotula (1971).

Several research projects used Goldsmith's method to analyze the relationships existing in Italy between financial assets and liabilities and real indicators and compare them with the data available for other industrial countries.¹⁰ However, until the early 1990s, comparisons between European countries in this field were unsatisfactory owing to the lack of homogeneous data.

The Maastricht Treaty made complete harmonization of European statistics indispensable because of the need to ensure uniform calculation of the aggregates chosen to control the convergence of the various economies with a view to their participation in the third stage of Economic and Monetary Union and, more generally, to provide the information required by Community policies. Between 1992 and 1995 a number of working groups coordinated by Eurostat drew up the rules of the new European system of national and regional accounts (ESA95), which includes a financial account for each of the various institutional sectors. In June 1996 Council Regulation (EC) No. 2223/96 was issued, containing ESA95 in Annex A and setting out the statistical obligations for Member States. The year 2000 was set as the time limit for the transmission of the new data to Eurostat.

As things stand today, it is up to the European Commission, and especially Eurostat, to establish the methodology of the financial accounts, which are an integral part of the national accounts. The Memorandum of Understanding signed by Eurostat and the European System of Central Banks (ESCB) nonetheless places the financial accounts in the sphere of "shared responsibility" in view of the ESCB's direct interest in these statistics for the performance of its functions and the decisive role national central banks (NCBs) play in their compilation in many countries. Since 2001 the European Central Bank (ECB) has received data based on the financial accounts of the euro-area countries in accordance with the criteria established by the Monetary Union Financial Accounts working group and uses them in its *Monthly Bulletin* to compile the tables on saving, investment and the financing of non-financial sectors in the euro area.¹¹

The Bank of Italy cooperates closely with the Istituto Nazionale di Statistica (Istat) on the preparation of Italy's annual and quarterly financial accounts, especially as regards the measurement of the assets and liabilities

¹⁰ See, for example, Biscaini and Ciocca (1979), Balducci, Marconi, Marinelli and Niccoli (1979) and Banca d'Italia (1986, 1993 and 1997).

¹¹ A Guideline on the statistical reporting requirements in the field of quarterly financial accounts has been issued by the ECB on 21 November 2002 (ECB/2002/7).

of general government. Istat establishes the criteria for classifying the different institutional units. It also sends Eurostat Italy's annual financial accounts, which are part of the EU's official statistics.

Already in 1999 Italy's financial accounts had largely been adapted to the ESA95 classification of institutional units and financial instruments. In September 2000 the adjustment was completed with the publication of quarterly statistical series going back to the beginning of 1995.

The financial accounts are among the most complex statistics produced by the Bank of Italy. This is partly due to the need to comply with strict international standards, such as ESA95, and to provide a very detailed sectoral breakdown, although international rules and a breakdown by institutional sector are also present in the production of other statistics, such as those in the monetary and banking fields (subject to rules issued by the ECB). The financial accounts are marked by three other distinguishing features: the need to use data collected by numerous institutions in addition to the Bank of Italy and the Italian Foreign Exchange Office (UIC); the application of accounting principles – the accrual basis and market value – that sometimes result in the financial accounts not being comparable with other statistics published by the Bank; and the use of estimation methods when only partial data are available on an economic phenomenon (e.g. trade credits).

In the tables on the country's financial assets and liabilities, the financial instruments are shown in the rows, together with details on the issuer, while the institutional sectors are shown in the columns (see the tables section below).

The choice of the financial instruments shown in the tables was dictated by two main requirements: on the one hand to comply with the ESA95 rules and on the other to give users as much information as possible. A "three-dimensional" model has been adopted, so that for each figure it is possible to establish not only the holder (according to the column) but also the issuer of the financial instrument in question (application of the "from-whom-to-whom" principle), in line with the tradition of the Italian financial accounts and the analogous statistics published by the other leading OECD countries. Consider, for example, the monetary financial institutions column: the indication of the securities held by the sector – shown in the rows – is supplemented by information on the various issuers, again shown in the rows.

The aim of this manual is to show the structure, methods of compiling and sources of the statistics included in Italy's financial accounts. The text is divided into four chapters and an appendix. The first chapter sum-

marizes the composition of the institutional sectors and highlights the main changes compared with the past; the second describes the financial instruments of the various sectors; the third summarizes the accounting innovations arising from the introduction of ESA95; and the fourth describes the sources and methods used to present the various financial instruments in the Italian financial accounts, with special reference to the estimation of the item “Shares and other equity”. The appendix contains information on the production of the financial accounts and is followed by the stocks and flows tables of Italy’s financial assets and liabilities from 1997 to 2002. The bibliography section consists of a list of references and another of Italian and foreign works on financial accounts or based on those produced in Italy. The latter will be updated from time to time to remedy omissions and add new publications.

CHAPTER 1

INSTITUTIONAL SECTORS

Italy's financial assets and liabilities, the subject of the financial accounts, are classified on the basis of two criteria: the nature of the financial instrument (e.g. short-term securities or shares) and the sector that holds or issued the instrument (e.g. households or financial corporations). This chapter describes the institutional sectors, Chapter 2 the financial instruments.

The definitions incorporate the criteria of ESA95, adapting them to the Italian case.¹² Underlying the classification system is the concept of institutional unit, defined as an elementary economic decision-making centre characterized by uniformity of behaviour and autonomy of decision in the exercise of its principal function, which keeps a complete set of accounts or would be able from an economic and legal viewpoint to compile a complete set of accounts if they were required. A unit is said to keep a complete set of accounts if it draws up an income statement and a balance sheet. A unit enjoys autonomy of decision when it is entitled to own goods or assets in its own right and thus to exchange the ownership thereof in transactions with other institutional units; is able to take economic decisions and engage in an economic activity for which it is directly responsible; and is able to take on obligations on its own behalf and to enter into contract (see Eurostat, 1996).

ESA95 considers the following institutional units:

- a) public and private corporations;
- b) cooperatives or partnerships recognized as independent legal entities;
- c) households, deemed to be institutional units even if they do not have a complete set of accounts;

¹² The indications of ESA95 are transposed by the Bank of Italy in its Instructions for the classification of customers by sector and branch of economic activity, to which readers are referred for a complete discussion.

- d) notional resident units,¹³ even if they keep only partial accounts and do not always enjoy autonomy of decision;
- e) public producers which by virtue of special legislation are recognized as independent legal entities;
- f) non-profit institutions recognized as independent legal entities;
- g) agencies of general government;
- h) quasi-corporations, entities not having independent legal status that keep a complete set of accounts and by convention are deemed to have autonomy of decision inasmuch as their economic and financial behaviour is distinguished from that of the owners.

The institutional units are grouped into homogeneous sets, called institutional sectors. The sectors are divided into sub-sectors that permit more precise description of the economic behaviour of the units.

The Italian financial accounts group the institutional units into five sectors (see Table 3): non-financial corporations, financial corporations, general government, households and non-profit institutions serving households, and the rest of the world.

When the principal function of an institutional unit is to produce goods and services, in order to decide the sector to which it should be allocated it is necessary to identify the type of producer to which it belongs. ESA95 identifies three types of producers: private and public market producers of goods and services (in which case the institutional units are classified in the sectors non-financial corporations, financial corporations or households, depending on their activity); private producers of goods and services for own final use, classified in the sector households, together with unincorporated enterprises owned by households; other public and private non-market producers of goods and services, classified in the sectors general government or non-profit institutions serving households.

The rest of the world comprises non-resident institutional units that carry out transactions with resident institutional units.

¹³ Notional resident units are defined as: a) those parts of non-resident units which have a centre of economic interest in the territory of the country (normally inasmuch as they engage in economic transactions for a year or more); b) non-resident units in their capacity as owners of land or buildings on the economic territory of the country, but only in respect of transactions affecting such land or buildings.

Table 3

INSTITUTIONAL SECTORS

NON-FINANCIAL CORPORATIONS
<ul style="list-style-type: none"> • Private corporations and quasi-corporations • Public corporations and quasi-corporations
FINANCIAL CORPORATIONS
<ul style="list-style-type: none"> • Monetary financial institutions (<i>Bank of Italy, banks, money market funds</i>) • Other financial intermediaries (<i>e.g. securities firms, Sicavs and mutual funds</i>) • Financial auxiliaries (<i>e.g. central supervisory authorities of financial markets, mutual fund management companies and entities responsible for the functioning of markets</i>) • Insurance corporations and pensions funds
GENERAL GOVERNMENT
<ul style="list-style-type: none"> • Central government (<i>Treasury and central government departments, Cassa Depositi e Prestiti and other entities</i>) • Local government (<i>e.g. regions, provinces, municipalities and local health units</i>) • Social security funds (<i>e.g. INPS and INAIL</i>)
HOUSEHOLDS AND NON-PROFIT INSTITUTIONS SERVING HOUSEHOLDS
<ul style="list-style-type: none"> • Consumer households and non-profit institutions serving households • Producer households
REST OF THE WORLD
<ul style="list-style-type: none"> • Non-resident units

Sectoral statistics are not consolidated in Italy's financial accounts, which accordingly also report transactions between units belonging to the same sector, entering them in both the assets and the liabilities of the sector

involved.¹⁴ For example, the data on monetary financial institutions (see below) also include lending and borrowing between the Bank of Italy and banks and interbank transactions. Intra-sectoral transactions increase a sector's assets and liabilities without affecting the sectoral balance.

The contents of the various institutional sectors are detailed below, with a description of the general criteria of classification by sector (Sections 1.1-1.5). The description of each sector is accompanied, in brackets, by its ESA95 code, published in Eurostat (1996). Section 1.6 discusses the changes in the financial accounts due to the switch from the sectoral classification of ESA79 to that of ESA95 and describes several cases of particular interest.

1.1 Non-financial corporations (ESA95 code S.11)

The sector consists of institutional units that produce market goods and non-financial services. Their activity is distinguished from that of the owners.

According to the classification of the Bank of Italy and Istat, the institutional units of this sector are selected taking into account both their legal form and their type of activity. The sector comprises public and private corporations; cooperatives; public enterprises recognized as independent legal entities; non-profit institutions and associations that serve non-financial corporations which are recognized as independent legal entities and are market producers principally engaged in the production of goods and non-financial services; and non-financial quasi-corporations. Holding companies that control and manage corporations whose prevalent activity is the production of goods and non-financial services (for example, industrial group holding companies) are considered "non-financial".

The sector non-financial corporations is composed of the sub-sectors public non-financial corporations and private non-financial corporations. Public non-financial corporations produce market goods and services, with income constantly able to cover at least 50 per cent of production costs.

¹⁴ This methodological choice was made by the Bank of Italy in its Annual Report and in quarterly supplement to the *Statistical Bulletin*, "Financial Accounts". The tables at the back of this Manual reproduce the same format. ESA95 provides for the production of both consolidated and non-consolidated financial accounts. This rule applies to the annual data sent to Eurostat by 30 September of each year. The data transmission schedule is now under discussion.

These corporations are public-law entities or are controlled, directly or indirectly, by general government. They include the autonomous government agencies, the State Railways, municipal companies and incorporated consortia, ENEL, state-controlled companies and other public enterprises. The sub-sector private non-financial corporations comprises the enterprises not controlled by general government.

Non-financial quasi-corporations deserve particular mention. These are defined as organizations not having independent legal status that keep a full set of accounts and whose economic and financial behaviour is different from that of their owners, in the sense that the *de facto* relation between the productive unit and the owners is similar to that existing between a corporation and its shareholders.

Non-financial quasi-corporations comprise general partnerships, limited partnerships, informal partnerships, *de facto* partnerships, and sole proprietorships (artisans, farmers, small businessmen, professionals and other self-employed persons) provided they have more than five employees.

1.2 Financial corporations (ESA95 code S.12)

The sector financial corporations consists of all corporations and quasi-corporations which are principally engaged in financial intermediation and/or auxiliary financial activities.

Financial intermediation consists in channeling funds from third parties with a surplus on one side to third parties with a lack of funds on the other. This activity is carried out by acquiring financial assets and incurring liabilities on own account.

Auxiliary financial activities are aimed at assisting transactions involving financial assets and liabilities or the transformation or repackaging of funds. Financial auxiliaries do not expose themselves to the risk connected with acquiring financial assets or issuing liabilities, but limit themselves to facilitating financial intermediation.

In the Italian financial accounts the sector includes the following institutional units: public and private corporations, cooperatives, public producers which by virtue of special legislation are recognized as independent legal entities, non-profit institutions recognized as independent legal entities and serving financial companies, mutual funds that by convention are

considered as institutional units distinct from the financial corporations that manage them, and financial quasi-corporations. The sector also includes holding companies that control and manage corporations which are principally engaged in financial intermediation and/or auxiliary financial activities.

Financial auxiliaries (brokers, money-changers, insurance brokers, financial salesmen, etc.) having the form of a company are classified among financial corporations if they have at least one employee.¹⁵ Otherwise, such units are attributed to the sub-sector producer households.

ESA95 divides the sector into five sub-sectors: the central bank, other monetary financial institutions, other financial intermediaries, financial auxiliaries, and insurance corporations and pension funds. In the Italian financial accounts the data of the sub-sectors central bank and other monetary financial institutions are included in the aggregated data of monetary financial institutions (see back tables).

Monetary financial institutions (MFIs, ESA95 codes S.121 and S.122). These include the central bank, banks, money market funds and other resident financial institutions whose business is to receive deposits and/or funds which are close substitutes for deposits from institutions other than MFIs and/or to grant loans and/or to make investments in securities for own account. Up to 1998 both the Bank of Italy and the Italian Foreign Exchange Office (UIC) were classified as the central bank; the data referred to the consolidated accounts of the two units. Following the reorganization of the UIC pursuant to Legislative Decree 319/1998 and the transfer of its reserves to the Bank of Italy, the UIC has been classified among financial auxiliaries (see below).

Banks comprise institutions authorized in Italy and the branches of non-Italian EU banks established in Italy and entered in the special register kept by the Bank of Italy (Legislative Decree 385/1993).

Money market funds are a specific type of open-end fund (see below under other financial intermediaries), whose resources are invested in short-term assets which are close substitutes for bank deposits. The website of the European Central Bank (www.ecb.int) contains an updated list of the money market funds in the euro area.

¹⁵ Employee means a full-time salaried worker on the payroll of the enterprise at the end of the year.

Other financial intermediaries (ESA95 code S.123). These comprise financial intermediaries, other than insurance corporations and pension funds, which are principally engaged in financial intermediation by incurring liabilities in forms other than currency, deposits and similar instruments (from institutional units other than monetary financial institutions) or insurance technical reserves. The following belong to this sub-sector in Italy: securities firms; public and private financial holding companies, bank foundations,¹⁶ merchant banks, leasing companies, factoring companies, consumer credit companies, management trust companies, securities mutual funds, Sicavs, other collective investment undertakings, and other financial intermediaries n.e.c.

Financial auxiliaries (ESA95 code S.124). These are institutional units principally engaged in activities closely related to financial intermediation but which are not financial intermediation themselves. The sub-sector is highly heterogeneous. It includes the central supervisory authorities of financial markets, such as the Companies and Stock Exchange Commission (Consob), the Supervisory Authority for the Insurance Industry (Isvap) and the Pension Fund Supervisory Authority (Covip), which were previously classified in general government. It also includes mutual fund management companies, administration trust companies, entities responsible for the functioning of markets (e.g. Monte Titoli S.p.A., Borsa Italiana S.p.A.), the trade association of the banking industry and those of financial intermediaries and the insurance industry, stockbrokers, brokers, insurance brokers and consultants, financial salesmen, and other financial auxiliaries n.e.c.¹⁷ From December 1998 onwards the sub-sector includes the Italian Foreign Exchange Office, previously included in the central bank. The line of demarcation between other financial intermediaries and financial auxiliaries is the assumption of risk: the former incur risk directly, whereas the latter perform services facilitating intermediation but without incurring the risk thereof.

Insurance corporations and pension funds (ESA95 code S.125). The sub-sector consists of financial intermediaries who engage in intermediation by means of the pooling of risks.

¹⁶ In 1998 these organizations were assigned to the sub-sector, by convention, in view of the importance of their bank shareholdings. The classification may be revised in the future in the light of legislative and operational developments.

¹⁷ Stockbrokers, brokers, insurance brokers and consultants and financial salesmen are included in financial auxiliaries if they have at least one employee. Otherwise, they are classified as producer households.

It comprises:

- a) insurance corporations, whose resources consist principally of contract premiums;
- b) pension funds, which provide insurance and retirement benefits to the workers of an enterprise, an industry or a profession that are intended to supplement or replace public pension benefits pursuant to Legislative Decree 124/1993;
- c) other pension funds, consisting of the employees' supplementary pension funds pre-dating the 1993 reform.

The liabilities of the units of the sub-sector consist principally of insurance technical reserves.

1.3 General government (ESA code S.13)

The sector comprises the institutional units that act as producers of non-market goods and services, satisfying collective needs and effecting redistribution of the country's income and wealth. The criterion for determining whether the good and services produced are to be considered market output is the threshold of 50 per cent of production costs: the income of the units included in this sector is constantly below 50 per cent of the costs borne.

The principal resources of general government consist of compulsory payments – largely taxes, duties and social security contributions – made by units belonging to the other sectors.

Institutional units are included in this sector if they are held (or controlled) by general government. A unit must engage in the production of non-market goods and services; if the unit is a non-profit institution, in addition to being controlled by entities belonging to general government it must also be financed by these mainly with outright transfers which are not subsidies on products. For social security institutions, public control must be understood as the ability of general government to establish or to approve the levels of contributions and benefits; in addition, the persons ensured must be required to participate in the system and to pay contributions under legislative or regulatory provisions.

In Italy general government is divided into three sub-sectors: central government, local government, and social security funds. ESA95 also provides for the sub-sector state government.

Central government (ESA code S.1311). The sub-sector includes the administrative departments of the State and other central agencies whose competence normally extends over the whole territory, except for social security funds. It also includes non-profit institutions which are controlled and mainly financed by the central government and whose competence extends over the whole national territory.

The following belong to the sub-sector: central government departments and constitutional bodies, the State Treasury, Cassa Depositi e Prestiti and post office savings banks, entities engaged in the production of economic services and regulation of economic activity (but not the independent administrative authorities), entities engaged in the production of welfare, recreational and cultural services, and research entities.

Local government (ESA95 code S.1313). The sub-sector consists of public bodies whose competence extends to only part of the national territory, excluding social security funds. It includes non-profit institutions controlled and mainly financed by local governments, whose competence is limited to the territory of such governments. In detail, the following belong to the sub-sector: regional and provincial governments and metropolitan cities; municipal governments and unions of municipalities; entities engaged in the production of economic services and regulation of economic activity (provincial tourist boards, public housing administrations, regional development agencies); entities engaged in the production of welfare, recreational and cultural services (public universities and university institutes, welfare and charitable institutes).

Social security funds (ESA95 code S.1314). The sub-sector comprises all central and local institutional units whose principal activity is to provide social benefits (INPS, INAIL, INPDAP and others) and which fulfil the following criteria:

- a) by law or by regulation certain groups of the population are obliged to participate in the scheme or to pay contributions;
- b) general government is responsible for the management of the institution in respect of the settlement or approval of the contributions and benefits independently from its role as supervisory body or employer.

1.4 Households and non-profit institutions serving households (ESA95 codes S.14 and S.15)

The two sectors households and non-profit institutions serving households are aggregated in Italy's financial accounts.

Households (ESA95 code S.14). The sector comprises individuals or groups of individuals as consumers and possibly also as entrepreneurs producing market goods and non-financial and financial services provided that, in the latter case, their economic and financial behaviour does not correspond to that of a quasi-corporation. The principal resources of these units are derived from the compensation of employees, property income, transfers from other sectors, receipts from disposal of market products or the imputed receipts from output of products for own final consumption.

The household sector includes: employees, pensioners, recipients of property income and recipients of transfer incomes. It also includes informal partnerships, de facto partnerships, and sole proprietorships principally engaged in the production of market goods and non-financial services, with up to five employees.

Although it is not obligatory under ESA95, Italy distinguishes between the financial assets and liabilities of consumer households on the one hand and sole proprietorships (or producer households) on the other. At the present these data are not published separately.

Non-profit institutions serving households (ESA95 code S.15). The sector consists of the non-profit institutional units serving households that are separate legal entities or of recognized economic significance which produce non-market goods and services. The principal resources of the units belonging to this sector, apart from the resources derived from occasional sales, are derived from voluntary contributions in cash or in kind from households in their capacity as consumers, from payments made by general government and from property income.

By convention, the following institutions are included in the sector even if the criteria specified above are not fulfilled: church or religious entities and institutions; political parties and their auxiliary organizations, such as affiliated youth organizations; trade unions and associations with similar purposes; professional organizations and associations.

1.5 Rest of the world (ESA95 code S.2)

The sector consists of non-resident units insofar as they are engaged in transactions, or have other economic links, with resident institutional units. Its accounts summarize the economic relationships between the Italian economy and the rest of the world.

The sector is consolidated, since relationships between non-residents (which do not alter the sector's balance vis-à-vis Italy) do not appear among assets and liabilities. The relevant notion for determining residence conforms with the definition in the balance-of-payments manual published by the International Monetary Fund (see International Monetary Fund, 1993).¹⁸

1.6 The main changes with respect to the past

The sectoral classification of ESA95 involved the introduction of new sectors and the elimination of pre-existing ones. For example, the sub-sector financial auxiliaries is new, while the central bank no longer appears separately in Italy's financial accounts inasmuch as it is now included in monetary financial institutions. In other cases, the sectors remained the same but the classifying criteria were re-defined.

The most important change concerned the redrawing of the boundary between households and non-financial corporations, with an expansion of the latter sector. ESA95 does not provide a quantitative criteria (e.g. turnover or number of employees) for distinguishing between households and non-financial corporations.

In the old classification of the Italian financial accounts, households included sole proprietorships with up to twenty employees (a limit set by Istat). In implementing the indications of ESA95 and adapting them to the Italian case, it was decided to reduce that ceiling to five employees. The units previously classified as households and now classified as non-financial corporations include:

¹⁸ An institutional unit is defined as resident in a country if it has its centre of economic interest in the economic territory of the country or engages in economic and financial transactions in that territory for a long period (one year or more).

- a) limited and general partnerships with up to twenty employees;
- b) informal partnerships, de facto partnerships and sole proprietorships with more than five but fewer than twenty employees.

Another important revision involved the passage of several institutional units from social security funds to insurance corporations and pension funds. This reclassification regarded funded pension schemes.

There is also a change concerning the presentation of the data of mutual funds. A mutual fund is a portfolio of assets, without legal personality, that is divided into shares managed by an asset management company, which is responsible for the fund's investment in financial instruments, credits or other personal or real property. The assets of the fund are distinct both from those of the management company and from those of participants. Mutual funds are classified in the sub-sector other financial intermediaries, whereas the companies managing them are classified in the sub-sector financial auxiliaries. The latter sub-sector is new; its institutional units were previously attributed to the sub-sector other financial intermediaries, which also included mutual funds.

Finally, the sectoral classification of the Italian Foreign Exchange Office (UIC) has changed. In previous statistics the UIC was included separately in the sector central bank. Following the assignment of all of the UIC's gold to the Bank of Italy and the simultaneous transfer to the Bank of the residual foreign exchange reserves, there no longer were grounds for classifying the UIC under the central bank. According to ESA95, the sub-sector central bank consists of "all financial corporations and quasi-corporations whose principal function is to issue currency, to maintain the internal and external value of the currency and to hold all or part of the international reserves of the country" (paragraph 2.45). The UIC has implementing tasks in connection with the management of the reserves for the Bank of Italy.

The nature of "instrumental entity" with implementing tasks (Article 2.1 of Legislative Decree 319 of 26 August 1998) that the UIC has taken on accords with its being classified with financial auxiliaries. This classification is also consistent with the functions the UIC performs with regard to anti-money-laundering action, usury and supervision of intermediaries (Article 2.2): Paragraph 2.47 of ESA95 provides that agencies and bodies, other than the central bank, which regulate or supervise financial markets are to be classified among financial auxiliaries. This explains the current classification not only of the UIC, but also of organizations such as Consob and Isvap.

CHAPTER 2

FINANCIAL INSTRUMENTS

The various instruments appear in the rows in Italy's financial accounts (see back tables). After monetary gold and SDRs,¹⁹ the instruments are ordered by decreasing liquidity, from currency to trade credits, with securities and loans further divided according to their original maturity. ESA95 defines short-term instruments as having an original maturity of up to one year and long-term instruments as having an original maturity of more than one year.

The level of detail of the instruments, i.e. the number of rows, is greater than that required by the Regulation of the European Union (see the Introduction). In addition to the breakdowns by maturity and type of instrument, the Italian financial accounts also provide details by issuer sector (creditor sector in the case of loans) where the available data make this possible. In some cases the breakdown by issuer sector does not show all the sectors but only those that may have the instrument in question among their liabilities (assets in the case of loans).

Unless otherwise specified, stocks are valued at the market prices prevailing at the end of the accounting period and flows at the prices at which the transactions were carried out. Stocks denominated in foreign currency are translated into national currency on the basis of the exchange rate prevailing at the end of the accounting period, while flows are translated using the exchange rate ruling at the time of the transaction.

The main characteristics of the instruments of the financial accounts are described below. As with the institutional sectors, the description of each instrument is accompanied by the corresponding ESA95 code from Eurostat (1996). The descriptions also report the effective content of the instruments published in the Italian financial accounts, which is determined by the availability of data.

¹⁹ A unit of account composed up to 31 December 1998 of fixed quantities of the currencies of the United States, Japan, Germany, France and the United Kingdom. From 1 January 1999 the currencies of France and Germany were replaced by the euro, with a weight equal to the sum of the weights previously assigned to them.

Monetary gold and Special Drawing Rights (ESA95 code F.1). Monetary gold consists of the gold reserves held by the monetary authorities. SDRs are also reserve assets of the Bank of Italy. The counterparts of these two assets are recorded, by convention, among the liabilities of the rest of the world. The Italian financial accounts differ in this respect from ESA95, which does not provide for counterpart liabilities for these two assets of the central bank.

Stocks of monetary gold are valued at the price established in the bullion markets, while SDRs are recorded on the basis of the value established daily by the International Monetary Fund (for stocks, the Italian financial accounts therefore report the values prevailing at the end of each quarter).

Currency and transferable deposits (ESA95 codes F.21 and F.22). Transferable deposits are deposits that are immediately (i.e. without notice) convertible into currency or that are transferable without any restriction or penalty. In Italy transferable deposits consist mainly of overnight deposits.

In accordance with the accrual principle (see Section 3.2), deposits include interest accrued but not yet paid.

Stocks of currency are recorded at face value. Deposits, an instrument for which a secondary market does not exist, are recorded as the amount of the principal that the debtors are contractually obliged to repay the creditors at the expiry of the contract (nominal value).

Owing to lack of data, currency issued by non-residents and interest accrued on deposits held abroad are not included in the series.

Banks' deposits with the Bank of Italy include required reserves, valued at the end of the month.²⁰

The instrument is disaggregated by issuer sector, as in the case of currency, or holder sector, as in the case of loans. A detailed list of the

²⁰ Since 1 January 1999 the reserve requirement in the euro area has been governed by EC Council Regulation 2531/1998, amended by EC Council Regulation 134/2002, and ECB Regulation 2818/1998, amended by ECB Regulations 1921/2000 and 690/2002. The ECB Regulation establishes that the aggregate subject to the requirement comprises the following liabilities of banks regardless of the currency of denomination: deposits, debt securities and money market paper. A zero reserve ratio is applied to liabilities with a maturity of more than two years and to repos, a 2 per cent ratio to the rest. The reserve maintenance period runs from the 24th of the month to the 23rd of the following month. Compliance with reserve requirements is determined on the basis of the average of the daily balances of the period. For more information, see the "Glossario" section of the Appendix to the Italian version of the Bank of Italy's Annual Report.

components of each disaggregated item is provided below and in the rest of the chapter. The lists do not exhaust all the possible phenomena and reflect the availability of the data reported in the financial accounts:

- a) *Currency and transferable deposits with monetary financial institutions*
Banknotes in circulation issued by the Bank of Italy²¹
Transferable deposits with the Bank of Italy, including required reserves,²² for banks' asset accounts
Overnight deposits
Deposits of the Treasury with the Bank of Italy: Treasury payments account and debt redemption account
Bank of Italy drafts
Target accounts²³ for payments between banks of the European Union;
- b) *Currency and transferable deposits with central government*
Coins in circulation issued by the Treasury
Deposits with the Treasury
Post office current accounts;
- c) *Currency and transferable deposits with the rest of the world*
Transferable deposits held abroad
Target accounts for payments between banks of the European Union.

Other deposits (ESA95 code F.29). This category comprises all deposits other than transferable deposits, defined above, and repos which are

²¹ The introduction of the euro precludes measuring the national volume of currency in circulation from 2002 onwards, owing to the migration of banknotes and coins between countries of the euro area. Such migration can be deemed to have been negligible for Italy before 2002, when currency in circulation was only denominated in lire. In order to estimate currency in circulation in each country, the Eurosystem has adopted the Capital Share Mechanism. According to data at January 2002, the share of euro banknotes in circulation attributed to the accounts of each national central bank will be proportional to its share of the capital of the European Central Bank. For further information, see ECB Decisions 15/2001 and 16/2001, available on the ECB's website.

²² For further information, see the "Glossario" section of the Appendix to the Italian version of the Bank of Italy's Annual Report for 2000.

²³ Target is the real-time gross settlement system set up by the central banks of the EU for the third stage of EMU to handle large-value payments in euros.

liabilities of monetary financial institutions. Bank deposits, post office savings books and post office savings certificates include accrued interest.

Other deposits include:

- a) *Other deposits with monetary financial institutions*
 - Time deposits with the Bank of Italy
 - Repos
 - Time deposits
 - Savings deposits
 - Savings certificates
 - Certificates of deposit
 - Matured savings certificates and certificates of deposit to be redeemed
 - Third-party funds under administration;
- b) *Other deposits with central government*
 - Post-office savings books
 - Post office savings certificates
 - Surety deposits of enterprises with Cassa Depositi e Prestiti;
- c) *Other deposits with the rest of the world.*
 - Other deposits held abroad
 - Credits from transfer of the reserves to the European Central Bank
 - SDRs in the reserve tranche²⁴
 - Repos.

Short-term securities (ESA95 code F.331). Short-term securities are bearer financial assets, represented, according to ESA95 by documents intended to circulate. They are negotiable on the market and do not grant the holder any ownership right in the assets of the issuer. Securities give right to an income, generally in the form of interest. The main difference between a security and a deposit or a loan is its negotiability; deposits and loans normally are not traded in organized markets. Where transactions in given securities are scant or entirely absent, the instruments in question should be included in deposits (in Italy this is the case of certificates of deposit and post office savings certificates) or loans. For example, in Spain

²⁴ The reserve tranche is the amount of reserve assets contributed to the International Monetary Fund by the member states.

and Portugal, as in Italy, certificates of deposit are included in deposits, whereas in the United Kingdom, where a secondary market exists, they are included in short-term securities.

Short-term securities have an original maturity of up to one year; like other securities they are recorded at market value (see Section 4.2), with the exception of bankers' acceptances, which are recorded at face value. For the purposes of calculating net issues, gross issues are recorded at the allotment value.

In the Italian financial accounts, short-term securities consist of the following:

- a) *Short-term securities issued by general government*
Treasury bills (BOTs);
- b) *Short-term securities issued by other residents*
Acceptances issued by banks, other financial intermediaries and non-financial corporations;
- c) *Short-term securities issued by the rest of the world*
Foreign securities.

Medium and long-term securities (ESA95 code F.332). These differ from short-term securities only in their original maturity, which is more than one year. Stocks are valued at market cum-coupon prices, including accrued interest, except for securities issued by local government, which are valued at face value.

In the Italian financial accounts medium and long-term securities comprise:

- a) *Medium and long-term securities issued by monetary financial institutions*
Bank bonds, including those issued abroad;
- b) *Medium and long-term securities issued by central government:*
CCTs
Treasury credit certificate (variable coupon)
Treasury discount certificates (CTSs)
Treasury index certificates (CTRs)
Treasury option certificates (CTOs)
Treasury ECU certificates (CTEs)

Treasury fixed-rate credit certificates;

- c) *Medium and long-term securities issued by central government: other*
 - Treasury bonds (BTPs)
 - Cassa Depositi e Prestiti bonds
 - Treasury zero-coupon certificates (CTZs) and other government securities
 - Crediop bonds on behalf of the Treasury
 - Special Treasury certificates
 - Republic of Italy loans issued abroad in the form of bonds
 - State Railway Bonds to be redeemed by the Treasury;
- d) *Medium and long-term securities issued by local government;*
- e) *Medium and long-term securities issued by other residents*
 - Bonds issued by public enterprises
 - Bonds issued by private enterprises
 - Bonds issued by other financial intermediaries
 - Bonds issued by insurance corporations;
- f) *Medium and long-term securities issued by the rest of the world*
 - Foreign securities.

Derivatives (ESA95 code F.34). Derivatives are financial assets whose value depends on another instrument. The underlying instrument is usually another financial asset (for example, a security), but may also be a commodity or an index. For ESA95 the category derivatives includes all options, futures, warrants, swaps and forward rate agreements that are tradable or that can be offset on the market;²⁵ all derivatives that are tradable or for which there is a market value, whether or not the relevant market is regulated, must therefore be recorded. In the Italian financial accounts, the following types of contract are recorded: forwards, futures, options, swaps and forward rate agreements. All of them are recorded at market. Following a recent revision of ESA95 (3 December 2001), streams of payments

²⁵ Offsetability obtains when it is possible to eliminate the risk associated with a given derivative by creating a new one with characteristics such as to cancel out the risk of the first one. For example, if the first derivative carries a risk of loss equal to 10 upon a given event, the second derivative guarantees a gain equal to 10 upon the same event. The theoretical purchase of the second derivative would be entirely equivalent to the sale of the first, since it involves the elimination of the risk.

related to swaps and forward rate agreements are recorded as further acquisitions of the underlying financial derivative.

Short-term loans (ESA95 code F.41). Loans are created when a creditor lends funds to another person. They are generally not evidenced by credit instruments. When they are, the document must not be negotiable; otherwise, it would have to be called a security. Loans give entitlement to receive interest.

For the purposes of distinguishing between loans and deposits, ESA95 establishes that the transaction is to be recorded among deposits if the initiative lies with the lender and among loans if the initiative lies with the borrower. Short-term loans are loans with an original maturity of up to one year.

Short-term bank loans include interest accrued but not paid. Since these assets do not have a secondary market, stocks of loans are recorded at nominal value, i.e. the amount of the principal that the debtors are contractually obliged to repay the creditors at the expiry of the contract.

Unlike the breakdown for other instruments, the breakdown for loans refers to the sector that grants credit, i.e. the lender. In the Italian financial accounts short-term loans comprise:

- a) *Short-term loans of non-financial corporations*
Short-term loans to non-residents;²⁶
- b) *Short-term loans of monetary financial institutions*
Short-term refinancing operations of the Bank of Italy
Portfolio risk (discounted bills)
Current account overdrafts
Other short-term loans
Repos that are liabilities of sectors other than monetary financial institutions;
- c) *Short-term loans of other financial corporations*
Loans for factoring transactions
Short-term loans of non-resident financial corporations;

²⁶ The information is derived from foreign exchange statistics. Data on short-term loans to resident non-financial corporations are not available. Apart from trade credits (see below), such loans are considered to be of limited size and to consist primarily of intra-group transactions.

- d) *Short-term loans of general government*
Short-term loans of the Treasury and social security funds to non-residents;
- e) *Short-term loans of the rest of the world*
Short-term loans to non-bank residents
Resident banks' liabilities with their branches abroad
Loans to residents from international organizations.

Medium and long-term loans (ESA95 code F.42). In the Italian financial accounts these comprise:

- a) *Medium and long-term loans of monetary financial institutions*
Loans deriving from former management of stockpiling bills and other medium and long-term loans of the Bank of Italy to the Treasury
Special medium and long-term advances to banks under the Ministerial Decree of 27 September 1974²⁷
Other medium and long-term loans of the Bank of Italy to the International Monetary Fund
Medium and long-term portfolio risk
Medium and long-term current account loans
Mortgage loans
Other medium and long-term loans
Bad debts and bank protests;
- b) *Medium and long-term loans of other financial corporations*
Leasing
Consumer credit
Mortgage loans disbursed by insurance corporations;
- c) *Medium and long-term loans of general government*
Liabilities of the Bank of Italy to the Treasury
Medium and long-term loans of Cassa Depositi e Prestiti to local authorities and public enterprises
Medium and long-term loans to other residents and to non-residents;

²⁷ The decree allows the Bank of Italy to grant advances at 1 per cent for up to 24 months to banks that take part in rescues of other intermediaries.

- d) *Medium and long-term loans of the rest of the world*
 SDR account, including other medium and long-term liabilities of the Bank of Italy to the International Monetary Fund
 Medium and long-term loans to residents
 Mortgage loans to residents
 Medium and long-term loans to resident banks from international organizations.

Shares and other equity (ESA95 code F.51). This category consists of financial assets, excluding mutual fund shares, that represent property rights on corporations or quasi-corporations. Shares and other equity generally entitle the holders to a share of the corporations' profits or of their net assets in the event of liquidation. The assets in question are divided into listed shares, unlisted shares and other equity. Listed shares are those listed on an organized stock exchange or other form of secondary market. Other equity comprises instruments in forms other than shares, such as equity in enterprises not set up as companies limited by shares.

Stocks of shares are recorded at market value. The valuation of shares issued by unlisted corporations is an estimate of the market value or reflects the company's shareholders' equity as stated in the annual accounts, depending on the size of the company and its branch of activity. Mutual banks are an exception in this respect and are valued according to shareholdings' equity at book value.

Shares and other equity comprise the following items:

- a) *Shares and other equity issued by residents*
 Listed shares and unlisted shares issued by non-financial corporations, banks, other financial intermediaries and insurance corporations
 Other equity issued by non-financial corporations, banks, other financial intermediaries and insurance corporations
 Share capital of the Bank of Italy
 Other equity issued by local government;
- b) *Shares and other equity issued by the rest of the world*
 Listed shares, unlisted shares and other equity issued by non-residents.

Mutual fund shares (ESA95 code F.52). These are issued by a specific type of financial corporation whose purpose is to invest in the financial markets. In accordance with the provisions of ESA95, stocks are recorded at the current redemption value. Issues and net purchases of mutual fund shares include investment income earned during the period considered by the management of the fund, which is considered as attributed to shareholders and reinvested in the fund.

In particular, this category includes:

- a) *Mutual fund shares issued by residents*
Money market fund shares
Non-money-market fund shares;
- b) *Mutual fund shares issued by the rest of the world*
Shares of foreign money market and non-money-market funds

Insurance technical reserves (Code ESA95 F.6). Technical reserves are the provisions of insurance corporations and (autonomous and non-autonomous) pension funds for future payments to beneficiaries.

Technical reserves are recorded on the basis of the current value of the rights of the insured to payment of a lump sum or an annuity.

Reserves are divided into life insurance reserves and pension fund reserves (ESA95 code F.61) and prepayments of insurance premiums and reserves for outstanding claims (ESA95 code F.62). The first category comprises the net equity of households in life insurance reserves and pension fund reserves. Net equity is calculated as the sum of premiums (or contributions in the case of pension funds) paid and of the interest accrued on the accumulated capital, less service charges for managing the policies (or pension funds) and benefits and other payments received by households. In short, the item includes all the amounts that insurance corporations and pension funds have set aside and which will be paid to the insured at the time of death or retirement.

Severance pay and pension provisions are recorded here because they are treated as pension funds.

Reserves are not entered as liabilities of social security funds because the latter disburse benefits according to the pay-as-you-go method,

i.e. they pay pensions out of current receipts and do not have a provision in which contributions paid in are set aside.

Prepayments of insurance premiums and reserves for outstanding claims comprise life insurance actuarial reserves, which include premium income already received but not entirely attributable to the accounting period, and life and non-life insurance reserves for outstanding claims, i.e. the amounts set aside for claims arising from events that have already occurred but which have not been settled.

Insurance technical reserves include:

- a) *Life insurance reserves and pension fund reserves (ESA95 code F.61)*
 - Life insurance actual reserves and premiums
 - Pension funds
 - Severance pay and pension provisions, set aside by non-financial corporations, financial corporations and households for their own employees (hence excluding the severance pay and pension provisions of public employees);²⁸
- b) *Prepayments of insurance premiums and reserves for outstanding claims (ESA95 code F.62)*
 - Life insurance actuarial reserves and premiums
 - Life insurance reserves for outstanding claims
 - Non-life insurance reserves for outstanding claims.

Other accounts receivable/payable (ESA95 code F.7). This category consists of all financial assets created as counterparts of a financial or non-financial transaction in which there is a difference between the time of the transaction and that of settlement.

The distinction between “trade credits” and “other” follows that proposed in ESA95. In particular, trade credits arise where there is delivery of a good or provision of a service not yet followed by the corresponding payment. “Other” includes all other accounts receivable/payable excluding trade credits, i.e. all claims already due but not settled in respect of taxes,

²⁸ Public bodies do not hold staff severance pay provisions but draw on current revenue to make severance pay disbursements.

social contributions, wages and salaries, rents on land, and dividends. The category “other accounts receivable/payable” does not include the timing differences between cash and accrual accounting of interest on securities, which are included in the relevant financial instrument (see Section 3.2).

Data on the trade credits of non-financial quasi-corporations are currently not available.

Other accounts receivable/payable comprise:

- a) *Trade credits*
Trade credits internal to the sector non-financial corporations and between non-financial corporations and producer households
Trade credits between resident non-financial corporations and the rest of the world;
- b) *Other*
Claims created as a result of the timing difference between accrued transactions and payments in respect of taxes, social benefits and other transfers.

CHAPTER 3

THE ACCOUNTING RULES OF ESA95

The new financial accounts incorporate two methodological innovations introduced by ESA95. In the first place, financial assets and liabilities, most of which were previously stated at face value, are now included at their market values at the end of the reference period when they consist of listed financial instruments and derivatives, and at the best approximation of market value available in all other cases (see Section 3.1). In the second place, as regards the time of recording, assets and liabilities are now recorded on an accrual basis instead of a cash basis as before (see Section 3.2).

When data availability permits, ESA95 recommends the production of separate series of stocks and annual and quarterly flows for each institutional sector and financial instrument. Flows must correspond to net transactions at market value and are not necessarily equal to the corresponding change in stocks. Calculating flows as the difference between stocks would involve the risk of obtaining values influenced by price revaluations (in the case of securities and shares) and writeoffs and writedowns (in the case of bank loans). ESA95 reaffirms the view that revaluations and writeoffs and writedowns are not transactions and should therefore be excluded from flows. Depending on the instrument in question, there are several different problems involved in calculating flows (see Chapter 4 for the rules applied in preparing Italy's financial accounts).

3.1 Valuation at market prices

In valuing stocks of financial assets and liabilities, one of the following methods may be used:

- a) nominal (or face) value;
- b) book value, normally equal to cost;
- c) *fair value*, defined as the discounted present value of expected future returns;
- d) market value on the basis of current prices.

As a general principle ESA95 (7.44) provides for financial assets and liabilities to be recorded at market. This rule does not apply to assets for which there is not a secondary market (bank deposits and loans, other accounts receivable/payable of the economy), which are normally included at face value.

Shares and bonds not listed on official markets are a special case. Although such instruments can be traded among economic agents, transactions are infrequent. Consequently, there are no price lists or reference prices. ESA95 provides for such instruments to be valued with reference to the prices observed for securities with similar characteristics. As an alternative the fair value method may be used.

Turning to derivatives, the existence of a market, whether regulated or not, is a necessary condition for their inclusion in the financial accounts to be justified. In fact, since derivatives are contingent assets, they would normally be excluded from the categories of financial instruments recognized in the system of national accounts.

3.2 Recording on an accrual basis

In order to safeguard the consistency of the system, particularly as regards the theoretical equality of the balances of the formation of capital account and the financial account, ESA95 provides for the transactions entered into by institutional units to be recorded in all the accounts simultaneously, at the moment economic value is created, transformed or extinguished. Recording on an accrual basis means that transactions are recognized when a right to an economic benefit is acquired, regardless of whether it is associated with the payment or receipt of money.

In the financial accounts, which were compiled essentially on a cash basis in the past, the accrual principle applies in the following cases:

- a)* for interest, which is recorded as it accrues in the form of a further acquisition of the financial instrument in question;
- b)* for trade credits arising from the difference between the time goods or services are exchanged and the time settlement is made;
- c)* for the subitem “Other” of “Other accounts receivable or payable”, which mainly comprises the items reconciling cash flows with those on an accrual basis in respect of taxes and social security contributions and benefits.

As regards the recording on an accrual basis of interest, three alternatives are identified in relation to the interest rate adopted:²⁹

- a) interest is calculated by applying the rate prevailing at the time of creation of the security to the issue price. For periods after the first, the same rate is applied to the issue price incremented by accumulated accrued interest. Sale of the security on the secondary market has no effect on the calculation under this approach because it does not alter the original interest rate, the issue price or the accumulated accrued interest. This method is known as the “debtor or original cost of borrowing principle”;
- b) in the event of a sale on the secondary market, an alternative method, known as the “creditor principle”, can be applied, based on the way in which the buyer of the security intends to record the remaining interest. This method provides for the application of the internal rate of return determined on the basis of the purchase price on the secondary market and the future payments of interest and principal. This internal rate of return will be influenced by the term structure of interest rates at the time the purchase is made on the secondary market;
- c) lastly, it is possible to use the “full market approach”, whereby, regardless of sales of the security on the secondary market, interest is calculated in each period by applying the current market rate to the current price of the security.

In the absence of a precise indication in ESA95, the method chosen for Italy’s financial accounts is the “debtor or original cost of borrowing principle”, which is also preferred by Eurostat (see Section 4.2).

²⁹ Eurostat, *Report of the Task Forces for the ESA 95. Handbook - Recording Interest on Accrual Basis*, 1998.

CHAPTER 4

SOURCES AND ESTIMATION METHODS USED FOR THE ITALIAN FINANCIAL ACCOUNTS

International manuals such as ESA95 govern the definition of the institutional sectors and the method of valuing financial assets and liabilities. In reality, in all countries the production of financial accounts is affected by data availability; fully applying the standards established by the international regulations would be impossible without recourse to estimation procedures. The principal constraints include the unavailability of statistics on the universe of the institutional units that compose the sectors, measurement errors in input data, inconsistencies between data from different sources, lack of data on particular phenomena, and the availability of economic aggregates measured only at nominal value.

A general revision of the methodologies of the financial accounts was carried out in 2000, when the new accounting rules were adopted. This chapter describes the sources and methods used for each instrument and for the sector “rest of the world”, in order to facilitate comprehension and utilization of the statistics.

4.1 Deposits and loans

The sources for these instruments consist of the supervisory statistical reports of banks, money market funds and non-bank financial intermediaries, the annual accounts of the Bank of Italy, reports to the Italian Foreign Exchange Office (UIC) and information provided by Cassa Depositi e Prestiti (for post office savings).

Up to September 2000, the items of the financial accounts regarding bank deposits and loans referred to a sample covering around 92 per cent

of total deposits and 95 per cent of total loans. Since September 2000 these items refer to the universe of banks.³⁰

The flows of medium and long-term loans are net of claims that have been written off entirely or written down in value. Under ESA95 write-offs and write-downs are not classified as financial transactions, because they do not involve interactions between institutional units by mutual agreement. Moreover, analysis of the change in loans cannot be limited to stocks, whose reduction between two periods might not reflect a cyclical slowdown but be due to extraordinary write-offs and write-downs, in the absence of which the stocks might have increased.

The adjustment of flows to take account of write-offs and write-downs can be improved in the future with the use of more analytical information on the counterpart sectors of the loans; at present, flows are adjusted for write-offs and write-downs for the total of the sectors.

The financial accounts data for deposits differ from the analogous data in other statistics of the Bank of Italy owing to the treatment of interest.³¹ Interest accrued but not yet paid is calculated as the difference between the amount accrued, determined by appropriate estimation, and that credited, as shown by supervisory statistical reports. It is considered to be reinvested in the underlying financial instrument and is therefore included in the amount of the deposits. The same method is used to incorporate differences between cash and accrual accounting of interest in the case of short-term loans. Data on interest accrued but not yet paid are not currently available for medium and long-term loans.

4.2 Securities and derivative instruments

Securities. The data on issues of securities derive mainly from sources within the Bank of Italy. For government securities, use is made of the information gathered on the occasion of the auctions held by the Bank of Italy to place securities on behalf of the Treasury, supplemented by the data collected by the screen-based market in government securities (MTS)

³⁰ In the financial accounts, loans and deposits of general government may not correspond to the data of the universe of banks reported in other statistics, due to the accrual (rather than a cash) basis of recording.

³¹ See, for example, the time series of the quarterly supplement to the *Statistical Bulletin*, “Monetary Financial Institutions”.

and by Borsa Italiana S.p.A. for trades on the electronic bond and government securities market (MOT). For acceptances and bank bonds, recourse is made to supervisory statistical reports. For securities issued by non-financial corporations, other financial intermediaries, insurance corporations and local government, the data come from the securities registry of the UIC. The UIC is also the source of the data on securities issued by non-residents. Issue amounts are shown at market value.

The stocks of securities held by each institutional sector are estimated starting from the data obtained from supervisory statistical reports on securities deposited with banks for safekeeping; for the reconstruction of market values and accrued interest, use is also made of the aforementioned sources used in calculating issues.³²

For the main types of government securities, the ex coupon market value has been obtained by supplementing the information on the face value of the single issues with daily observations of the prices of securities traded on MOT.

The quarterly flows are calculated as the difference between purchases and sales of securities in the period, both recorded at market value. There may be significant disparities between the flows so calculated and the figures obtained as the difference between stocks, due to the effect of securities price revaluations and, in the case of foreign securities, exchange rate fluctuations. Only the flow of bank acceptances is calculated as the difference between stocks, owing to the absence of statistical data.

In calculating the net issues of Italian Treasury bills (BOTs), gross issues are now included at their allotment prices instead of at their face value as in the past.

Accrued interest. In order to calculate interest accrued but not yet paid, the Italian financial accounts make use of the debtor principle, i.e. interest is computed starting from the purchase of the security and then applying the relevant yield at issue (see Section 3.2).

This approach, in line with the recommendations of Eurostat,³³ is the same one that Istat uses in estimating the flows of accrued interest for the

³² The switch to valuation at market prices made it necessary to revise the values attributed to short and medium/long term securities issued by residents, which in the past were recorded at face value.

³³ In addition to the previously cited *Report* of the task force on recording interest on an accrual basis, see also the *ESA Manual on Government Deficit and Debt*, published by Eurostat in 2000, with reference to the recording of interest in the general government accounts.

production of the accounts of the institutional sectors. In particular, for government securities and post office savings certificates, the cash-accrual reconciliation items on interest have been calculated in collaboration with Istat on the basis of the data provided by the Ministry for the Economy and Finance and by Cassa Depositi e Prestiti. This procedure is consistent with the accrual recording of interest in the new general government national accounts based on ESA95, prepared by Istat.

The estimation of accrued interest is not limited to government securities and post office savings certificates but also regards the remaining debt securities. The amounts of these instruments include interest accrued but not yet paid at the end of the reference period. For securities, both maturing coupons and issue discounts are recorded on an accrual basis. Some examples of calculation on an accrual basis are given below.

BOT. Consider a BOT issued on 1 January with a maturity of twelve months. The interest it pays is given by the difference between the face value (or redemption value) and the purchase price. In the financial accounts this difference is divided evenly over the four quarters. For example, if a twelve-month BOT is issued at 92 lire, the financial accounts will show a stock of 94 at the end of March, 96 at the end of June, 98 at the end of September and zero at the end of December, when the security is redeemed. The valuation of BOTs in the financial accounts by this method results in smaller aggregates than the figures on BOTs at face value that appear in other publications of the Bank of Italy.³⁴ Similar considerations hold for Treasury zero-coupon certificates (CTZs).

BTP issued at par. Take the case of a BTP with half-yearly coupons issued at par on 1 January. In the March financial accounts the value of the BTP will include the interest accrued in the first quarter but not yet paid (half of the coupon). The financial accounts of June will show the principal amount of the BTP; the payment of the coupon in June erases the accrued interest.

BTP issued below par (issue discount). Consider a BTP with half-yearly coupons issued at par on 1 January. In the March financial accounts the interest accrued but not yet paid consists of the portion relating to the coupon and a portion of the issue discount. The latter component is divided evenly over the entire life of the security. In other words, the discount is spread over the principal amount of the security for its entire duration. The

³⁴ See the monthly supplement to the *Statistical Bulletin*, “The Financial Market”.

treatment of BTPs issued above par (which are quantitatively limited) is symmetrical.

CCT with a variable coupon. The treatment is analogous to that of BTPs, except that the amount of the coupons is not known at the time of issue on account of the link with short-term interest rates.

Derivative instruments. The series for derivatives traded between residents are estimated on the basis of supervisory reports. For transactions in derivatives with the rest of the world, use is made of the data supplied by the UIC.

Supervisory reports up to the third quarter of 2000 refer to notional value (i.e. the value of the underlying security); market value was estimated using the data derived from the half-yearly survey of the Bank for International Settlements. As of the fourth quarter of 2000, banks began to report derivatives to the Bank of Italy in terms of their market value; it was therefore possible to abandon the preceding estimation procedure. Owing to the particular nature of the instrument and its recent introduction in supervisory reports, the values published show strong fluctuations and may be subject to future revisions and improvements in the estimation methodology. The BIS survey is used, together with the supervisory reports of Italian securities firms and pension funds, for the identification of the counterpart sectors.

As with all other financial assets and liabilities, the stocks of derivatives are recorded in the unconsolidated format, while the flows are consolidated for each sub-sector published, owing to the nature of the available data.

4.3 The estimation of shares and other equity

The data on shares and other equity are available with the distinction between resident and non-resident issuers.

The shares and other equity of some institutional sectors – monetary financial institutions, insurance corporations and pension funds, general government, and the rest of the world – are derived from directly utilizable statistics, such as those provided by Borsa Italiana S.p.A., by supervisory statistical reports, by the Ministry for the Economy and Finance, and by the accounts of the Bank of Italy and insurance corporations.

By contrast, up to September 2000 shares and other equity in the assets and liabilities of non-financial corporations and non-bank financial intermediaries were given by sample estimates based on the accounts data of a set of companies surveyed by the Company Accounts Data Service (Cebi).³⁵ Subsequently, the availability of accounts data for all companies, collected and processed by Cerved, has made it possible to drop the sample.³⁶ Under the current methodology, the Cerved data, which are exhaustive for their coverage of companies, are partly reprocessed in order to apply the principle of market value.

According to this procedure, shares and other equity issued by unlisted companies are valued utilizing the average stock exchange prices of the listed companies belonging to the same branch.³⁷ From the ratio of market capitalization to shareholders' equity of listed companies, coefficients for each branch are obtained that are applied to the unlisted companies' balance sheet value in order to estimate their market value. This so-called "capitalization" method was discussed and approved by the Eurostat financial accounts working party.

To avert the poor representativeness of listed companies compared with the universe of Italian companies, valuation at market price is applied only to unlisted companies comparable in size with listed companies and only to branches of activities with a sufficient number of listed companies. The remaining unlisted companies are valued according to their shareholders' equity.

In accordance with the recommendations of ESA95, the method of valuing the stocks of shares issued by unlisted banks and insurance corporations has also been modified. The banking and insurance sectors are more homogeneous than that of non-financial corporations and quasi-corporations, and listed banks and insurance companies are preponderant in

³⁵ The Company Accounts Data Service collects and classifies the financial statements of the main Italian corporations. The sample includes multiple borrower firms whose loans have not been marked down as bad debts that have at least one loan with the banks participating in the Company Accounts Data Service. Cerved, equity interests in which are held by Cebi and, indirectly, by the Chambers of Commerce, collects the financial statements and other official information of Italian corporations. Cerved data are less analytical and, in general, less complete than those of Cebi, but they refer to a much larger sample of corporations.

³⁶ Although stratification procedures were used to reduce distortions, the sample estimates tended to overestimate shareholders' equity as a result of the overrepresentation of companies with a long life.

³⁷ The Italian methodology differs only slightly from the one proposed by the Eurostat working group on unquoted shares. For a complete description of the latter, see the report of the working group "The valuation of unquoted shares: current state and new proposals" (2003).

terms of market share, in contrast with non-financial corporations, the bulk of which are not listed. Accordingly, market valuation has been applied to all unlisted banks and insurance corporations, except for mutual banks, for which evaluation according to their shareholders' equity is preferred.

On the asset side, the estimation of the stocks of shares and other equity issued by residents and held by general government, non-financial corporations, monetary financial institutions and other financial intermediaries has been revised in line with the new methods adopted for liabilities. In particular, shares and other equity held by non-financial corporations and non-bank financial intermediaries are estimated by distributing by issuer sector the total of shareholdings stated in the annual accounts in the Cerved archive; this is done using sectoral shares estimated on the basis of the data in the Company Accounts Data Service archive on corporate groups (Cebi-Gruppi). The resulting aggregates are first restated as percentages of the shareholders' equity of the investee companies and then multiplied by the ratio of market value to shareholders' equity of these companies, so as to obtain the amount of shares and other equity held at market value. Shares and other equity held by households are obtained as a residual, according to a procedure also used by other industrial countries.

Except for the shares held and issued by local government and for those among the assets of social security funds, for other shares data are available on effective net transactions at market value (purchases less sales) that are independent of the data for calculating stocks. Thus, as with securities, for shares and other equity there may be large differences between the changes in stocks and the corresponding flows owing to share price fluctuations, which affect stocks.

Listed shares issued by residents according to issuing and holding sector.

Quarterly time series of quoted shares issued by residents, with a breakdown by issuing and holding sector, have been published since January 2002. At present the breakdown for listed shares is not required by the Regulation implementing ESA95.³⁸

The total capitalization of the stock market, including the companies listed on the Mercato Ristretto and the Nuovo Mercato, is divided in the

³⁸ However, Eurostat plans a revision of the format for transmitting the financial accounts that would provide for their inclusion.

Italian financial accounts by issuing sector (non-financial corporations, insurance corporations, banks and other financial intermediaries) on the basis of the sectoral data prepared by Borsa Italiana S.p.A.

The methodology for reconstructing shares according to holding sector is more complex, requiring the use of estimation procedures to a varying extent. The estimated component is particularly significant for non-financial corporations and quasi-corporations and was computed using data from the company accounts in the Cebi-Gruppi and Cerved archives, supplemented by extrapolations. By contrast, it is minimum or absent in the case of banks, mutual funds and securities firms, for which the data are obtained from supervisory statistical reports, and for the central bank, insurance corporations and social security funds, whose data are drawn from their respective balance sheets. Stocks held by non-residents are estimated on the basis of the flow data of the UIC. The aggregate for households and private social institutions is obtained as a residual, after subtracting the quantities attributed to the other sectors from the total in circulation.

The series are produced in unconsolidated format (the stocks held by the individual sectors include shares issued by companies belonging to the same sector) and refer to end-of-quarter stocks.³⁹

The most significant cases of the methods adopted for constructing the sectoral data are described below.

Central government. The aggregate for central government is calculated on the basis of the data supplied by the Ministry for the Economy and Finance, containing the list of companies and the related shareholdings. The data refer to direct shareholdings; they exclude those held by means of state holding companies (e.g. IRI), which are attributed to public corporations and included in the assets of the sector non-financial corporations. The stock of listed shares is calculated directly by attributing to the Treasury percentages of the companies' market capitalization, obtained from Datastream, corresponding to the percentage holdings.

Local government. In the absence of direct information, the aggregate for local government is calculated on the basis of Consob data on the ownership structures of listed companies. The data, obtained from Consob's website (www.consob.it), regard all shareholdings in excess of 2 per cent. The stock of shares is calculated by attributing to local government

³⁹ Although series on flows have been estimated, the methodology in this field is still being developed and requires further refinements, based on supplementation with new sources of elementary data.

percentages of the companies' market capitalization corresponding to the percentage holdings. Most of the shareholdings of local government are in former municipal companies that have been transformed into companies limited by shares and are being privatized.

Banks. For the component not held in the form of financial fixed assets, the data are taken directly from supervisory statistical reports. Securities held as fixed assets are estimated using data on banks' shareholdings also obtained from supervisory statistical reports.

The aggregate of listed shares is obtained by applying the percentage directly held, derived for each shareholding from supervisory statistical reports, to the data on the companies' market capitalization obtained from Datastream.

Currently, no adjustment is made to correct for the presence of size thresholds in the collection of the elementary data for the component not held as fixed assets. Since all shareholdings worth more than €5 million are included, the coverage of the phenomenon is high.

Banking foundations. The aggregate for banking foundations is also calculated on the basis of Consob data on the ownership structures of listed companies, available on Consob's website. Since Consob does not survey shareholdings smaller than 2 per cent, the total amount could be slightly underestimated.

Securities firms. The series is obtained by aggregating the data on SIMs' portfolios derived from supervisory statistical reports.

Non-financial corporations. In estimating the sector's holdings of listed shares, it is necessary to integrate the data of different archives and to use extrapolations of sample data.

In particular, the necessity of operating with a set of companies (those surveyed by the Companies Accounts Data Service) not selected for statistical purposes and thus potentially problematic in terms of representativeness could lead to some distortion in the estimates. However, the methodology employed and the characteristics of the phenomenon suggest that any distortion is likely to be limited.

The estimation is mainly based on the detailed data on shareholdings obtained from the Cebi-Gruppi archive. The archive's records cover the direct and indirect shareholdings of companies belonging to the largest

Italian groups in terms of turnover.⁴⁰ For each investee company, the available data include the name, value of the shareholding shown by the last balance sheet and percentage of the company held.

For the purposes of estimating the aggregate, the data taken from the Cebi-Gruppi archive are then supplemented with the data of the Cerved and Cebi archives and that on listed companies' market capitalization published by Datastream.

The estimation is divided into two steps:

- a)* for the part surveyed by Cebi-Gruppi, investments in listed companies are calculated by applying the percentage held, derived from the archive, to the investee company's market capitalization;
- b)* investments in listed companies not obtainable from Cebi-Gruppi are estimated by applying to the total of shareholdings held by non-financial companies, as shown by the company accounts data in the Cebi and Cerved archives, net of the part referred to at point *a*), the percentage of the shareholdings derived from Cebi-Gruppi and revaluing the amount so obtained at average market prices.

The directly calculated component (see point *a*)), whose degree of accuracy can be considered high, accounts for about 60 per cent of the estimated aggregate.

The indirectly estimated component, which accounts for the remaining 40 per cent, has a lower degree of accuracy. As a matter of fact, the estimation is based on an indicator (percentage of listed shares found in the Cebi-Gruppi archive) that is calculated on a sample which is not selected with statistical criteria and which might not correctly reflect the actual value in the population as a whole. Given that the average size of the companies in Cebi-Gruppi is larger than that in the population as a consequence of the turnover threshold, the stock of listed shares could be overestimated inasmuch as larger companies hold a higher-than-average percentage of listed shares.

In order to quantify the possible biases, account should be taken of the fact that the ownership of equity interests is highly concentrated in the population of companies. Cerved data show that more than 90 per cent of

⁴⁰ All the groups with turnover of more than 150 billion lire are included (data derived from the consolidated accounts or reported by participating banks).

all the equity interests held by the sector were owned by just over 1,000 large companies.

Assuming the Cebi-Gruppi sample to be representative for the larger companies, the possible overestimation would regard only around 10 per cent of the total phenomenon and its overall amount should therefore be quite limited.

Households and non-profit institutions serving households. The estimate of the stocks held by households is obtained as a residual and therefore is potentially subject to higher bias, reflecting all the approximations made in the estimates for the other sectors. The residual approach, which is necessary owing to the lack of direct, quarterly data, constitutes the standard procedure for estimating the household sector's portfolio of securities and shares in the financial accounts of Italy and numerous other countries.⁴¹ The estimation is subject to possibly significant revision in the course of time on account of the cumulated effect of the revisions to the individual sectoral components. The data comprise both shares held directly and those held via portfolio management schemes.

4.4 Mutual fund shares

The data are taken from supervisory statistical reports to the Bank of Italy. The stocks of Italian mutual fund shares, which were previously attributed in full to the household sector after deducting the part held by non-residents, are now allocated among the different sectors on the basis of the information (including that on fund subscribers) provided by fund management companies for supervisory purposes.

The flows of mutual funds are estimated on the basis of the amount of net issues valued at market prices. The basic information on flows are independent from that on stocks: the difference between the value of flows and the change in stocks is due to revaluations for variations in price or in exchange rates.

Net issues of mutual fund shares also include the investment of income earned, which is calculated by Istat and considered to be attributed to the shareholders and reinvested in the fund itself. In other statistics pub-

⁴¹ The data obtained are similar to those derivable from the Bank of Italy's biennial Survey of Italian Household Income and Wealth, whose principal findings are published in a special issue of the supplement to the *Statistical Bulletin*, "Methodological Notes and Statistical Information".

lished by the Bank of Italy, the fund-raising by mutual funds does not include reinvestment of earned income. Of course, unrealized gains are not included in earned income; they are simple revaluations affecting stocks, but excluded from flow data.

4.5 Insurance technical reserves

These statistics are obtained from the annual accounts of insurance companies and pension funds, collected, respectively, by Isvap and Covip. Istat data are also used.

Thanks to the availability of sector breakdown in national accounts data, in the future the statistics on net equity of households will be revised in order to reflect the amounts set aside by non-financial companies, monetary financial institutions, insurance corporations and households for severance pay for their own employees. The amounts set aside by pension funds for employees' severance pay are treated as pension fund reserves and included in this latter instrument. The Istat data utilized in the financial accounts currently refer to the change in severance pay and pension provisions and reflect elements of estimation (particularly in the severance pay component). The series that will be utilized in the future will contain more details and reflect the new sector breakdown according to ESA95.

4.6 Trade credits: the current situation and developments

Up to 1999 the observation of trade credits was restricted to transactions with non-residents and based on information obtained from the balance of payments. In 2000 the financial accounts published a first estimate of trade credits within the non-financial corporations sector and between such corporations and producer households. Since nearly all trade credits are between non-financial corporations, the impact on the sector's balance is limited.

The time series, obtained by aggregating the data obtained from the Cerved company accounts archive, do not include non-financial quasi-corporations.

The data published are affected not only by the exclusion of the statistics on quasi-corporations but also by the fact that in the Cerved archives

the data on trade credits are not available for a large number of small companies that prepare short-form annual balance sheets. Since the number of companies for which information is unavailable is greater than 60 per cent of the total of firms surveyed by Cerved, the lack of such information results in an underestimation of the aggregates, despite the small average size of the companies concerned.

The statistics on corporations' trade credits will be revised in the future by imputing the missing data on the basis of the information derivable from companies' short-form annual accounts. Use will be made of variables that are significantly correlated with the amount of trade credits.

In revising the method for estimating missing data, the definition of trade credits will be supplemented, filling several gaps and improving the quality of basic information. The definition of the variables will be revised in accordance with ESA95 by including advances to suppliers and advance payments from customers; the Cerved archives will be supplemented with the information from the Company Accounts Data Service; the archives containing normalized company accounts, which are more analytical, will be used in place of those containing the reclassified company accounts. Finally, a methodology for estimating the trade credits of non-financial quasi-corporations is being prepared.

4.7 Other accounts receivable/payable

The amounts of the item "Other" of the category "Other accounts receivable/payable" for the sector general government and counterpart sectors are provided by Istat on an annual basis; quarterly and interim estimates are not currently available. The item shows values only in the annual tables, not in the quarterly accounts format. Consequently, the total of accounts receivable and payable of the institutional sectors differs on a quarterly basis from that reported in the corresponding annual tables, and the sum of the quarterly financial balancing items of a given year does not coincide with the annual financial balancing item.

4.8 Statistics of the rest of the world

These statistics are based on information provided by the UIC (Italian Foreign Exchange Office). The data collection system provides analyti-

cal reports only for flows. The stocks are obtained by cumulating and re-valuing the flows, assuming as the basis of comparison the volumes obtained from the statistics on the net investment position and surveys of portfolio investment.

Foreign transactions are observed by the UIC by means of the foreign exchange reports filed by Italian banks and foreign exchange statistical reports filled out by other residents. The two reports differed in their coverage before 2002; starting in 2002 they are compulsory only for transactions of a value exceeding €12,500. Foreign transactions of banks, in the financial accounts, are based on a different source: the Automated Prudential Returns. This may cause discrepancies between the financial accounts on one hand, and the Bop and IIP statistics on the other hand.

The information on flows provided by the UIC will be supplemented in the future by more statistics from other sources – in the case of the foreign mutual fund shares, for example, by the official data of the Italian asset management industry association (Assogestioni). For stocks, the goal is to improve several estimations of the initial reference values.

APPENDIX

The production of the financial accounts

The financial accounts are produced by a unit in the Monetary, Banking and Financial Statistics Division of the Bank of Italy's Economic Research Department. The unit is responsible for establishing the statistical methodology, taking into account the conceptual framework provided by international standards, the needs of users and the constraints related to the availability of data.

The unit prepares the quarterly Financial Accounts supplement to the *Statistical Bulletin* and the corresponding tables in the Bank of Italy's Annual Report. Data are prepared at regular intervals for Istat and international organizations, notably Eurostat and the European Central Bank. Members of the Financial Accounts unit participate in the meetings of the Monetary Union Financial Accounts working groups, coordinated by the ECB, and the Financial Accounts Working Party, coordinated by Eurostat, whose mandate is to coordinate statistical information within the euro area and establish common statistical methodologies.

Some of the data used by the Financial Accounts unit are collected by other divisions in the Research Department, with special reference to those responsible for monetary and banking statistics and statistics on the balance of payments, public finance and financial markets. In many cases the unit estimates data for which there are no suitable sources (e.g. trade credits between residents and shares by holding sector).

Most of the financial accounts series are available on a monthly or quarterly basis. In a few cases — balance sheets of non-financial companies, insurance companies and pension funds — the data are available on an annual basis. When only annual series are available, quarterly figures are estimated using monthly or quarterly indicators correlated with the annual aggregates. In the absence of such indicators, the quarterly figures are obtained by linear interpolation. Annual flows are equal to the sum of the quarterly flows.

As regards the timeliness with which data become available, the monthly and quarterly series are released with a lag of one to four months. Annual aggregates are available with a longer lag. For example, it can take

up to two years for the database of the chambers of commerce to be fully updated. In order to remedy these delays, recourse is made to extrapolation.

The financial accounts are produced using an ad hoc database created in a Speakeasy environment. The specific features of the database consist not only in the availability of statistical series but also in the conservation in the same environment of data on the links between the series and the mathematical operations involved. In addition, for each series the database contains the metadata, such as the description, the source, the valuation method, the nature of the data (stock, flow, index), the currency of denomination, and the unit of measurement. The financial accounts database contains more than 10,000 series.

The input series are checked to identify revisions of earlier data and outliers. Once the final series have been updated, a series of ex post statistical checks are made. For example, a check is made to ensure there are no stocks with a negative sign (which can occur because some series are calculated as residual items); the consistency between stocks and flows is assessed, especially when independent data are available for the latter; the plausibility of the values of the financial balances is verified, taking into account the past behaviour of the series and possible seasonal components; and checks are made on the consistency between the series and other statistical systems, such as those used for the balance of payments, public finance and, for annual data, the capital account of the institutional sectors.

Data published by the Bank of Italy may be revised for three main reasons: revisions of the input series; the availability of new annual data; and the introduction of methodological improvements as a consequence of new sources or new estimation methods. While in the great majority of cases revisions of the first two types only involve the values of the most recent quarters, changes in methodology may sometimes lead to the revision of all the values of a series. The most significant revisions normally occur in the calculation of the end-of-year values, when new observations become available.

The updated figures are published quarterly in the Financial Accounts supplement to the *Statistical Bulletin*, which contains about 1,100 series and can be consulted in PDF format on the Bank of Italy's website (www.bancaditalia.it). Earlier values of the aggregates are available on the BIP CD-ROM and on its online version on the Internet.

TABLES

Symbols and Conventions employed in the Tables:

— *the phenomenon in question does not occur;*

... *the phenomenon occurs but its value is not known;*

.. *the value is known but is nil or less than half the final digit shown.*

Financial accounts

Italy's financial assets and liabilities in 1997

(stocks in millions of euros)

Institutional sectors	Non-financial corporations		Financial corporations							
			Monetary financial institutions		Other financial intermediaries		Financial auxiliaries		Insurance corporations and pension funds	
	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities
Financial instruments										
Monetary gold and SDRs	-	-	19,468	-	-	-	-	-	-	-
Currency and transferable deposits, with	86,045	-	133,246	561,096	11,193	-	1,510	-	2,309	-
MFIs	68,952	-	79,329	561,096	11,193	-	1,510	-	2,309	-
central government	2,593	-	991	-	-	-	-	-	-	-
rest of the world	14,500	-	52,926	-	..	-	-	-	-	-
Other deposits, with	15,369	-	167,943	442,551	9,447	-	332	-	838	-
MFIs	14,509	-	89,750	442,551	9,447	-	332	-	838	-
central government	860	-	-	-	-	-	-	-	-	-
rest of the world	-	-	78,193	-	-	-	-	-	-	-
Short-term securities, issued by	2,600	2,601	32,399	10	11,049	144	310	-	718	-
general government	1,011	-	26,262	-	7,684	-	310	-	274	-
other residents	10	2,601	1,666	10	77	144	-	-	-	-
rest of the world	1,578	-	4,471	-	3,289	-	-	-	444	-
Bonds, issued by	32,717	19,320	271,758	195,454	152,796	..	3,464	-	96,595	..
MFIs	5,002	-	26,603	195,454	4,586	-	227	-	12,893	-
central government: CCTs	9,228	-	92,577	-	26,353	-	1,592	-	20,207	-
central government: other	6,845	-	140,991	-	78,055	-	1,514	-	50,543	-
local government	158	-	278	-	234	-	78	-	84	-
other residents	460	19,320	777	-	855	-	53	-	2,255	-
rest of the world	11,024	-	10,532	-	42,713	-	-	-	10,614	-
Derivatives	1,726	1,562	31,190	31,789	1,921	1,889	-	-	586	592
Short-term loans, of	15,839	294,450	441,886	39,900	39,507	77,372	-	3,083	-	423
non-financial corporations	15,839	-	-	-	-	-	-	-	-	-
MFIs	-	237,869	441,886	6,981	-	64,655	-	3,083	-	423
other financial corporations	-	14,366	-	545	39,507	-	-	-	-	-
general government	-	-	-	-	-	-	-	-	-	-
rest of the world	-	42,216	-	32,374	-	12,717	-	-	-	-
Medium and long-term loans, of	-	207,040	388,578	50,429	40,848	23,822	..	3,123	1,834	2,717
non-financial corporations	-	-	-	-	-	-	-	-	-	-
MFIs	-	160,784	388,578	7,618	-	21,467	-	223	-	1,304
other financial corporations	-	25,188	-	446	40,848	-	-	-	1,834	77
general government	-	21,068	-	2,502	-	-	-	2,900	-	900
rest of the world	-	-	-	39,862	-	2,355	-	-	-	436
Shares and other equity, issued by	248,166	602,632	47,398	171,099	120,830	30,642	453	1,072	41,746	57,857
residents	180,542	602,632	40,330	171,099	76,980	30,642	453	1,072	25,220	57,857
of which: listed shares	63,775	202,199	20,466	63,871	32,935	198	-	-	12,137	48,453
rest of the world	67,625	-	7,068	-	43,850	-	-	-	16,525	-
Mutual fund shares, issued by	9,881	-	558	3,689	6,281	186,590	229	-	1,026	-
residents	2,543	-	413	3,689	-	186,590	229	-	896	-
rest of the world	7,337	-	145	-	6,281	-	-	-	130	-
Insurance technical reserves	13,605	61,311	809	19,139	-	-	-	-	-	140,230
net equity of households	-	61,311	-	19,139	-	-	-	-	-	100,596
prepayments and other claims	13,605	-	809	-	-	-	-	-	-	39,634
Other accounts receivable/payable	270,542	226,367	2,457	1,076	..	..	-	-	..	183
Trade credits	234,631	219,450	-	-	-	-	-	-	-	-
Other	35,911	6,917	2,457	1,076	-	-	-	-	-	183
Total	696,491	1,415,282	1,537,690	1,516,230	393,872	320,460	6,297	7,278	145,652	202,004

General government						Households and non-profit institutions serving households		Rest of the world		Total		Institutional sectors	
Central government		Local government		Social security funds									
Assets	Liabilities	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities	Financial instruments	
-	-	-	-	-	-	-	-	-	19,468	19,468	19,468	Monetary gold and SDRs	
35,457	19,175	21,385	-	2,463	-	360,695	-	23,169	97,201	677,473	677,473	Currency and transferable deposits, with	
35,457	-	6,927	-	2,463	-	329,788	-	23,169	-	561,096	561,096	MFIs	
-	19,175	14,458	-	..	-	1,132	-	-	-	19,175	19,175	central government	
..	-	..	-	..	-	29,775	-	-	97,201	97,201	97,201	rest of the world	
524	124,465	1,381	-	524	-	321,855	-	126,996	78,193	645,209	645,209	Other deposits, with	
524	-	1,381	-	524	-	198,250	-	126,996	-	442,551	442,551	MFIs	
-	124,465	-	-	-	-	123,605	-	-	-	124,465	124,465	central government	
..	-	..	-	..	-	..	-	-	78,193	78,193	78,193	rest of the world	
20	153,236	72	..	252	-	103,189	-	16,831	11,449	167,440	167,440	Short-term securities, issued by	
20	153,236	72	..	252	-	100,520	-	16,831	-	153,236	153,236	general government	
-	-	-	-	-	-	1,003	-	-	-	2,755	2,755	other residents	
-	-	-	-	-	-	1,667	-	-	11,449	11,449	11,449	rest of the world	
5,562	953,436	1,307	1,269	8,989	-	457,663	-	266,257	127,629	1,297,108	1,297,108	Bonds, issued by	
2,279	-	307	-	979	-	141,196	-	1,382	-	195,454	195,454	MFIs	
206	331,271	453	-	4,225	-	124,910	-	51,520	-	331,271	331,271	central government: CCTs	
1,524	622,165	377	-	3,053	-	133,128	-	206,135	-	622,165	622,165	central government: other	
50	-	79	1,269	..	-	308	-	..	-	1,269	1,269	local government	
1,504	-	24	-	443	-	5,730	-	7,220	-	19,320	19,320	other residents	
-	-	66	-	289	-	52,392	-	-	127,629	127,629	127,629	rest of the world	
-	2,452	-	-	-	-	-	-	22,440	19,580	57,863	57,863	Derivatives	
3,483	253	-	2,274	-	1,117	-	49,507	87,307	119,644	588,023	588,023	Short-term loans, of	
-	-	-	-	-	-	-	-	-	15,839	15,839	15,839	non-financial corporations	
-	253	-	2,269	-	191	-	48,610	-	77,553	441,886	441,886	MFIs	
-	-	-	5	-	-	-	897	-	23,695	39,507	39,507	other financial corporations	
3,483	-	-	-	-	926	-	-	-	2,557	3,483	3,483	general government	
-	-	-	-	-	-	-	-	87,307	-	87,307	87,307	rest of the world	
107,724	56,612	-	87,637	-	113	-	145,514	59,856	21,832	598,839	598,839	Medium and long-term loans, of	
-	-	-	-	-	-	-	-	-	-	-	-	non-financial corporations	
-	40,598	-	21,022	-	113	-	128,887	-	6,562	388,578	388,578	MFIs	
-	..	-	111	-	..	-	16,383	-	476	42,682	42,682	other financial corporations	
107,724	..	-	65,316	-	-	-	244	-	14,795	107,724	107,724	general government	
-	16,014	-	1,188	-	-	-	-	59,856	-	59,856	59,856	rest of the world	
118,020	-	2,278	67	796	-	352,949	-	116,617	185,884	1,049,253	1,049,253	Shares and other equity, issued by	
111,768	-	2,255	67	732	-	308,472	-	116,617	-	863,369	863,369	residents	
25,232	-	109	-	150	-	101,757	-	58,159	-	314,721	314,721	of which: listed shares	
6,253	-	23	-	64	-	44,476	-	-	185,884	185,884	185,884	rest of the world	
26	-	58	-	502	-	197,131	-	2,789	28,201	218,480	218,480	Mutual fund shares, issued by	
26	-	24	-	492	-	182,868	-	2,789	-	190,279	190,279	residents	
..	-	33	-	10	-	14,264	-	-	28,201	28,201	28,201	rest of the world	
93	-	657	-	27	-	217,136	17,828	6,181	-	238,508	238,508	Insurance technical reserves	
-	-	-	-	-	-	198,874	17,828	-	-	198,874	198,874	net equity of households	
93	-	657	-	27	-	18,263	-	6,181	-	39,634	39,634	prepayments and other claims	
21,426	38,283	14,064	18,146	13,839	661	19,520	38,056	24,765	43,839	366,611	366,611	Other accounts receivable/payable	
-	-	-	-	-	-	3,894	-	24,765	43,839	263,289	263,289	Trade credits	
21,426	38,283	14,064	18,146	13,839	661	15,626	38,056	-	-	103,322	103,322	Other	
292,335	1,347,913	41,201	109,393	27,392	1,890	2,030,139	250,906	753,206	752,920	5,924,275	5,924,275	Total	

Financial accounts

Italy's financial assets and liabilities in 1997

(flows in millions of euros)

Institutional sectors	Non-financial corporations		Financial corporations							
			Monetary financial institutions		Other financial intermediaries		Financial auxiliaries		Insurance corporations and pension funds	
	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities
Financial instruments										
Monetary gold and SDRs	-	-	35	-	-	-	-	-	-	-
Currency and transferable deposits, with	2,823	-	20,701	37,487	898	-	-235	-	-436	-
MFIs	3,516	-	10,557	37,487	898	-	-235	-	-436	-
central government	-693	-	291	-	-	-	-	-	-	-
rest of the world	..	-	9,852	-	..	-	..	-	..	-
Other deposits, with	4,163	-	8,359	-47,169	-2,411	-	-77	-	-87	-
MFIs	4,133	-	3,233	-47,169	-2,411	-	-77	-	-87	-
central government	29	-	-	-	-	-	-	-	-	-
rest of the world	..	-	5,126	-	..	-	..	-	..	-
Short-term securities, issued by	-1,252	411	-5,280	2	-3,982	12	-763	-	-765	-
general government	-1,100	-	-5,939	-	-4,394	-	-763	-	-686	-
other residents	-2	411	396	2	-28	12	-	-	-	-
rest of the world	-151	-	263	-	440	-	-	-	-79	-
Bonds, issued by	-5,137	305	-9,863	50,328	55,841	..	-1,016	-	8,834	..
MFIs	660	-	-1,236	50,328	269	-	-143	-	161	-
central government: CCTs	-1,276	-	-3,009	-	3,140	-	181	-	-8,967	-
central government: other	-5,240	-	-8,443	-	36,820	-	-1,126	-	15,000	-
local government	58	-	506	-	122	-	29	-	30	-
other residents	116	305	91	-	327	..	43	-	100	..
rest of the world	543	-	2,229	-	15,163	-	-	-	2,511	-
Derivatives	-	115	478	-	-	133	-	-	-	46
Short-term loans, of	3,489	11,797	22,751	10,512	12,088	6,553	-	47	-	-18
non-financial corporations	3,489	-	-	-	-	-	-	-	-	-
MFIs	-	8,018	22,751	3,709	-	5,824	-	47	-	-15
other financial corporations	-	1,444	-	183	12,088	-	-	-	-	-3
general government	-	-	-	-	-	-	-	-	-	-
rest of the world	-	2,336	-	6,621	-	729	-	-	-	-
Medium and long-term loans, of	-	3,995	33,524	4,797	6,292	11,276	..	71	577	-388
non-financial corporations	-	-	-	-	-	-	-	-	-	-
MFIs	-	2,969	33,524	6,492	-	11,470	-	71	-	-528
other financial corporations	-	3,439	-	-23	6,292	-	..	-	577	45
general government	-	-1,899	-	-139	-	-	-	..	-	73
rest of the world	-	-514	-	-1,532	-	-194	-	-	-	21
Shares and other equity, issued by	7,366	12,077	3,253	-364	14,835	-891	-104	-412	3,597	213
residents	2,132	12,077	2,509	-364	2,022	-891	-104	-412	3,504	213
of which: listed shares	.....	.....	.....	.....	.....	.....	-	-	.....	.....
rest of the world	5,234	-	745	-	12,812	-	-	-	93	-
Mutual fund shares, issued by	2,666	-	394	1,591	4,700	79,305	99	-	633	-
residents	1,095	-	253	1,591	-	79,305	99	-	392	-
rest of the world	1,571	-	141	-	4,700	-	-	-	242	-
Insurance technical reserves	738	4,189	38	399	-	-	-	-	-	20,804
net equity of households	-	4,189	-	399	-	-	-	-	-	17,550
prepayments and other claims	738	-	38	-	-	-	-	-	-	3,254
Other accounts receivable/payable	11,679	11,631	-2,249	-323	..	..	-	-	..	-563
Trade credits	10,619	11,262	-	-	-	-	-	-	-	-
Other	1,061	370	-2,249	-323	..	..	-	-	..	-563
Total	26,535	44,520	72,140	57,260	88,261	96,387	-2,097	-294	12,354	20,094

General government						Households and non-profit institutions serving households		Rest of the world		Total		Institutional sectors
Central government		Local government		Social security funds								
Assets	Liabilities	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities	Financial instruments
-	-	-	-	-	-	-	-	-	35	35	35	Monetary gold and SDRs
2,871	-1,201	-2,100	-	-177	-	22,633	-	4,103	14,794	51,078	51,078	Currency and transferable deposits, with
2,871	-	-1,231	-	-177	-	17,620	-	4,103	-	37,487	37,487	MFIs
-	-1,201	-869	-	..	-	71	-	-	-	-1,201	-1,201	central government
..	-	..	-	..	-	4,942	-	-	14,794	14,794	14,794	rest of the world
27	10,192	50	-	62	-	-47,955	-	6,019	5,126	-31,850	-31,850	Other deposits, with
27	-	50	-	62	-	-58,118	-	6,019	-	-47,169	-47,169	MFIs
-	10,192	-	-	-	-	10,163	-	-	-	10,192	10,192	central government
..	-	..	-	..	-	..	-	-	5,126	5,126	5,126	rest of the world
-65	-40,218	-57	..	-199	-	-32,468	-	5,448	410	-39,383	-39,383	Short-term securities, issued by
-65	-40,218	-57	..	-199	-	-32,463	-	5,448	-	-40,218	-40,218	general government
-	-	-	-	-	-	59	-	-	-	425	425	other residents
-	-	-	-	-	-	-64	-	-	410	410	410	rest of the world
1,325	55,975	167	919	-524	-	33,414	-	56,648	32,161	139,689	139,689	Bonds, issued by
-115	-	-52	-	-125	-	50,426	-	483	-	50,328	50,328	MFIs
38	-11,482	46	-	-686	-	-3,839	-	2,891	-	-11,482	-11,482	central government: CCTs
1,402	67,457	40	-	121	-	-24,141	-	53,024	-	67,457	67,457	central government: other
..	-	30	919	..	-	145	-	..	-	919	919	local government
-1	-	34	-	-3	-	-652	-	250	-	305	305	other residents
-	-	69	-	170	-	11,476	-	-	32,161	32,161	32,161	rest of the world
-	2,452	-	-	-	-	-	-	2,268	-	2,746	2,746	Derivatives
2,556	-562	-	-500	-	-31	-	537	9,686	22,235	50,570	50,570	Short-term loans, of
-	-	-	-	-	-	-	-	-	3,489	3,489	3,489	non-financial corporations
-	-562	-	-439	-	-31	-	99	-	6,102	22,751	22,751	MFIs
-	-	-	-61	-	-	-	438	-	10,088	12,088	12,088	other financial corporations
2,556	-	-	-	-	..	-	-	-	2,556	2,556	2,556	general government
-	-	-	-	-	-	-	-	9,686	-	9,686	9,686	rest of the world
1,098	367	-	5,994	-	25	-	12,974	-1,467	913	40,024	40,024	Medium and long-term loans, of
-	-	-	-	-	-	-	-	-	-	-	-	non-financial corporations
-	803	-	1,742	-	25	-	9,808	-	673	33,524	33,524	MFIs
-	..	-	-329	-	..	-	3,278	-	460	6,869	6,869	other financial corporations
1,098	..	-	3,394	-	-	-	-111	-	-219	1,098	1,098	general government
-	-435	-	1,188	-	-	-	-	-1,467	-	-1,467	-1,467	rest of the world
-12,080	-	897	6	89	-	5,207	-	8,815	21,247	31,875	31,875	Shares and other equity, issued by
-12,364	-	897	6	86	-	3,131	-	8,815	-	10,628	10,628	residents
....	-	....	-	....	-	....	-	....	-	....	....	of which: listed shares
285	-	..	-	3	-	2,076	-	-	21,247	21,247	21,247	rest of the world
11	-	26	-	212	-	85,192	-	104	13,143	94,039	94,039	Mutual fund shares, issued by
11	-	10	-	212	-	78,720	-	104	-	80,896	80,896	residents
..	-	15	-	1	-	6,473	-	-	13,143	13,143	13,143	rest of the world
4	-	54	-	2	-	25,337	1,390	609	-	26,782	26,782	Insurance technical reserves
-	-	-	-	-	-	23,528	1,390	-	-	23,528	23,528	net equity of households
4	-	54	-	2	-	1,809	-	609	-	3,254	3,254	prepayments and other claims
1,978	522	6,918	2,736	1,803	-161	605	7,365	2,738	2,265	23,472	23,472	Other accounts receivable/payable
-	-	-	-	-	-	170	-	2,738	2,265	13,526	13,526	Trade credits
1,978	522	6,918	2,736	1,803	-161	435	7,365	-	-	9,946	9,946	Other
-2,275	27,528	5,955	9,155	1,269	-167	91,966	22,266	94,971	112,328	389,078	389,078	Total

Financial accounts

Italy's financial assets and liabilities in 1998

(stocks in millions of euros)

Institutional sectors	Non-financial corporations		Financial corporations							
			Monetary financial institutions		Other financial intermediaries		Financial auxiliaries		Insurance corporations and pension funds	
	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities
Financial instruments										
Monetary gold and SDRs	-	-	21,233	-	-	-	-	-	-	-
Currency and transferable deposits, with	89,104	-	71,589	571,870	13,616	-	12,579	-	3,198	-
MFIs	74,604	-	52,892	571,870	13,616	-	12,579	-	3,198	-
central government	..	-	988	-	-	-	-	-	-	-
rest of the world	14,500	-	17,709	-	..	-	..	-	..	-
Other deposits, with	11,409	-	175,357	402,261	15,280	-	3,521	-	850	-
MFIs	10,529	-	98,276	402,261	15,280	-	3,521	-	850	-
central government	881	-	-	-	-	-	-	-	-	-
rest of the world	..	-	77,080	-	..	-	..	-	..	-
Short-term securities, issued by	2,067	2,534	33,283	15	20,044	72	56	-	2,300	-
general government	575	-	26,814	-	14,570	-	56	-	1,951	-
other residents	5	2,534	2,066	15	131	72	-	-	-	-
rest of the world	1,487	-	4,402	-	5,344	-	-	-	349	-
Bonds, issued by	36,602	23,052	270,326	259,901	278,691	769	2,510	-	116,595	..
MFIs	8,291	-	32,070	259,901	6,782	-	134	-	15,217	-
central government: CCTs	7,048	-	80,341	-	43,208	-	559	-	19,359	-
central government: other	8,188	-	137,636	-	144,225	-	1,701	-	66,657	-
local government	230	-	695	-	247	-	113	-	132	-
other residents	719	23,052	1,448	-	1,158	769	3	-	3,137	..
rest of the world	12,127	-	18,136	-	83,071	-	-	-	12,093	-
Derivatives	1,449	1,215	33,177	34,594	1,797	1,667	-	-	492	461
Short-term loans, of	20,620	300,091	454,339	42,531	44,607	90,476	-	2,680	-	1,474
non-financial corporations	20,620	-	-	-	-	-	-	-	-	-
MFIs	-	239,134	454,339	10,085	-	74,580	-	2,680	-	1,474
other financial corporations	-	18,075	-	454	44,607	-	-	-	-	..
general government	-	-	-	-	-	-	-	-	-	-
rest of the world	-	42,883	-	31,992	-	15,896	-	-	-	-
Medium and long-term loans, of	-	216,913	422,169	51,733	42,795	22,951	..	3,558	1,454	3,764
non-financial corporations	-	-	-	-	-	-	-	-	-	-
MFIs	-	173,487	422,169	13,843	-	21,445	-	294	-	2,295
other financial corporations	-	25,976	-	433	42,795	-	..	-	1,454	77
general government	-	17,450	-	2,045	-	-	-	3,264	-	922
rest of the world	-	..	-	35,412	-	1,506	-	-	-	470
Shares and other equity, issued by	324,528	739,396	81,071	271,827	187,026	30,873	238	1,157	61,771	92,898
residents	234,540	739,396	71,752	271,827	107,196	30,873	238	1,157	39,691	92,898
of which: listed shares	119,349	279,862	28,814	129,027	59,758	420	-	-	19,317	75,878
rest of the world	89,987	-	9,319	-	79,831	-	-	-	22,080	-
Mutual fund shares, issued by	15,888	-	1,758	4,772	8,038	367,502	445	-	4,876	-
residents	4,947	-	1,490	4,772	-	367,502	445	-	4,520	-
rest of the world	10,941	-	268	-	8,038	-	-	-	356	-
Insurance technical reserves	14,608	65,470	843	19,317	-	-	-	-	-	164,863
net equity of households	-	65,470	-	19,317	-	-	-	-	-	121,548
prepayments and other claims	14,608	-	843	-	-	-	-	-	-	43,315
Other accounts receivable/payable	282,840	238,500	1,048	242	..	..	-	-	1	437
Trade credits	247,642	231,248	-	-	-	-	-	-	-	-
Other	35,198	7,252	1,048	242	..	..	-	-	1	437
Total	799,115	1,587,171	1,566,191	1,659,062	611,895	514,309	19,350	7,396	191,538	263,898

General government						Households and non-profit institutions serving households		Rest of the world		Total		Institutional sectors
Central government		Local government		Social security funds								
Assets	Liabilities	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities	Financial instruments
-	-	-	-	-	-	-	-	-	21,233	21,233	21,233	Monetary gold and SDRs
28,657	16,526	21,029	-	2,757	-	387,208	-	24,729	66,071	654,466	654,466	Currency and transferable deposits, with
28,657	-	6,811	-	2,757	-	352,026	-	24,729	-	571,870	571,870	MFIs
-	16,526	14,218	-	..	-	1,320	-	-	-	16,526	16,526	central government
..	-	..	-	..	-	33,862	-	-	66,071	66,071	66,071	rest of the world
539	136,663	1,000	-	690	-	273,517	-	133,841	77,080	616,004	616,004	Other deposits, with
539	-	1,000	-	690	-	137,734	-	133,841	-	402,261	402,261	MFIs
-	136,663	-	-	-	-	135,783	-	-	-	136,663	136,663	central government
..	-	..	-	..	-	..	-	-	77,080	77,080	77,080	rest of the world
1,110	136,448	77	..	166	-	48,685	-	44,446	13,167	152,235	152,235	Short-term securities, issued by
1,110	136,448	77	..	166	-	46,681	-	44,446	-	136,448	136,448	general government
-	-	-	-	-	-	418	-	-	-	2,620	2,620	other residents
-	-	-	-	-	-	1,586	-	-	13,167	13,167	13,167	rest of the world
4,026	1,032,374	1,871	2,106	9,378	-	458,969	-	323,606	184,373	1,502,574	1,502,574	Bonds, issued by
2,257	-	374	-	1,307	-	192,015	-	1,455	-	259,901	259,901	MFIs
94	295,902	265	-	3,081	-	67,488	-	74,458	-	295,902	295,902	central government: CCTs
124	736,472	353	-	4,492	-	134,243	-	238,853	-	736,472	736,472	central government: other
50	-	114	2,106	..	-	526	-	..	-	2,106	2,106	local government
1,501	-	12	-	117	-	6,885	-	8,840	-	23,820	23,820	other residents
-	-	753	-	381	-	57,812	-	-	184,373	184,373	184,373	rest of the world
-	5,467	-	-	-	-	-	-	29,779	23,292	66,695	66,695	Derivatives
3,159	1,715	-	1,818	-	1,047	-	50,428	90,770	121,234	613,495	613,495	Short-term loans, of
-	-	-	-	-	-	-	-	-	20,620	20,620	20,620	non-financial corporations
-	1,715	-	1,801	-	120	-	49,855	-	72,894	454,339	454,339	MFIs
-	-	-	17	-	-	-	573	-	25,488	44,607	44,607	other financial corporations
3,159	-	-	-	-	926	-	-	-	2,233	3,159	3,159	general government
-	-	-	-	-	-	-	-	90,770	-	90,770	90,770	rest of the world
107,289	46,216	-	91,642	-	95	-	162,410	47,729	22,154	621,436	621,436	Medium and long-term loans, of
-	-	-	-	-	-	-	-	-	-	-	-	non-financial corporations
-	36,774	-	21,867	-	95	-	144,693	-	7,376	422,169	422,169	MFIs
-	..	-	124	-	..	-	17,582	-	57	44,250	44,250	other financial corporations
107,289	..	-	68,752	-	-	-	135	-	14,721	107,289	107,289	general government
-	9,442	-	899	-	-	-	-	47,729	-	47,729	47,729	rest of the world
116,727	-	3,102	75	408	-	459,887	-	170,186	268,717	1,404,943	1,404,943	Shares and other equity, issued by
110,067	-	2,949	75	310	-	399,299	-	170,186	-	1,136,226	1,136,226	residents
19,546	-	2,058	-	75	-	140,567	-	95,704	-	485,187	485,187	of which: listed shares
6,660	-	153	-	98	-	60,588	-	-	268,717	268,717	268,717	rest of the world
51	-	82	-	967	-	372,822	-	4,109	36,761	409,035	409,035	Mutual fund shares, issued by
51	-	47	-	956	-	355,709	-	4,109	-	372,274	372,274	residents
..	-	35	-	11	-	17,112	-	-	36,761	36,761	36,761	rest of the world
102	-	716	-	25	-	245,945	19,170	6,582	-	268,820	268,820	Insurance technical reserves
-	-	-	-	-	-	225,505	19,170	-	-	225,505	225,505	net equity of households
102	-	716	-	25	-	20,440	-	6,582	-	43,315	43,315	prepayments and other claims
31,782	33,082	18,063	20,512	13,547	1,690	19,873	52,124	22,618	43,184	389,772	389,772	Other accounts receivable/payable
-	-	-	-	-	-	4,173	-	22,618	43,184	274,432	274,432	Trade credits
31,782	33,082	18,063	20,512	13,547	1,690	15,701	52,124	-	-	115,339	115,339	Other
293,442	1,408,491	45,940	116,153	27,939	2,831	2,266,906	284,131	898,393	877,267	6,720,708	6,720,708	Total

Financial accounts

Italy's financial assets and liabilities in 1998

(flows in millions of euros)

Institutional sectors	Non-financial corporations		Financial corporations							
			Monetary financial institutions		Other financial intermediaries		Financial auxiliaries		Insurance corporations and pension funds	
	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities
Financial instruments										
Monetary gold and SDRs	-	-	4,265	-	-	-	-	-	-	-
Currency and transferable deposits, with	2,427	-	-47,871	10,870	2,436	-	11,091	-	891	-
MFIs	5,681	-	-26,385	10,870	2,436	-	11,091	-	891	-
central government	-3,254	-	-4	-	-	-	-	-	-	-
rest of the world	..	-	-21,483	-	..	-	..	-	..	-
Other deposits, with	-3,957	-	7,621	-39,325	5,833	-	3,189	-	12	-
MFIs	-3,978	-	8,617	-39,325	5,833	-	3,189	-	12	-
central government	21	-	-	-	-	-	-	-	-	-
rest of the world	..	-	-996	-	..	-	..	-	..	-
Short-term securities, issued by	-932	-67	1,197	5	6,742	-72	-514	-	1,332	-
general government	-947	-	865	-	6,860	-	-514	-	1,407	-
other residents	-5	-67	400	5	54	-72	-	-	-	-
rest of the world	20	-	-69	-	-172	-	-	-	-75	-
Bonds, issued by	584	1,749	3,356	29,769	111,762	..	-3,121	-	14,152	..
MFIs	1,744	-	5,829	29,769	1,193	-	-246	-	1,554	-
central government: CCTs	-3,523	-	-10,645	-	17,308	-	-2,070	-	-1,529	-
central government: other	386	-	-19	-	54,441	-	-856	-	11,371	-
local government	58	-	510	-	-2	-	27	-	44	-
other residents	219	1,749	-112	-	180	..	24	-	677	..
rest of the world	1,700	-	7,793	-	38,640	-	-	-	2,034	-
Derivatives	-	77	357	-	-	73	-	-	-	32
Short-term loans, of	5,450	7,024	10,768	2,908	5,409	13,611	-	-399	-	1,051
non-financial corporations	5,450	-	-	-	-	-	-	-	-	-
MFIs	-	1,545	10,768	3,106	-	9,969	-	-399	-	1,051
other financial corporations	-	3,709	-	-90	5,409	-	-	-	-	..
general government	-	-	-	-	-	-	-	-	-	-
rest of the world	-	1,770	-	-108	-	3,642	-	-	-	-
Medium and long-term loans, of	-	14,531	44,347	1,420	1,930	-603	..	446	-380	1,067
non-financial corporations	-	-	-	-	-	-	-	-	-	-
MFIs	-	17,819	44,347	6,222	-	247	-	82	-	994
other financial corporations	-	788	-	-13	1,930	-	..	-	-380	0
general government	-	-3,524	-	-445	-	-	-	364	-	22
rest of the world	-	-553	-	-4,344	-	-849	-	-	-	52
Shares and other equity, issued by	18,715	16,402	8,178	7,713	32,815	258	75	40	4,895	2,294
residents	15,185	16,402	5,927	7,713	5,534	258	75	40	3,957	2,294
of which: listed shares	.....	.....	.....	.....	.....	-	-	-	.....	.....
rest of the world	3,531	-	2,251	-	27,281	-	-	-	938	-
Mutual fund shares, issued by	6,508	-	1,042	2,623	8,560	170,350	210	-	1,754	-
residents	2,329	-	826	2,623	-	170,350	210	-	1,500	-
rest of the world	4,180	-	216	-	8,560	-	-	-	254	-
Insurance technical reserves	1,002	4,158	34	-1,052	-	-	-	-	-	24,633
net equity of households	-	4,158	-	-1,052	-	-	-	-	-	20,953
prepayments and other claims	1,002	-	34	-	-	-	-	-	-	3,681
Other accounts receivable/payable	12,298	12,134	-1,409	-834	..	..	-	-	1	254
Trade credits	13,010	11,798	-	-	-	-	-	-	-	-
Other	-713	335	-1,409	-834	..	..	-	-	1	254
Total	42,097	56,007	31,882	14,099	175,485	183,618	10,931	87	22,657	29,331

General government						Households and non-profit institutions serving households		Rest of the world		Total		Institutional sectors
Central government		Local government		Social security funds								
Assets	Liabilities	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities	Financial instruments
-	-	-	-	-	-	-	-	-	4,265	4,265	4,265	Monetary gold and SDRs
-6,800	-3,310	-356	-	295	-	26,381	-	1,670	-17,396	-9,836	-9,836	Currency and transferable deposits, with
-6,800	-	-115	-	295	-	22,106	-	1,670	-	10,870	10,870	MFIs
-	-3,310	-241	-	..	-	188	-	-	-	-3,310	-3,310	central government
..	-	..	-	..	-	4,087	-	-	-17,396	-17,396	-17,396	rest of the world
15	12,199	-380	-	166	-	-48,302	-	7,683	-996	-28,122	-28,122	Other deposits, with
15	-	-380	-	166	-	-60,480	-	7,683	-	-39,325	-39,325	MFIs
-	12,199	-	-	-	-	12,177	-	-	-	12,199	12,199	central government
..	-	..	-	..	-	..	-	-	-996	-996	-996	rest of the world
1,135	-16,943	7	..	-85	-	-55,577	-	29,369	-249	-17,327	-17,327	Short-term securities, issued by
1,135	-16,943	7	..	-85	-	-55,041	-	29,369	-	-16,943	-16,943	general government
-	-	-	-	-	-	-584	-	-	-	-135	-135	other residents
-	-	-	-	-	-	48	-	-	-249	-249	-249	rest of the world
-1,862	43,208	384	870	-321	-	-46,226	-	56,762	59,872	135,468	135,468	Bonds, issued by
-330	-	-122	-	121	-	20,190	-	-164	-	29,769	29,769	MFIs
-116	-36,668	-195	-	-1,196	-	-61,465	-	26,763	-	-36,668	-36,668	central government: CCTs
-1,414	79,876	-100	-	964	-	-13,792	-	28,896	-	79,876	79,876	central government: other
..	-	28	870	..	-	204	-	..	-	870	870	local government
-2	-	56	-	-311	-	-249	-	1,267	-	1,749	1,749	other residents
-	-	717	-	102	-	8,885	-	-	59,872	59,872	59,872	rest of the world
-	3,015	-	-	-	-	-	-	2,840	-	3,197	3,197	Derivatives
-324	-606	-	-456	-	-71	-	938	5,304	2,606	26,607	26,607	Short-term loans, of
-	-	-	-	-	-	-	-	-	5,450	5,450	5,450	non-financial corporations
-	-606	-	-468	-	-71	-	1,262	-	-4,622	10,768	10,768	MFIs
-	-	-	12	-	-	-	-324	-	2,102	5,409	5,409	other financial corporations
-324	-	-	-	-	..	-	-	-	-324	-324	-324	general government
-	-	-	-	-	-	-	-	5,304	-	5,304	5,304	rest of the world
-280	-8,439	-	4,005	-	-17	-	20,068	-12,760	381	32,858	32,858	Medium and long-term loans, of
-	-	-	-	-	-	-	-	-	-	-	-	non-financial corporations
-	-1,662	-	845	-	-17	-	18,977	-	840	44,347	44,347	MFIs
-	..	-	12	-	..	-	1,199	-	-436	1,551	1,551	other financial corporations
-280	..	-	3,436	-	-	-	-109	-	-24	-280	-280	general government
-	-6,776	-	-289	-	-	-	-	-12,760	-	-12,760	-12,760	rest of the world
-8,424	-	815	8	-407	-	-1,923	-	10,217	38,241	64,957	64,957	Shares and other equity, issued by
-8,831	-	694	8	-423	-	-5,618	-	10,217	-	26,716	26,716	residents
-	-	....	-	....	-	....	-	....	-	....	-	of which: listed shares
407	-	121	-	16	-	3,695	-	-	38,241	38,241	38,241	rest of the world
24	-	26	-	451	-	176,756	-	167	22,525	195,498	195,498	Mutual fund shares, issued by
24	-	22	-	450	-	167,446	-	167	-	172,973	172,973	residents
..	-	4	-	1	-	9,311	-	-	22,525	22,525	22,525	rest of the world
8	-	59	-	-2	-	27,579	1,342	401	-	29,082	29,082	Insurance technical reserves
-	-	-	-	-	-	25,401	1,342	-	-	25,401	25,401	net equity of households
8	-	59	-	-2	-	2,178	-	401	-	3,681	3,681	prepayments and other claims
10,356	-5,201	3,999	2,366	-292	1,029	354	14,068	-2,147	-655	23,161	23,161	Other accounts receivable/payable
-	-	-	-	-	-	279	-	-2,147	-655	11,143	11,143	Trade credits
10,356	-5,201	3,999	2,366	-292	1,029	75	14,068	-	-	12,017	12,017	Other
-6,152	23,923	4,553	6,793	-194	941	79,039	36,416	99,507	108,592	459,806	459,806	Total

Financial accounts

Italy's financial assets and liabilities in 1999

(stocks in millions of euros)

Institutional sectors	Non-financial corporations		Financial corporations							
			Monetary financial institutions		Other financial intermediaries		Financial auxiliaries		Insurance corporations and pension funds	
	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities
Financial instruments										
Monetary gold and SDRs	-	-	22,990	-	-	-	-	-	-	-
Currency and transferable deposits, with	111,158	-	65,964	641,380	18,082	-	27,827	-	5,207	-
MFIs	85,081	-	54,521	641,380	18,082	-	21,756	-	3,992	-
central government	..	-	639	-	-	-	-	-	-	-
rest of the world	26,077	-	10,804	-	..	-	6,071	-	1,215	-
Other deposits, with	8,194	-	211,485	426,349	12,782	-	2,639	-	1,590	-
MFIs	7,289	-	141,389	426,349	12,782	-	2,639	-	1,586	-
central government	905	-	-	-	-	-	-	-	-	-
rest of the world	..	-	70,096	-	..	-	..	-	4	-
Short-term securities, issued by	1,952	2,611	26,151	21	14,841	72	5	-	1,595	-
general government	298	-	19,566	-	6,831	-	5	-	915	-
other residents	5	2,611	2,123	21	124	72	-	-	-	-
rest of the world	1,648	-	4,463	-	7,886	-	-	-	680	-
Bonds, issued by	42,763	17,204	296,537	264,022	305,718	9,670	2,663	-	121,871	763
MFIs	9,575	-	35,333	264,022	9,000	-	399	-	14,477	-
central government: CCTs	5,702	-	83,030	-	39,486	-	773	-	17,940	-
central government: other	7,454	-	142,929	-	122,365	-	1,228	-	68,934	-
local government	452	-	1,425	-	600	-	225	-	251	-
other residents	795	17,204	2,612	-	2,546	9,670	38	-	1,531	763
rest of the world	18,786	-	31,208	-	131,720	-	-	-	18,739	-
Derivatives	1,362	1,357	29,093	28,568	2,586	2,585	-	-	463	515
Short-term loans, of	37,309	339,919	479,429	50,235	52,689	112,192	-	6,404	-	773
non-financial corporations	37,309	-	-	-	-	-	-	-	-	-
MFIs	-	244,343	479,429	11,373	-	86,490	-	6,404	-	773
other financial corporations	-	17,946	-	1,704	52,689	-	-	-	-	..
general government	-	-	-	-	-	-	-	-	-	-
rest of the world	-	77,629	-	37,158	-	25,702	-	-	-	-
Medium and long-term loans, of	-	242,890	465,711	50,669	53,270	21,877	4	3,316	1,008	3,902
non-financial corporations	-	-	-	-	-	-	-	-	-	-
MFIs	-	188,583	465,711	13,999	-	20,851	-	390	-	2,298
other financial corporations	-	29,071	-	487	53,270	-	4	-	1,008	76
general government	-	17,814	-	2,073	-	-	-	2,926	-	974
rest of the world	-	7,422	-	34,110	-	1,026	-	-	-	554
Shares and other equity, issued by	498,231	1,052,695	113,758	325,852	286,387	27,512	262	1,436	88,040	96,680
residents	357,260	1,052,695	101,322	325,852	96,565	27,512	262	1,436	53,736	96,680
of which: listed shares	226,447	476,335	44,571	168,326	71,813	1,302	-	-	25,926	80,602
rest of the world	140,971	-	12,437	-	189,823	-	-	-	34,304	-
Mutual fund shares, issued by	15,766	-	3,129	13,065	8,593	462,236	559	-	14,591	-
residents	6,209	-	2,405	13,065	-	462,236	559	-	14,216	-
rest of the world	9,556	-	724	-	8,593	-	-	-	375	-
Insurance technical reserves	15,342	69,912	885	19,403	-	-	-	-	-	203,196
net equity of households	-	69,912	-	19,403	-	-	-	-	-	156,132
prepayments and other claims	15,342	-	885	-	-	-	-	-	-	47,064
Other accounts receivable/payable	304,492	259,324	218	310	..	..	-	-	9	618
Trade credits	269,210	248,969	-	-	-	-	-	-	-	-
Other	35,282	10,355	218	310	..	..	-	-	9	618
Total	1,036,568	1,985,911	1,715,351	1,819,873	754,949	636,143	33,959	11,155	234,373	306,448

General government						Households and non-profit institutions serving households		Rest of the world		Total		Institutional sectors
Central government		Local government		Social security funds								
Assets	Liabilities	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities	Financial instruments
-	-	-	-	-	-	-	-	-	22,990	22,990	22,990	Monetary gold and SDRs
36,989	14,893	21,200	-	3,898	-	402,572	-	38,792	75,417	731,690	731,690	Currency and transferable deposits, with
36,459	-	7,842	-	3,736	-	371,118	-	38,792	-	641,380	641,380	MFIs
-	14,893	12,911	-	..	-	1,343	-	-	-	14,893	14,893	central government
530	-	447	-	162	-	30,111	-	-	75,417	75,417	75,417	rest of the world
612	150,410	1,618	-	445	-	257,452	-	150,250	70,309	647,067	647,067	Other deposits, with
609	-	1,417	-	444	-	107,944	-	150,250	-	426,349	426,349	MFIs
-	150,410	-	-	-	-	149,505	-	-	-	150,410	150,410	central government
3	-	201	-	1	-	3	-	-	70,309	70,309	70,309	rest of the world
26	118,161	33	..	144	-	26,025	-	65,470	15,377	136,241	136,241	Short-term securities, issued by
26	118,161	33	..	144	-	24,873	-	65,470	-	118,161	118,161	general government
-	-	-	-	-	-	451	-	-	-	2,703	2,703	other residents
-	-	-	-	-	-	700	-	-	15,377	15,377	15,377	rest of the world
10,435	1,017,423	3,321	4,638	8,359	-	410,574	-	387,638	276,157	1,589,877	1,589,877	Bonds, issued by
1,858	-	440	-	999	-	190,238	-	1,703	-	264,022	264,022	MFIs
151	253,600	210	-	2,587	-	44,358	-	59,363	-	253,600	253,600	central government: CCTs
6,874	763,823	283	-	3,481	-	97,458	-	312,817	-	763,823	763,823	central government: other
50	-	226	4,638	..	-	606	-	803	-	4,638	4,638	local government
1,501	-	91	-	148	-	5,425	-	12,952	-	27,638	27,638	other residents
-	-	2,071	-	1,144	-	72,490	-	-	276,157	276,157	276,157	rest of the world
-	5,957	-	-	-	-	-	-	25,062	19,585	58,567	58,567	Derivatives
4,832	1,454	-	2,808	-	989	-	53,382	140,489	146,593	714,749	714,749	Short-term loans, of
-	-	-	-	-	-	-	-	-	37,309	37,309	37,309	non-financial corporations
-	1,454	-	2,773	-	63	-	52,923	-	72,835	479,429	479,429	MFIs
-	-	-	35	-	-	-	459	-	32,545	52,689	52,689	other financial corporations
4,832	-	-	-	-	926	-	-	-	3,905	4,832	4,832	general government
-	-	-	-	-	-	-	-	140,489	-	140,489	140,489	rest of the world
110,053	50,501	-	97,037	-	4,728	-	190,082	59,257	24,302	689,303	689,303	Medium and long-term loans, of
-	-	-	-	-	-	-	-	-	-	-	-	non-financial corporations
-	35,387	-	24,581	-	78	-	172,117	-	7,427	465,711	465,711	MFIs
-	4	-	175	-	4,650	-	17,903	-	1,916	54,282	54,282	other financial corporations
110,053	..	-	71,246	-	-	-	61	-	14,959	110,053	110,053	general government
-	15,110	-	1,035	-	-	-	-	59,257	-	59,257	59,257	rest of the world
90,960	-	5,027	82	1,158	-	711,563	-	191,227	482,359	1,986,615	1,986,615	Shares and other equity, issued by
83,985	-	3,578	82	780	-	615,542	-	191,227	-	1,504,256	1,504,256	residents
53,308	-	3,483	-	232	-	189,200	-	111,584	-	726,565	726,565	of which: listed shares
6,976	-	1,450	-	378	-	96,021	-	-	482,359	482,359	482,359	rest of the world
68	-	106	-	1,226	-	485,196	-	4,109	58,041	533,342	533,342	Mutual fund shares, issued by
64	-	59	-	1,200	-	446,480	-	4,109	-	475,301	475,301	residents
4	-	46	-	26	-	38,716	-	-	58,041	58,041	58,041	rest of the world
105	-	779	-	28	-	288,783	20,624	7,212	-	313,135	313,135	Insurance technical reserves
-	-	-	-	-	-	266,071	20,624	-	-	266,071	266,071	net equity of households
105	-	779	-	28	-	22,713	-	7,212	-	47,064	47,064	prepayments and other claims
39,416	34,724	18,333	21,051	18,344	2,450	21,443	59,112	27,774	52,439	430,028	430,028	Other accounts receivable/payable
-	-	-	-	-	-	4,424	-	27,774	52,439	301,408	301,408	Trade credits
39,416	34,724	18,333	21,051	18,344	2,450	17,019	59,112	-	-	128,620	128,620	Other
293,496	1,393,521	50,417	125,617	33,602	8,166	2,603,608	323,201	1,097,280	1,243,567	7,853,602	7,853,602	Total

Financial accounts

Italy's financial assets and liabilities in 1999

(flows in millions of euros)

Institutional sectors	Non-financial corporations		Financial corporations							
			Monetary financial institutions		Other financial intermediaries		Financial auxiliaries		Insurance corporations and pension funds	
	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities
Financial instruments										
Monetary gold and SDRs	-	-	-1,055	-	-	-	-	-	-	-
Currency and transferable deposits, with	10,169	-	-6,516	67,832	4,381	-	9,005	-	-8	-
MFIs	10,261	-	1,438	67,832	4,381	-	9,005	-	785	-
central government	-92	-	-349	-	-	-	-	-	-	-
rest of the world	..	-	-7,605	-	..	-	..	-	-793	-
Other deposits, with	-3,254	-	32,204	16,962	-2,501	-	-883	-	738	-
MFIs	-3,278	-	41,911	16,962	-2,501	-	-883	-	736	-
central government	24	-	-	-	-	-	-	-	-	-
rest of the world	..	-	-9,706	-	..	-	..	-	2	-
Short-term securities, issued by	-1,180	77	-9,057	7	-3,769	..	-579	-	-1,241	-
general government	-1,330	-	-9,110	-	-4,745	-	-579	-	-1,539	-
other residents	..	77	56	7	-7	..	-	-	-	-
rest of the world	150	-	-4	-	983	-	-	-	297	-
Bonds, issued by	4,918	-2,005	603	21,058	31,954	9,224	-903	-	6,731	785
MFIs	-2,568	-	2,509	21,058	-3,042	-	-2,472	-	-1,575	-
central government: CCTs	1,138	-	-15,769	-	1,739	-	1,478	-	-181	-
central government: other	-57	-	2,404	-	-7,773	-	-277	-	3,011	-
local government	170	-	718	-	299	-	86	-	93	-
other residents	-584	-2,005	1,285	-	1,996	9,224	281	-	-707	785
rest of the world	6,818	-	9,457	-	38,734	-	-	-	6,091	-
Derivatives	-	-541	-2,034	-	-	263	-	-	-	-37
Short-term loans, of	16,056	25,909	23,165	5,925	2,960	14,918	-	3,675	-	-702
non-financial corporations	16,056	-	-	-	-	-	-	-	-	-
MFIs	-	3,600	23,165	1,234	-	11,670	-	3,675	-	-702
other financial corporations	-	-128	-	1,250	2,960	-	-	-	-	..
general government	-	-	-	-	-	-	-	-	-	-
rest of the world	-	22,437	-	3,441	-	3,249	-	-	-	-
Medium and long-term loans, of	-	27,642	51,795	-1,850	10,512	668	4	-239	-447	129
non-financial corporations	-	-	-	-	-	-	-	-	-	-
MFIs	-	20,141	51,795	147	-	-351	-	99	-	-6
other financial corporations	-	3,095	-	54	10,512	-	4	-	-447	-1
general government	-	654	-	-12	-	-	-	-338	-	53
rest of the world	-	3,752	-	-2,038	-	1,020	-	-	-	83
Shares and other equity, issued by	58,595	43,044	15,675	685	46,838	20	33	-13	7,787	..
residents	55,412	43,044	12,591	685	-2,570	20	33	-13	4,613	..
of which: listed shares	....	....	....	....	....	-	-	-	....	....
rest of the world	3,183	-	3,083	-	49,407	-	-	-	3,174	-
Mutual fund shares, issued by	1,040	-	846	407	7,607	74,603	90	-	1,382	-
residents	1,002	-	344	407	-	74,603	90	-	1,341	-
rest of the world	38	-	502	-	7,607	-	-	-	41	-
Insurance technical reserves	734	4,442	42	269	-	-	-	-	-	38,333
net equity of households	-	4,442	-	269	-	-	-	-	-	34,584
prepayments and other claims	734	-	42	-	-	-	-	-	-	3,749
Other accounts receivable/payable	21,652	20,824	-830	68	..	..	-	-	8	181
Trade credits	21,568	17,721	-	-	-	-	-	-	-	-
Other	84	3,103	-830	68	..	..	-	-	8	181
Total	108,730	119,392	104,838	111,363	97,982	99,696	6,766	3,423	14,949	38,689

General government						Households and non-profit institutions serving households		Rest of the world		Total		Institutional sectors	
Central government		Local government		Social security funds									
Assets	Liabilities	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities		Financial instruments
-	-	-	-	-	-	-	-	-	-	-1,055	-1,055	-1,055	Monetary gold and SDRs
7,757	-1,724	-382	-	1,115	-	17,185	-	13,221	-10,182	55,925	55,925	55,925	Currency and transferable deposits, with
7,799	-	1,027	-	978	-	18,938	-	13,221	-	67,832	67,832	67,832	MFIs
-	-1,724	-1,306	-	..	-	23	-	-	-	-1,724	-1,724	-1,724	central government
-43	-	-102	-	137	-	-1,775	-	-	-10,182	-10,182	-10,182	-10,182	rest of the world
70	13,747	417	-	-247	-	-16,549	-	11,011	-9,703	21,005	21,005	21,005	Other deposits, with
70	-	417	-	-247	-	-30,274	-	11,011	-	16,962	16,962	16,962	MFIs
-	13,747	-	-	-	-	13,723	-	-	-	13,747	13,747	13,747	central government
..	-	..	-	..	-	1	-	-	-9,703	-9,703	-9,703	-9,703	rest of the world
-1,127	-17,628	-45	..	-19	-	-24,538	-	24,381	371	-17,174	-17,174	-17,174	Short-term securities, issued by
-1,127	-17,628	-45	..	-19	-	-23,515	-	24,381	-	-17,628	-17,628	-17,628	general government
-	-	-	-	-	-	33	-	-	-	83	83	83	other residents
-	-	-	-	-	-	-1,056	-	-	371	371	371	371	rest of the world
7,078	23,894	-1,024	2,286	-864	-	-5,516	-	84,298	72,035	127,277	127,277	127,277	Bonds, issued by
-50	-	-2,635	-	-67	-	30,410	-	548	-	21,058	21,058	21,058	MFIs
59	-42,616	-56	-	-506	-	-19,941	-	-10,576	-	-42,616	-42,616	-42,616	central government: CCTs
7,070	66,510	15	-	-693	-	-26,175	-	88,983	-	66,510	66,510	66,510	central government: other
..	-	86	2,286	..	-	27	-	806	-	2,286	2,286	2,286	local government
..	-	330	-	75	-	791	-	4,538	-	8,004	8,004	8,004	other residents
-	-	1,236	-	326	-	9,371	-	-	72,035	72,035	72,035	72,035	rest of the world
-	490	-	-	-	-	-	-	2,209	-	176	176	176	Derivatives
1,673	-262	-	990	-	-58	-	2,764	29,127	19,820	72,981	72,981	72,981	Short-term loans, of
-	-	-	-	-	-	-	-	-	16,056	16,056	16,056	16,056	non-financial corporations
-	-262	-	972	-	-58	-	2,878	-	157	23,165	23,165	23,165	MFIs
-	-	-	18	-	-	-	-114	-	1,934	2,960	2,960	2,960	other financial corporations
1,673	-	-	-	-	..	-	-	-	1,673	1,673	1,673	1,673	general government
-	-	-	-	-	-	-	-	29,127	-	29,127	29,127	29,127	rest of the world
2,675	-2,358	-	5,394	-	4,633	-	31,054	1,978	1,442	66,516	66,516	66,516	Medium and long-term loans, of
-	-	-	-	-	-	-	-	-	-	-	-	-	non-financial corporations
-	-1,387	-	2,714	-	-17	-	30,747	-	-291	51,795	51,795	51,795	MFIs
-	4	-	51	-	4,650	-	380	-	1,835	10,068	10,068	10,068	other financial corporations
2,675	..	-	2,494	-	-	-	-73	-	-102	2,675	2,675	2,675	general government
-	-974	-	135	-	-	-	-	1,978	-	1,978	1,978	1,978	rest of the world
-26,073	-	1,643	8	522	-	8,867	-	-1,269	68,873	112,617	112,617	112,617	Shares and other equity, issued by
-26,386	-	629	8	471	-	220	-	-1,269	-	43,744	43,744	43,744	residents
-	-	....	-	....	-	....	-	....	-	....	....	-	of which: listed shares
314	-	1,014	-	51	-	8,647	-	-	68,873	68,873	68,873	68,873	rest of the world
12	-	22	-	199	-	89,859	-	..	26,048	101,057	101,057	101,057	Mutual fund shares, issued by
10	-	10	-	194	-	72,019	-	..	-	75,009	75,009	75,009	residents
2	-	12	-	5	-	17,841	-	-	26,048	26,048	26,048	26,048	rest of the world
4	-	64	-	2	-	43,022	1,455	631	-	44,498	44,498	44,498	Insurance technical reserves
-	-	-	-	-	-	40,750	1,455	-	-	40,750	40,750	40,750	net equity of households
4	-	64	-	2	-	2,272	-	631	-	3,749	3,749	3,749	prepayments and other claims
7,634	1,642	270	539	4,797	760	1,569	6,988	5,156	9,255	40,256	40,256	40,256	Other accounts receivable/payable
-	-	-	-	-	-	251	-	5,156	9,255	26,975	26,975	26,975	Trade credits
7,634	1,642	270	539	4,797	760	1,318	6,988	-	-	13,281	13,281	13,281	Other
-297	17,801	965	9,217	5,504	5,335	113,899	42,262	170,743	176,903	624,079	624,079	624,079	Total

Financial accounts

Italy's financial assets and liabilities in 2000

(stocks in millions of euros)

Institutional sectors	Non-financial corporations		Financial corporations							
			Monetary financial institutions		Other financial intermediaries		Financial auxiliaries		Insurance corporations and pension funds	
	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities
Financial instruments										
Monetary gold and SDRs	-	-	23,353	-	-	-	-	-	-	-
Currency and transferable deposits, with	117,467	-	92,496	695,447	17,762	-	27,053	-	8,018	-
MFIs	96,616	-	78,769	695,447	17,762	-	20,486	-	5,805	-
central government	..	-	877	-	-	-	-	-	-	-
rest of the world	20,850	-	12,850	-	..	-	6,567	-	2,213	-
Other deposits, with	11,082	-	195,822	434,966	13,565	-	3,078	-	1,931	-
MFIs	10,145	-	141,777	434,966	13,565	-	3,078	-	1,926	-
central government	937	-	-	-	-	-	-	-	-	-
rest of the world	..	-	54,045	-	..	-	..	-	5	-
Short-term securities, issued by	1,951	2,592	15,120	4	8,811	91	206	-	976	-
general government	214	-	9,661	-	3,730	-	206	-	502	-
other residents	3	2,592	2,263	4	58	91	-	-	-	-
rest of the world	1,733	-	3,196	-	5,023	-	-	-	475	-
Bonds, issued by	49,682	19,292	287,467	325,098	272,501	25,372	15,921	-	138,876	3,839
MFIs	12,129	-	37,555	325,098	10,300	-	8,073	-	18,240	-
central government: CCTs	6,632	-	76,474	-	28,455	-	3,146	-	22,382	-
central government: other	7,300	-	131,095	-	105,104	-	3,988	-	73,992	-
local government	932	-	1,781	-	945	-	494	-	530	-
other residents	4,089	19,292	5,322	-	4,218	25,372	219	-	2,059	3,839
rest of the world	18,601	-	35,241	-	123,477	-	-	-	21,674	-
Derivatives	3,138	2,951	46,227	31,627	1,566	1,543	-	-	1,066	1,120
Short-term loans, of	42,083	386,340	554,594	64,600	57,370	130,700	-	4,258	-	1,361
non-financial corporations	42,083	-	-	-	-	-	-	-	-	-
MFIs	-	275,290	554,594	22,958	-	104,608	-	4,258	-	1,361
other financial corporations	-	25,757	-	569	57,370	-	-	-	-	..
general government	-	-	-	-	-	-	-	-	-	-
rest of the world	-	85,293	-	41,073	-	26,092	-	-	-	-
Medium and long-term loans, of	-	265,734	495,808	52,543	64,548	26,521	6	3,324	1,268	3,365
non-financial corporations	-	-	-	-	-	-	-	-	-	-
MFIs	-	205,820	495,808	9,535	-	24,011	-	399	-	1,753
other financial corporations	-	35,008	-	532	64,548	-	6	-	1,268	63
general government	-	18,356	-	2,171	-	-	-	2,925	-	966
rest of the world	-	6,550	-	40,305	-	2,510	-	-	-	583
Shares and other equity, issued by	661,069	1,199,588	132,245	380,372	313,990	31,761	..	1,947	93,287	147,294
residents	520,338	1,199,588	113,921	380,372	89,314	31,761	..	1,947	58,910	147,294
of which: listed shares	289,093	502,691	51,415	199,408	77,357	2,433	-	-	28,050	113,852
rest of the world	140,731	-	18,324	-	224,676	-	-	-	34,377	-
Mutual fund shares, issued by	15,520	-	4,514	10,075	9,947	439,856	513	-	26,971	-
residents	5,692	-	2,988	10,075	-	439,856	513	-	26,155	-
rest of the world	9,828	-	1,526	-	9,947	-	-	-	816	-
Insurance technical reserves	16,209	74,656	926	20,069	-	-	-	-	-	238,368
net equity of households	-	74,656	-	20,069	-	-	-	-	-	187,319
prepayments and other claims	16,209	-	926	-	-	-	-	-	-	51,049
Other accounts receivable/payable	293,607	250,783	602	40	..	..	-	-	20	569
Trade credits	263,045	238,015	-	-	-	-	-	-	-	-
Other	30,562	12,768	602	40	..	..	-	-	20	569
Total	1,211,807	2,201,936	1,849,176	2,014,841	760,060	655,843	46,777	9,530	272,413	395,916

General government						Households and non-profit institutions serving households		Rest of the world		Total		Institutional sectors	
Central government		Local government		Social security funds									
Assets	Liabilities	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities			Financial instruments
-	-	-	-	-	-	-	-	-	23,353	23,353	23,353	Monetary gold and SDRs	
25,948	15,134	22,093	-	5,806	-	411,693	-	55,008	72,763	783,345	783,345	Currency and transferable deposits, with	
25,427	-	8,744	-	5,233	-	381,597	-	55,008	-	695,447	695,447	MFIs	
-	15,134	12,911	-	..	-	1,346	-	-	-	15,134	15,134	central government	
521	-	438	-	573	-	28,750	-	-	72,763	72,763	72,763	rest of the world	
981	159,750	1,830	-	349	-	264,966	-	155,524	54,411	649,127	649,127	Other deposits, with	
978	-	1,629	-	348	-	105,997	-	155,524	-	434,966	434,966	MFIs	
-	159,750	-	-	-	-	158,813	-	-	-	159,750	159,750	central government	
3	-	201	-	1	-	156	-	-	54,411	54,411	54,411	rest of the world	
70	100,368	26	..	69	-	24,483	-	62,592	11,249	114,304	114,304	Short-term securities, issued by	
70	100,368	26	..	69	-	23,299	-	62,592	-	100,368	100,368	general government	
-	-	-	-	-	-	362	-	-	-	2,687	2,687	other residents	
-	-	-	-	-	-	822	-	-	11,249	11,249	11,249	rest of the world	
9,912	1,064,658	4,440	7,430	8,180	-	489,770	-	447,178	278,238	1,723,927	1,723,927	Bonds, issued by	
1,527	-	613	-	1,078	-	230,416	-	5,167	-	325,098	325,098	MFIs	
150	245,854	210	-	2,413	-	46,580	-	59,412	-	245,854	245,854	central government: CCTs	
6,682	818,804	312	-	3,283	-	124,502	-	362,546	-	818,804	818,804	central government: other	
50	-	705	7,430	..	-	1,007	-	986	-	7,430	7,430	local government	
1,503	-	184	-	58	-	11,783	-	19,068	-	48,503	48,503	other residents	
-	-	2,415	-	1,347	-	75,482	-	-	278,238	278,238	278,238	rest of the world	
-	6,283	-	-	-	-	-	-	26,172	34,646	78,170	78,170	Derivatives	
7,897	1,742	-	3,806	-	977	-	55,227	152,457	165,390	814,400	814,400	Short-term loans, of	
-	-	-	-	-	-	-	-	-	42,083	42,083	42,083	non-financial corporations	
-	1,742	-	3,793	-	50	-	54,544	-	85,989	554,594	554,594	MFIs	
-	-	-	13	-	-	-	683	-	30,348	57,370	57,370	other financial corporations	
7,897	-	-	-	-	926	-	-	-	6,970	7,897	7,897	general government	
-	-	-	-	-	-	-	-	152,457	-	152,457	152,457	rest of the world	
114,650	38,862	-	103,467	-	6,008	-	210,446	62,559	28,569	738,840	738,840	Medium and long-term loans, of	
-	-	-	-	-	-	-	-	-	-	-	-	non-financial corporations	
-	27,252	-	27,029	-	86	-	190,244	-	9,680	495,808	495,808	MFIs	
-	6	-	194	-	5,923	-	20,186	-	3,910	65,822	65,822	other financial corporations	
114,650	..	-	75,237	-	-	-	16	-	14,979	114,650	114,650	general government	
-	11,604	-	1,006	-	-	-	-	62,559	-	62,559	62,559	rest of the world	
104,471	-	6,128	89	711	-	780,624	-	204,587	536,064	2,297,114	2,297,114	Shares and other equity, issued by	
97,181	-	4,322	89	301	-	672,175	-	204,587	-	1,761,050	1,761,050	residents	
60,311	-	4,171	-	255	-	192,727	-	115,006	-	818,384	818,384	of which: listed shares	
7,290	-	1,807	-	410	-	108,449	-	-	536,064	536,064	536,064	rest of the world	
62	-	2,860	-	1,125	-	459,760	-	4,109	75,450	525,380	525,380	Mutual fund shares, issued by	
58	-	54	-	1,100	-	409,262	-	4,109	-	449,931	449,931	residents	
4	-	2,806	-	25	-	50,498	-	-	75,450	75,450	75,450	rest of the world	
114	-	862	-	25	-	329,385	22,203	7,775	-	355,296	355,296	Insurance technical reserves	
-	-	-	-	-	-	304,247	22,203	-	-	304,247	304,247	net equity of households	
114	-	862	-	25	-	25,138	-	7,775	-	51,049	51,049	prepayments and other claims	
43,887	30,484	22,599	22,300	22,429	2,204	20,400	67,984	30,533	59,713	434,077	434,077	Other accounts receivable/payable	
-	-	-	-	-	-	4,150	-	30,533	59,713	297,728	297,728	Trade credits	
43,887	30,484	22,599	22,300	22,429	2,204	16,251	67,984	-	-	136,349	136,349	Other	
307,992	1,417,283	60,837	137,091	38,695	9,189	2,781,083	355,861	1,208,494	1,339,844	8,537,333	8,537,333	Total	

Financial accounts

Italy's financial assets and liabilities in 2000

(flows in millions of euros)

Institutional sectors	Non-financial corporations		Financial corporations							
			Monetary financial institutions		Other financial intermediaries		Financial auxiliaries		Insurance corporations and pension funds	
	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities
Financial instruments										
Monetary gold and SDRs	-	-	86	-	-	-	-	-	-	-
Currency and transferable deposits, with	11,304	-	26,295	54,296	-340	-	-1,298	-	2,809	-
MFIs	11,513	-	24,335	54,296	-340	-	-1,298	-	1,811	-
central government	-188	-	238	-	-	-	-	-	-	-
rest of the world	-21	-	1,723	-	..	-	..	-	998	-
Other deposits, with	2,883	-	-18,899	5,879	781	-	439	-	341	-
MFIs	2,851	-	-1,331	5,879	781	-	439	-	340	-
central government	32	-	-	-	-	-	-	-	-	-
rest of the world	..	-	-17,569	-	..	-	..	-	1	-
Short-term securities, issued by	-312	-18	-10,785	-17	-1,581	19	69	-	-756	-
general government	-351	-	-9,575	-	-3,076	-	69	-	-535	-
other residents	-2	-18	140	-17	-66	19	-	-	-	-
rest of the world	41	-	-1,350	-	1,562	-	-	-	-221	-
Bonds, issued by	-3,600	-944	-13,172	31,608	-20,339	12,602	10,407	-	12,289	2,711
MFIs	957	-	2,481	31,608	251	-	6,989	-	2,887	-
central government: CCTs	153	-	-5,474	-	-11,025	-	2,033	-	4,137	-
central government: other	-5,013	-	-12,046	-	-17,539	-	164	-	864	-
local government	477	-	355	-	342	-	268	-	275	-
other residents	552	-944	-1,134	-	2,391	12,602	952	-	1,743	2,711
rest of the world	-726	-	2,647	-	5,241	-	-	-	2,383	-
Derivatives	-	-982	-2,770	-	-	1,011	-	-	-	-401
Short-term loans, of	4,388	46,388	76,470	14,421	4,428	18,479	-	-2,130	-	570
non-financial corporations	4,388	-	-	-	-	-	-	-	-	-
MFIs	-	30,915	76,470	11,586	-	18,090	-	-2,130	-	570
other financial corporations	-	7,811	-	-1,135	4,428	-	-	-	-	..
general government	-	-	-	-	-	-	-	-	-	-
rest of the world	-	7,663	-	3,970	-	389	-	-	-	-
Medium and long-term loans, of	-	29,447	39,652	1,318	11,266	4,865	3	19	260	-537
non-financial corporations	-	-	-	-	-	-	-	-	-	-
MFIs	-	22,984	39,652	-4,467	-	3,381	-	20	-	-544
other financial corporations	-	5,937	-	45	11,266	-	3	-	260	-13
general government	-	1,398	-	29	-	-	-	..	-	-8
rest of the world	-	-872	-	5,711	-	1,484	-	-	-	29
Shares and other equity, issued by	32,733	28,258	10,569	4,053	40,449	1,341	-97	340	9,167	..
residents	27,697	28,258	5,185	4,053	169	1,341	-97	340	7,587	..
of which: listed shares	....	....	....	....	....	-	-	-	....	....
rest of the world	5,036	-	5,384	-	40,279	-	-	-	1,580	-
Mutual fund shares, issued by	113	-	883	-158	785	5,427	6	-	706	-
residents	68	-	31	-158	-	5,427	6	-	264	-
rest of the world	45	-	853	-	785	-	-	-	441	-
Insurance technical reserves	867	4,744	41	666	-	-	-	-	-	35,172
net equity of households	-	4,744	-	666	-	-	-	-	-	31,187
prepayments and other claims	867	-	41	-	-	-	-	-	-	3,985
Other accounts receivable/payable	-10,885	-8,541	384	-270	..	..	-	-	11	-49
Trade credits	-6,165	-10,954	-	-	-	-	-	-	-	-
Other	-4,720	2,413	384	-270	..	..	-	-	11	-49
Total	37,492	98,353	108,754	111,796	35,450	43,746	9,529	-1,771	24,826	37,466

General government						Households and non-profit institutions serving households		Rest of the world		Total		Institutional sectors	
Central government		Local government		Social security funds									
Assets	Liabilities	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities		
												Financial instruments	
-	-	-	-	-	-	-	-	-	86	86	86	Monetary gold and SDRs	
-11,047	53	897	-	1,898	-	9,339	-	16,153	1,661	56,010	56,010	Currency and transferable deposits, with	
-11,039		902	-	1,497	-	10,763	-	16,153	-	54,296	54,296	MFIs	
	53	..	-	..	-	3	-	-	-	53	53	central government	
-8	-	-5	-	401	-	-1,427	-	-	1,661	1,661	1,661	rest of the world	
368	9,341	211	-	-95	-	7,484	-	4,292	-17,414	-2,195	-2,195	Other deposits, with	
368	-	211	-	-95	-	-1,978	-	4,292	-	5,879	5,879	MFIs	
	9,341	-	-	-	-	9,308	-	-	-	9,341	9,341	central government	
..	-	..	-	..	-	154	-	-	-17,414	-17,414	-17,414	rest of the world	
39	-18,035	-11	..	-86	-	-4,487	-	-11	131	-17,921	-17,921	Short-term securities, issued by	
39	-18,035	-11	..	-86	-	-4,497	-	-11	-	-18,035	-18,035	general government	
-	-	-	-	-	-	-89	-	-	-	-17	-17	other residents	
-	-	-	-	-	-	99	-	-	131	131	131	rest of the world	
-450	33,713	1,591	2,769	-407	-	38,094	-	68,949	10,905	93,363	93,363	Bonds, issued by	
-217	-	-52	-	-42	-	15,301	-	3,052	-	31,608	31,608	MFIs	
-6	-8,321	-6	-	-249	-	-18	-	2,135	-	-8,321	-8,321	central government: CCTs	
-228	42,035	25	-	-176	-	18,380	-	57,602	-	42,035	42,035	central government: other	
..	-	478	2,769	..	-	398	-	175	-	2,769	2,769	local government	
1	-	871	-	-111	-	3,120	-	5,983	-	14,368	14,368	other residents	
-	-	276	-	171	-	913	-	-	10,905	10,905	10,905	rest of the world	
-	326	-	-	-	-	-	-	2,725	-	-46	-46	Derivatives	
3,065	289	-	998	-	-12	-	1,834	12,023	19,538	100,374	100,374	Short-term loans, of	
-	-	-	-	-	-	-	-	-	4,388	4,388	4,388	non-financial corporations	
-	289	-	1,019	-	-12	-	1,610	-	14,534	76,470	76,470	MFIs	
-	-	-	-22	-	-	-	224	-	-2,450	4,428	4,428	other financial corporations	
3,065	-	-	-	-	..	-	-	-	3,065	3,065	3,065	general government	
-	-	-	-	-	-	-	-	12,023	-	12,023	12,023	rest of the world	
5,236	-11,424	-	6,430	-	1,281	-	24,373	3,033	3,677	59,450	59,450	Medium and long-term loans, of	
-	-	-	-	-	-	-	-	-	-	-	-	non-financial corporations	
-	-8,136	-	2,449	-	8	-	22,134	-	1,824	39,652	39,652	MFIs	
-	3	-	19	-	1,273	-	2,285	-	1,981	11,529	11,529	other financial corporations	
5,236	..	-	3,991	-	-	-	-45	-	-128	5,236	5,236	general government	
-	-3,291	-	-29	-	-	-	-	3,033	-	3,033	3,033	rest of the world	
-2,548	-	1,193	6	-428	-	7,017	-	6,754	70,807	104,808	104,808	Shares and other equity, issued by	
-2,862	-	744	6	-479	-	-10,700	-	6,754	-	33,999	33,999	residents	
-	-	....	-	....	-	....	-	....	-	....	-	of which: listed shares	
314	-	449	-	50	-	17,716	-	-	70,807	70,807	70,807	rest of the world	
..	-	2,799	-	12	-	19,374	-	..	19,409	24,679	24,679	Mutual fund shares, issued by	
1	-	1	-	13	-	4,886	-	..	-	5,270	5,270	residents	
-1	-	2,798	-	-1	-	14,488	-	-	19,409	19,409	19,409	rest of the world	
8	-	82	-	-3	-	40,602	1,579	563	-	42,162	42,162	Insurance technical reserves	
-	-	-	-	-	-	38,176	1,579	-	-	38,176	38,176	net equity of households	
8	-	82	-	-3	-	2,426	-	563	-	3,985	3,985	prepayments and other claims	
4,471	-4,240	4,266	1,249	4,085	-246	-1,042	8,872	2,759	7,274	4,049	4,049	Other accounts receivable/payable	
-	-	-	-	-	-	-274	-	2,759	7,274	-3,680	-3,680	Trade credits	
4,471	-4,240	4,266	1,249	4,085	-246	-768	8,872	-	-	7,729	7,729	Other	
-857	10,023	11,029	11,451	4,975	1,022	116,381	36,658	117,238	116,074	464,817	464,817	Total	

Financial accounts

Italy's financial assets and liabilities in 2001

(stocks in millions of euros)

Institutional sectors	Non-financial corporations		Financial corporations							
			Monetary financial institutions		Other financial intermediaries		Financial auxiliaries		Insurance corporations and pension funds	
	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities
Financial instruments										
Monetary gold and SDRs	-	-	25,167	-	-	-	-	-	-	-
Currency and transferable deposits, with	115,301	-	96,819	691,799	19,440	-	19,988	-	11,195	-
MFIs	105,755	-	75,064	691,799	19,440	-	14,771	-	7,648	-
central government	..	-	691	-	-	-	-	-	-	-
rest of the world	9,546	-	21,064	-	..	-	5,218	-	3,547	-
Other deposits, with	9,137	-	181,885	424,373	15,884	-	5,145	-	1,545	-
MFIs	8,153	-	133,509	424,373	15,884	-	5,145	-	1,481	-
central government	984	-	-	-	-	-	-	-	-	-
rest of the world	..	-	48,376	-	..	-	..	-	64	-
Short-term securities, issued by	2,201	3,172	29,465	5	11,937	50	24	-	1,124	-
general government	212	-	21,555	-	7,000	-	24	-	402	-
other residents	3	3,172	2,778	5	95	50	-	-	-	-
rest of the world	1,986	-	5,132	-	4,842	-	-	-	721	-
Bonds, issued by	47,323	28,879	283,627	336,757	280,966	57,699	12,824	-	164,101	3,895
MFIs	10,087	-	37,529	336,757	11,874	-	3,256	-	20,964	-
central government: CCTs	6,525	-	74,517	-	30,103	-	2,796	-	21,388	-
central government: other	6,845	-	124,434	-	85,119	-	4,251	-	88,474	-
local government	1,004	-	2,340	-	1,009	-	510	-	560	-
other residents	3,005	28,879	9,180	-	13,056	57,699	2,010	-	4,820	3,895
rest of the world	19,858	-	35,627	-	139,806	-	-	-	27,895	-
Derivatives	4,924	10,008	66,589	48,479	2,177	1,694	-	-	4,477	3,639
Short-term loans, of	44,261	399,803	575,626	88,741	61,857	147,996	-	2,287	-	781
non-financial corporations	44,261	-	-	-	-	-	-	-	-	-
MFIs	-	291,982	575,626	23,334	-	116,350	-	2,287	-	781
other financial corporations	-	26,965	-	979	61,857	-	-	-	-	..
general government	-	-	-	-	-	-	-	-	-	-
rest of the world	-	80,856	-	64,428	-	31,646	-	-	-	-
Medium and long-term loans, of	-	290,347	525,372	58,310	79,565	28,073	29	3,801	1,308	5,675
non-financial corporations	-	-	-	-	-	-	-	-	-	-
MFIs	-	223,236	525,372	7,959	-	26,375	-	401	-	2,974
other financial corporations	-	41,112	-	618	79,565	-	29	-	1,308	54
general government	-	20,519	-	2,458	-	-	-	3,400	-	1,194
rest of the world	-	5,481	-	47,275	-	1,698	-	-	-	1,453
Shares and other equity, issued by	662,662	1,095,426	107,165	250,369	267,096	41,995	..	3,136	77,961	107,591
residents	524,007	1,095,426	88,560	250,369	68,038	41,995	..	3,136	47,781	107,591
of which: listed shares	230,260	382,173	30,449	133,727	49,525	1,366	-	-	20,518	75,052
rest of the world	138,655	-	18,605	-	199,058	-	-	-	30,179	-
Mutual fund shares, issued by	15,201	-	6,116	26,164	20,357	377,525	445	-	36,679	-
residents	4,939	-	2,974	26,164	-	377,525	445	-	35,039	-
rest of the world	10,262	-	3,142	-	20,357	-	-	-	1,640	-
Insurance technical reserves	16,550	79,723	940	17,945	-	-	-	-	-	270,558
net equity of households	-	79,723	-	17,945	-	-	-	-	-	217,329
prepayments and other claims	16,550	-	940	-	-	-	-	-	-	53,230
Other accounts receivable/payable	281,993	241,552	634	109	..	..	-	-	30	780
Trade credits	254,014	227,786	-	-	-	-	-	-	-	-
Other	27,979	13,766	634	109	..	..	-	-	30	780
Total	1,199,553	2,148,911	1,899,406	1,943,052	759,279	655,033	38,455	9,224	298,418	392,920

General government						Households and non-profit institutions serving households		Rest of the world		Total		Institutional sectors
Central government		Local government		Social security funds								
Assets	Liabilities	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities		Financial instruments
-	-	-	-	-	-	-	-	-	25,167	25,167	25,167	Monetary gold and SDRs
27,730	14,822	22,191	-	8,903	-	431,545	-	24,247	70,738	777,360	777,360	Currency and transferable deposits, with
27,262	-	8,673	-	8,257	-	400,683	-	24,247	-	691,799	691,799	MFIs
-	14,822	12,911	-	..	-	1,220	-	-	-	14,822	14,822	central government
469	-	607	-	646	-	29,642	-	-	70,738	70,738	70,738	rest of the world
892	176,121	1,819	-	670	-	278,308	-	154,004	48,794	649,289	649,289	Other deposits, with
889	-	1,708	-	669	-	102,931	-	154,004	-	424,373	424,373	MFIs
-	176,121	-	-	-	-	175,137	-	-	-	176,121	176,121	central government
3	-	111	-	1	-	239	-	-	48,794	48,794	48,794	rest of the world
86	112,532	18	..	193	-	27,260	-	57,022	13,571	129,330	129,330	Short-term securities, issued by
86	112,532	18	..	193	-	26,019	-	57,022	-	112,532	112,532	general government
-	-	-	-	-	-	352	-	-	-	3,227	3,227	other residents
-	-	-	-	-	-	889	-	-	13,571	13,571	13,571	rest of the world
7,606	1,075,405	4,050	9,433	7,991	-	531,472	-	490,294	318,185	1,830,255	1,830,255	Bonds, issued by
1,350	-	603	-	1,230	-	246,922	-	2,943	-	336,757	336,757	MFIs
145	236,801	295	-	2,479	-	52,669	-	45,884	-	236,801	236,801	central government: CCTs
5,853	838,604	260	-	2,618	-	123,146	-	397,606	-	838,604	838,604	central government: other
50	-	773	9,433	..	-	1,066	-	2,121	-	9,433	9,433	local government
208	-	218	-	117	-	16,119	-	41,740	-	90,473	90,473	other residents
-	-	1,901	-	1,547	-	91,551	-	-	318,185	318,185	318,185	rest of the world
-	6,283	-	-	-	-	-	-	32,203	40,264	110,370	110,370	Derivatives
11,166	1,782	-	4,248	-	1,022	-	55,597	176,930	167,581	869,840	869,840	Short-term loans, of
-	-	-	-	-	-	-	-	-	44,261	44,261	44,261	non-financial corporations
-	1,782	-	4,190	-	96	-	54,937	-	79,885	575,626	575,626	MFIs
-	-	-	58	-	-	-	660	-	33,195	61,857	61,857	other financial corporations
11,166	-	-	-	-	926	-	-	-	10,240	11,166	11,166	general government
-	-	-	-	-	-	-	-	176,930	-	176,930	176,930	rest of the world
119,944	39,196	-	105,685	-	8,167	-	223,755	66,098	29,307	792,317	792,317	Medium and long-term loans, of
-	-	-	-	-	-	-	-	-	-	-	-	non-financial corporations
-	24,783	-	26,526	-	80	-	203,297	-	9,741	525,372	525,372	MFIs
-	5,235	-	785	-	8,087	-	20,440	-	4,572	80,902	80,902	other financial corporations
119,944	..	-	77,362	-	-	-	18	-	14,994	119,944	119,944	general government
-	9,179	-	1,012	-	-	-	-	66,098	-	66,098	66,098	rest of the world
95,017	-	7,659	96	888	-	586,756	-	183,062	489,651	1,988,264	1,988,264	Shares and other equity, issued by
87,413	-	6,482	96	431	-	492,840	-	183,062	-	1,498,614	1,498,614	residents
48,786	-	3,808	-	229	-	123,516	-	85,228	-	592,319	592,319	of which: listed shares
7,604	-	1,176	-	457	-	93,916	-	-	489,651	489,651	489,651	rest of the world
128	-	6,306	-	1,029	-	393,832	-	4,115	80,519	484,208	484,208	Mutual fund shares, issued by
51	-	47	-	955	-	355,125	-	4,115	-	403,689	403,689	residents
77	-	6,259	-	74	-	38,707	-	-	80,519	80,519	80,519	rest of the world
119	-	930	-	26	-	365,493	23,918	8,086	-	392,143	392,143	Insurance technical reserves
-	-	-	-	-	-	338,914	23,918	-	-	338,914	338,914	net equity of households
119	-	930	-	26	-	26,579	-	8,086	-	53,230	53,230	prepayments and other claims
44,212	23,362	24,223	21,186	23,828	3,032	14,348	69,072	30,458	60,632	419,725	419,725	Other accounts receivable/payable
-	-	-	-	-	-	3,947	-	30,458	60,632	288,418	288,418	Trade credits
44,212	23,362	24,223	21,186	23,828	3,032	10,402	69,072	-	-	131,307	131,307	Other
306,901	1,449,503	67,195	140,648	43,527	12,221	2,629,014	372,342	1,226,520	1,344,410	8,468,264	8,468,264	Total

Financial accounts

Italy's financial assets and liabilities in 2001

(flows in millions of euros)

Institutional sectors	Non-financial corporations		Financial corporations							
			Monetary financial institutions		Other financial intermediaries		Financial auxiliaries		Insurance corporations and pension funds	
	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities
Financial instruments										
Monetary gold and SDRs	-	-	78	-	-	-	-	-	-	-
Currency and transferable deposits, with	6,698	-	4,171	9,816	1,658	-	-5,055	-	3,165	-
MFIs	9,087	-	-3,765	9,816	1,658	-	-5,719	-	1,839	-
central government	105	-	-186	-	-	-	-	-	-	-
rest of the world	-2,493	-	8,121	-	..	-	664	-	1,326	-
Other deposits, with	-1,955	-	-15,763	1,432	2,318	-	2,067	-	-387	-
MFIs	-2,001	-	-9,089	1,432	2,318	-	2,067	-	-445	-
central government	47	-	-	-	-	-	-	-	-	-
rest of the world	..	-	-6,673	-	..	-	..	-	59	-
Short-term securities, issued by	-940	580	18,126	1	-2,316	-40	-766	-	-441	-
general government	-1,167	-	15,695	-	-2,100	-	-766	-	-681	-
other residents	0	580	514	1	37	-40	-	-	-	-
rest of the world	228	-	1,917	-	-253	-	-	-	240	-
Bonds, issued by	-6,611	10,760	-2,654	31,210	9,957	34,884	1,381	-	27,499	400
MFIs	-1,062	-	-99	31,210	2,395	-	-4,219	-	2,687	-
central government: CCTs	-547	-	-1,897	-	2,621	-	-554	-	-1,274	-
central government: other	863	-	-2,634	-	-21,646	-	932	-	15,913	-
local government	68	-	536	-	59	-	14	-	28	-
other residents	-6,919	10,760	4,466	-	12,087	34,884	5,208	-	4,218	400
rest of the world	985	-	-3,026	-	14,441	-	-	-	5,928	-
Derivatives	-	-893	-329	-	-	90	-	-	-	-193
Short-term loans, of	1,874	13,224	21,479	23,863	4,311	17,269	-	-2,006	-	-578
non-financial corporations	1,874	-	-	-	-	-	-	-	-	-
MFIs	-	16,452	21,479	367	-	11,714	-	-2,006	-	-578
other financial corporations	-	1,208	-	410	4,311	-	-	-	-	..
general government	-	-	-	-	-	-	-	-	-	-
rest of the world	-	-4,437	-	23,086	-	5,555	-	-	-	-
Medium and long-term loans, of	-	30,820	38,103	5,383	14,994	1,731	23	486	40	2,311
non-financial corporations	-	-	-	-	-	-	-	-	-	-
MFIs	-	22,333	38,103	-1,578	-	2,543	-	12	-	1,222
other financial corporations	-	6,104	-	86	14,994	-	23	-	40	-9
general government	-	3,451	-	111	-	-	-	474	-	228
rest of the world	-	-1,069	-	6,763	-	-812	-	-	-	870
Shares and other equity, issued by	67,190	45,135	7,782	13,538	-17,576	4,263	185	169	1,682	113
residents	52,056	45,135	7,516	13,538	-5,985	4,263	185	169	1,565	113
of which: listed shares	....	....	....	....	....	-	-	-	....	....
rest of the world	15,134	-	266	-	-11,590	-	-	-	117	-
Mutual fund shares, issued by	173	-	1,749	-797	10,349	-8,619	-11	-	154	-
residents	-119	-	-61	-797	-	-8,619	-11	-	-659	-
rest of the world	292	-	1,810	-	10,349	-	-	-	813	-
Insurance technical reserves	340	5,067	14	-2,124	-	-	-	-	-	32,190
net equity of households	-	5,067	-	-2,124	-	-	-	-	-	30,010
prepayments and other claims	340	-	14	-	-	-	-	-	-	2,180
Other accounts receivable/payable	-11,614	-9,230	32	69	..	..	-	-	10	211
Trade credits	-9,032	-10,229	-	-	-	-	-	-	-	-
Other	-2,583	998	32	69	..	..	-	-	10	211
Total	55,157	95,461	72,788	82,389	23,696	49,577	-2,176	-1,350	31,722	34,453

General government						Households and non-profit institutions serving households		Rest of the world		Total		Institutional sectors	
Central government		Local government		Social security funds									
Assets	Liabilities	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities	Financial instruments	
-	-	-	-	-	-	-	-	-	-	78	78	78	Monetary gold and SDRs
1,780	-208	97	-	3,097	-	19,826	-	-17,155	8,675	18,282	18,282	18,282	Currency and transferable deposits, with
1,833	-	-72	-	3,024	-	19,087	-	-17,155	-	9,816	9,816	9,816	MFIs
-	-208	..	-	..	-	-126	-	-	-	-208	-208	-208	central government
-53	-	169	-	73	-	867	-	-	8,675	8,675	8,675	8,675	rest of the world
-89	15,511	-10	-	321	-	12,385	-	11,432	-6,622	10,320	10,320	10,320	Other deposits, with
-89	-	79	-	321	-	-3,161	-	11,432	-	1,432	1,432	1,432	MFIs
-	15,511	-	-	-	-	15,465	-	-	-	15,511	15,511	15,511	central government
..	-	-89	-	..	-	82	-	-	-6,622	-6,622	-6,622	-6,622	rest of the world
25	12,118	-6	..	139	-	3,508	-	-2,481	2,188	14,846	14,846	14,846	Short-term securities, issued by
25	12,118	-6	..	139	-	3,462	-	-2,481	-	12,118	12,118	12,118	general government
-	-	-	-	-	-	-10	-	-	-	540	540	540	other residents
-	-	-	-	-	-	56	-	-	2,188	2,188	2,188	2,188	rest of the world
-3,449	19,435	1,578	1,958	-58	-	62,637	-	41,311	32,941	131,590	131,590	131,590	Bonds, issued by
-84	-	103	-	230	-	33,137	-	-1,878	-	31,210	31,210	31,210	MFIs
-9	-11,857	75	-	-15	-	3,992	-	-14,248	-	-11,857	-11,857	-11,857	central government: CCTs
-524	31,292	-29	-	-522	-	5,184	-	33,756	-	31,292	31,292	31,292	central government: other
..	-	65	1,958	..	-	54	-	1,134	-	1,958	1,958	1,958	local government
-2,831	-	1,920	-	70	-	5,279	-	22,546	-	46,045	46,045	46,045	other residents
-	-	-556	-	179	-	14,992	-	-	32,941	32,941	32,941	32,941	rest of the world
-	..	-	-	-	-	-	-	-668	-	-997	-997	-997	Derivatives
3,270	40	-	442	-	46	-	330	24,204	2,510	55,138	55,138	55,138	Short-term loans, of
-	-	-	-	-	-	-	-	-	1,874	1,874	1,874	1,874	non-financial corporations
-	40	-	397	-	46	-	353	-	-5,307	21,479	21,479	21,479	MFIs
-	-	-	45	-	-	-	-24	-	2,672	4,311	4,311	4,311	other financial corporations
3,270	-	-	-	-	..	-	-	-	3,270	3,270	3,270	3,270	general government
-	-	-	-	-	-	-	-	24,204	-	24,204	24,204	24,204	rest of the world
6,314	1,550	-	2,211	-	2,159	-	16,909	4,541	457	64,015	64,015	64,015	Medium and long-term loans, of
-	-	-	-	-	-	-	-	-	-	-	-	-	non-financial corporations
-	-2,469	-	-504	-	-6	-	16,651	-	-101	38,103	38,103	38,103	MFIs
-	5,228	-	591	-	2,165	-	256	-	637	15,057	15,057	15,057	other financial corporations
6,314	..	-	2,125	-	-	-	2	-	-79	6,314	6,314	6,314	general government
-	-1,210	-	-2	-	-	-	-	4,541	-	4,541	4,541	4,541	rest of the world
-3,124	-	532	7	233	-	11,313	-	10,329	15,322	78,546	78,546	78,546	Shares and other equity, issued by
-3,438	-	938	7	129	-	-71	-	10,329	-	63,225	63,225	63,225	residents
-	-	....	-	....	-	....	-	....	-	....	....	....	of which: listed shares
314	-	-406	-	104	-	11,384	-	-	15,322	15,322	15,322	15,322	rest of the world
72	-	3,420	-	26	-	-13,612	-	7	11,743	2,327	2,327	2,327	Mutual fund shares, issued by
-1	-	-1	-	-23	-	-8,547	-	7	-	-9,416	-9,416	-9,416	residents
73	-	3,421	-	49	-	-5,065	-	-	11,743	11,743	11,743	11,743	rest of the world
5	-	68	-	1	-	36,108	1,714	311	-	36,848	36,848	36,848	Insurance technical reserves
-	-	-	-	-	-	34,667	1,714	-	-	34,667	34,667	34,667	net equity of households
5	-	68	-	1	-	1,440	-	311	-	2,180	2,180	2,180	prepayments and other claims
325	-7,122	1,624	-1,114	1,399	828	-6,052	1,088	-75	919	-14,352	-14,352	-14,352	Other accounts receivable/payable
-	-	-	-	-	-	-203	-	-75	919	-9,309	-9,309	-9,309	Trade credits
325	-7,122	1,624	-1,114	1,399	828	-5,849	1,088	-	-	-5,042	-5,042	-5,042	Other
5,129	41,325	7,303	3,504	5,158	3,032	126,113	20,041	71,755	68,209	396,641	396,641	396,641	Total

Financial accounts

Italy's financial assets and liabilities in 2002

(stocks in millions of euros)

Institutional sectors	Non-financial corporations		Financial corporations							
			Monetary financial institutions		Other financial intermediaries		Financial auxiliaries		Insurance corporations and pension funds	
	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities
Financial instruments										
Monetary gold and SDRs	-	-	25,866	-	-	-	-	-	-	-
Currency and transferable deposits, with	112,601	-	149,801	778,126	17,218	-	23,294	-	11,969	-
MFIs	111,869	-	128,093	778,126	17,218	-	17,112	-	8,777	-
central government	..	-	1,108	-	-	-	-	-	-	-
rest of the world	732	-	20,599	-	..	-	6,182	-	3,193	-
Other deposits, with	8,903	-	225,957	464,810	22,038	-	9,676	-	2,891	-
MFIs	7,868	-	176,578	464,810	22,038	-	9,676	-	2,809	-
central government	1,035	-	-	-	-	-	-	-	-	-
rest of the world	..	-	49,380	-	..	-	..	-	82	-
Short-term securities, issued by	2,028	3,875	37,823	7	9,614	72	34	-	1,544	-
general government	129	-	27,584	-	6,783	-	34	-	378	-
other residents	3	3,875	3,539	7	135	72	-	-	-	-
rest of the world	1,896	-	6,700	-	2,696	-	-	-	1,166	-
Bonds, issued by	51,175	40,068	249,440	370,231	256,812	88,030	6,588	-	218,114	4,015
MFIs	9,684	-	44,127	370,231	10,201	-	675	-	25,119	-
central government: CCTs	6,974	-	63,581	-	31,203	-	845	-	25,632	-
central government: other	7,732	-	94,110	-	67,171	-	2,224	-	129,114	-
local government	1,786	-	3,487	-	1,812	-	899	-	961	-
other residents	5,549	40,068	7,612	-	14,299	88,030	1,944	-	6,873	4,015
rest of the world	19,452	-	36,524	-	132,127	-	-	-	30,415	-
Derivatives	5,580	6,650	65,572	62,911	1,097	1,021	-	-	2,790	1,995
Short-term loans, of	47,500	389,993	580,463	70,653	67,038	157,400	-	4,139	-	472
non-financial corporations	47,500	-	-	-	-	-	-	-	-	-
MFIs	-	287,891	580,463	13,389	-	119,174	-	4,139	-	472
other financial corporations	-	28,868	-	1,048	67,038	-	-	-	-	..
general government	-	-	-	-	-	-	-	-	-	-
rest of the world	-	73,234	-	56,215	-	38,226	-	-	-	-
Medium and long-term loans, of	-	330,180	587,743	73,472	84,973	32,547	20	1,884	1,349	6,598
non-financial corporations	-	-	-	-	-	-	-	-	-	-
MFIs	-	252,953	587,743	14,766	-	29,157	-	419	-	3,180
other financial corporations	-	47,783	-	731	84,973	-	20	-	1,349	64
general government	-	23,448	-	3,024	-	-	-	1,465	-	1,573
rest of the world	-	5,996	-	54,950	-	3,390	-	-	-	1,782
Shares and other equity, issued by	804,557	1,108,405	104,007	239,603	222,763	46,632	..	4,526	52,802	81,241
residents	693,225	1,108,405	84,148	239,603	72,044	46,632	..	4,526	30,094	81,241
of which: listed shares	186,690	306,287	30,396	102,113	36,408	1,060	-	-	15,798	48,532
rest of the world	111,332	-	19,859	-	150,718	-	-	-	22,708	-
Mutual fund shares, issued by	13,756	-	8,233	41,966	23,088	318,591	387	-	39,039	-
residents	4,302	-	4,806	41,966	-	318,591	387	-	36,692	-
rest of the world	9,454	-	3,427	-	23,088	-	-	-	2,347	-
Insurance technical reserves	17,830	85,135	1,013	17,709	-	-	-	-	-	301,999
net equity of households	-	85,135	-	17,709	-	-	-	-	-	244,771
prepayments and other claims	17,830	-	1,013	-	-	-	-	-	-	57,228
Other accounts receivable/payable	318,372	276,834	597	179	1,117	..	-	-	40	905
Trade credits	293,006	264,515	-	-	-	-	-	-	-	-
Other	25,366	12,318	597	179	1,117	..	-	-	40	905
Total	1,382,303	2,241,139	2,036,516	2,119,666	705,758	644,293	39,999	10,549	330,538	397,225

General government						Households and non-profit institutions serving households		Rest of the world		Total		Institutional sectors
Central government		Local government		Social security funds								
Assets	Liabilities	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities		Financial instruments
-	-	-	-	-	-	-	-	-	25,866	25,866	25,866	Monetary gold and SDRs
18,857	16,148	23,791	-	15,617	-	443,087	-	20,070	42,030	836,304	836,304	Currency and transferable deposits, with
18,413	-	10,359	-	14,994	-	431,221	-	20,070	-	778,126	778,126	MFIs
-	16,148	12,911	-	..	-	2,129	-	-	-	16,148	16,148	central government
443	-	521	-	622	-	9,737	-	-	42,030	42,030	42,030	rest of the world
895	188,320	1,543	-	1,076	-	288,975	-	141,198	50,022	703,151	703,151	Other deposits, with
892	-	1,429	-	1,075	-	101,248	-	141,198	-	464,810	464,810	MFIs
-	188,320	-	-	-	-	187,284	-	-	-	188,320	188,320	central government
3	-	113	-	1	-	443	-	-	50,022	50,022	50,022	rest of the world
50	112,718	16	..	152	-	14,333	-	63,660	12,582	129,255	129,255	Short-term securities, issued by
50	112,718	16	..	152	-	13,931	-	63,660	-	112,718	112,718	general government
-	-	-	-	-	-	277	-	-	-	3,954	3,954	other residents
-	-	-	-	-	-	124	-	-	12,582	12,582	12,582	rest of the world
6,523	1,109,223	3,915	14,850	7,992	-	602,346	-	537,626	314,115	1,940,531	1,940,531	Bonds, issued by
204	-	609	-	1,072	-	275,343	-	3,197	-	370,231	370,231	MFIs
2,155	219,905	158	-	1,674	-	65,759	-	21,925	-	219,905	219,905	central government: CCTs
3,903	889,318	262	-	2,879	-	136,645	-	445,279	-	889,318	889,318	central government: other
50	-	808	14,850	..	-	1,784	-	3,263	-	14,850	14,850	local government
212	-	236	-	586	-	30,839	-	63,962	-	132,113	132,113	other residents
-	-	1,842	-	1,780	-	91,976	-	-	314,115	314,115	314,115	rest of the world
-	6,283	-	-	-	-	-	-	40,119	36,299	115,158	115,158	Derivatives
11,166	2,329	-	4,966	-	1,050	-	54,944	167,675	187,896	873,842	873,842	Short-term loans, of
-	-	-	-	-	-	-	-	-	47,500	47,500	47,500	non-financial corporations
-	2,329	-	4,904	-	124	-	54,237	-	93,803	580,463	580,463	MFIs
-	-	-	62	-	-	-	706	-	36,353	67,038	67,038	other financial corporations
11,166	-	-	-	-	926	-	-	-	10,240	11,166	11,166	general government
-	-	-	-	-	-	-	-	167,675	-	167,675	167,675	rest of the world
130,100	35,967	-	113,547	-	5,700	-	249,390	75,286	30,187	879,472	879,472	Medium and long-term loans, of
-	-	-	-	-	-	-	-	-	-	-	-	non-financial corporations
-	22,444	-	25,860	-	17	-	228,016	-	10,931	587,743	587,743	MFIs
-	5,497	-	587	-	5,683	-	21,351	-	4,647	86,342	86,342	other financial corporations
130,100	..	-	85,958	-	-	-	22	-	14,609	130,100	130,100	general government
-	8,026	-	1,142	-	-	-	-	75,286	-	75,286	75,286	rest of the world
88,394	-	5,133	103	759	-	419,108	-	164,027	381,040	1,861,549	1,861,549	Shares and other equity, issued by
80,475	-	4,343	103	342	-	351,810	-	164,027	-	1,480,509	1,480,509	residents
40,742	-	1,955	-	147	-	85,980	-	59,877	-	457,992	457,992	of which: listed shares
7,919	-	790	-	417	-	67,298	-	-	381,040	381,040	381,040	rest of the world
86	-	5,810	-	988	-	333,812	-	4,111	68,754	429,311	429,311	Mutual fund shares, issued by
44	-	41	-	831	-	309,342	-	4,111	-	360,557	360,557	residents
42	-	5,769	-	156	-	24,469	-	-	68,754	68,754	68,754	rest of the world
128	-	1,002	-	28	-	401,911	25,781	8,712	-	430,624	430,624	Insurance technical reserves
-	-	-	-	-	-	373,396	25,781	-	-	373,396	373,396	net equity of households
128	-	1,002	-	28	-	28,515	-	8,712	-	57,228	57,228	prepayments and other claims
44,484	18,901	26,090	22,040	22,556	3,580	15,094	72,853	36,144	69,202	464,494	464,494	Other accounts receivable/payable
-	-	-	-	-	-	4,567	-	36,144	69,202	333,718	333,718	Trade credits
44,484	18,901	26,090	22,040	22,556	3,580	10,527	72,853	-	-	130,776	130,776	Other
300,682	1,489,888	67,299	155,507	49,167	10,329	2,518,667	402,967	1,258,628	1,217,994	8,689,557	8,689,557	Total

Financial accounts

Italy's financial assets and liabilities in 2002

(flows in millions of euros)

Institutional sectors	Non-financial corporations		Financial corporations							
			Monetary financial institutions		Other financial intermediaries		Financial auxiliaries		Insurance corporations and pension funds	
	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities
Financial instruments										
Monetary gold and SDRs	-	-	-214	-	-	-	-	-	-	-
Currency and transferable deposits, with	2,732	-	53,862	87,226	-2,088	-	-556	-	817	-
MFIs	6,471	-	53,346	87,226	-2,088	-	2,750	-	1,150	-
central government	-166	-	417	-	-	-	-	-	-	-
rest of the world	-3,573	-	98	-	..	-	-3,306	-	-333	-
Other deposits, with	-166	-	48,977	43,727	6,158	-	4,532	-	1,349	-
MFIs	-218	-	45,310	43,727	6,158	-	4,532	-	1,329	-
central government	51	-	-	-	-	-	-	-	-	-
rest of the world	..	-	3,667	-	..	-	..	-	20	-
Short-term securities, issued by	-571	703	8,697	2	-405	21	-226	-	227	-
general government	-578	-	6,171	-	1,498	-	-226	-	-263	-
other residents	..	703	762	2	40	21	-	-	-	-
rest of the world	7	-	1,764	-	-1,943	-	-	-	490	-
Bonds, issued by	-4,536	9,308	-14,267	32,613	-6,735	26,118	-4,547	-	39,073	62
MFIs	-489	-	6,076	32,613	-259	-	-2,616	-	4,251	-
central government: CCTs	582	-	-11,349	-	2,903	-	-1,882	-	4,047	-
central government: other	313	-	-9,774	-	-15,251	-	-2,324	-	22,596	-
local government	831	-	1,133	-	852	-	413	-	426	-
other residents	-6,454	9,308	-1,965	-	5,331	26,118	1,862	-	3,623	62
rest of the world	681	-	1,612	-	-310	-	-	-	4,131	-
Derivatives	-	-3,613	-3,212	-	-	-2,068	-	-	-	-41
Short-term loans, of	4,317	-7,870	8,701	-15,157	5,949	9,671	-	1,910	-	-307
non-financial corporations	4,317	-	-	-	-	-	-	-	-	-
MFIs	-	-2,164	8,701	-9,867	-	3,100	-	1,910	-	-307
other financial corporations	-	1,903	-	69	5,949	-	-	-	-	..
general government	-	-	-	-	-	-	-	-	-	-
rest of the world	-	-7,609	-	-5,359	-	6,571	-	-	-	-
Medium and long-term loans, of	-	40,443	67,751	15,885	5,512	4,588	-9	-1,913	41	946
non-financial corporations	-	-	-	-	-	-	-	-	-	-
MFIs	-	32,554	67,751	6,813	-	2,890	-	21	-	213
other financial corporations	-	6,671	-	113	5,512	-	-9	-	41	10
general government	-	2,929	-	558	-	-	-	-1,934	-	379
rest of the world	-	-1,713	-	8,401	-	1,699	-	-	-	345
Shares and other equity, issued by	42,390	34,951	6,533	9,017	-4,753	1,452	185	66	3,753	..
residents	32,593	34,951	5,253	9,017	-2,135	1,452	185	66	2,492	..
of which: listed shares	....	....	....	....	....	-	-	-	....	....
rest of the world	9,798	-	1,280	-	-2,617	-	-	-	1,262	-
Mutual fund shares, issued by	15	-	994	-1,179	4,656	335	-1	-	824	-
residents	-10	-	-11	-1,179	-	335	-1	-	-79	-
rest of the world	25	-	1,005	-	4,656	-	-	-	902	-
Insurance technical reserves	1,281	5,412	73	-236	-	-	-	-	-	31,441
net equity of households	-	5,412	-	-236	-	-	-	-	-	27,442
prepayments and other claims	1,281	-	73	-	-	-	-	-	-	3,999
Other accounts receivable/payable	36,379	35,281	-37	70	1,117	..	-	-	10	125
Trade credits	38,992	36,729	-	-	-	-	-	-	-	-
Other	-2,613	-1,448	-37	70	1,117	..	-	-	10	125
Total	81,840	114,616	177,858	171,968	9,412	40,117	-622	63	46,094	32,226

General government						Households and non-profit institutions serving households		Rest of the world		Total		Institutional sectors	
Central government		Local government		Social security funds									
Assets	Liabilities	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities		
												Financial instruments	
-	-	-	-	-	-	-	-	-	-214	-214	-214	Monetary gold and SDRs	
-10,180	1,160	1,601	-	6,715	-	11,040	-	-4,733	-29,173	59,210	59,210	Currency and transferable deposits, with	
-8,843		1,693		6,742		30,737		-4,733	-	87,226	87,226	MFIs	
-	1,160	..	-	..	-	909	-	-	-	1,160	1,160	central government	
-1,336	-	-92	-	-27	-	-20,606	-	-	-29,173	-29,173	-29,173	rest of the world	
4	12,459	-278	-	406	-	11,784	-	-12,679	3,899	60,085	60,085	Other deposits, with	
4	-	-278	-	406	-	-836	-	-12,679	-	43,727	43,727	MFIs	
-	12,459	-	-	-	-	12,408	-	-	-	12,459	12,459	central government	
..	-	..	-	..	-	211	-	-	3,899	3,899	3,899	rest of the world	
-53	161	-7	..	-90	-	-18,464	-	11,366	-414	475	475	Short-term securities, issued by	
-53	161	-7	..	-90	-	-17,657	-	11,366	-	161	161	general government	
-	-	-	-	-	-	-75	-	-	-	727	727	other residents	
-	-	-	-	-	-	-733	-	-	-414	-414	-414	rest of the world	
-1,252	23,956	1,890	5,553	-83	-	61,901	-	38,288	12,125	109,735	109,735	Bonds, issued by	
-1,155	-	-6	-	-167	-	26,742	-	235	-	32,613	32,613	MFIs	
2,006	-13,977	-127	-	-720	-	14,437	-	-23,873	-	-13,977	-13,977	central government: CCTs	
-2,104	37,933	-67	-	83	-	5,409	-	39,052	-	37,933	37,933	central government: other	
..	-	60	5,553	..	-	767	-	1,073	-	5,553	5,553	local government	
2	-	1,986	-	394	-	8,907	-	21,802	-	35,487	35,487	other residents	
-	-	43	-	327	-	5,640	-	-	12,125	12,125	12,125	rest of the world	
-	..	-	-	-	-	-	-	-2,511	-	-5,723	-5,723	Derivatives	
..	547	-	718	-	28	-	-304	-6,397	23,334	12,570	12,570	Short-term loans, of	
-	-	-	-	-	-	-	-	-	4,317	4,317	4,317	non-financial corporations	
-	547	-	714	-	28	-	-351	-	15,091	8,701	8,701	MFIs	
-	-	-	4	-	-	-	-	47	-	3,926	5,949	other financial corporations	
..	-	-	-	-	..	-	-	-	..	..	..	general government	
-	-	-	-	-	-	-	-	-6,397	-	-6,397	-6,397	rest of the world	
10,489	-2,669	-	7,863	-	-2,467	-	27,396	8,269	1,981	92,052	92,052	Medium and long-term loans, of	
-	-	-	-	-	-	-	-	-	-	-	-	non-financial corporations	
-	-2,339	-	-666	-	-63	-	26,490	-	1,837	67,751	67,751	MFIs	
-	263	-	-198	-	-2,405	-	902	-	187	5,544	5,544	other financial corporations	
10,489	..	-	8,596	-	-	-	4	-	-44	10,489	10,489	general government	
-	-593	-	130	-	-	-	-	8,269	-	8,269	8,269	rest of the world	
1,565	-	269	7	51	-	6,076	-	5,318	15,896	61,388	61,388	Shares and other equity, issued by	
1,251	-	275	7	-89	-	350	-	5,318	-	45,493	45,493	residents	
-	-	....	-	....	-	....	-	....	-	....	-	of which: listed shares	
314	-	-6	-	139	-	5,726	-	-	15,896	15,896	15,896	rest of the world	
-24	-	8	-	84	-	-2,558	-	-5	4,836	3,992	3,992	Mutual fund shares, issued by	
..	-	..	-	-2	-	-736	-	-5	-	-844	-844	residents	
-24	-	8	-	86	-	-1,823	-	-	4,836	4,836	4,836	rest of the world	
9	-	72	-	2	-	36,418	1,863	626	-	38,481	38,481	Insurance technical reserves	
-	-	-	-	-	-	34,482	1,863	-	-	34,482	34,482	net equity of households	
9	-	72	-	2	-	1,936	-	626	-	3,999	3,999	prepayments and other claims	
272	-4,461	1,867	854	-1,272	548	746	3,781	5,687	8,570	44,769	44,769	Other accounts receivable/payable	
-	-	-	-	-	-	621	-	5,687	8,570	45,299	45,299	Trade credits	
272	-4,461	1,867	854	-1,272	548	125	3,781	-	-	-531	-531	Other	
831	31,154	5,423	14,995	5,813	-1,892	106,944	32,735	43,228	40,840	476,821	476,821	Total	

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