

## Financial Accounts

Financial accounts statistics presents financial assets and liabilities of resident entities, grouped into sectors and subsectors, and the rest of the world (non-residents) broken down by financial operations represented by financial instruments. These include balance sheet data (financial balance sheet) and transactions data<sup>1</sup>.

Financial transaction is a two-way interaction between resident institutional units and by mutual agreement between resident institutional units and non-resident institutional units. Financial transactions describe net acquisition of assets, i.e. acquisition less disposal of financial assets, or net incurrence of liabilities, i.e. incurrence less repayment of liabilities for each financial instrument. Financial transactions are counterparts of non-financial transactions or they refer only to financial instruments.

Financial accounts are compiled according to standards laid out in ESA 2010<sup>2</sup>. Key compilation principles refer to:

- sectoral classification of units,
- classification of financial instruments,
- applying market valuation as preferable,
- data presentation on an accrual basis,
- quadruple entry of each flow i.e. each transaction concerning two institutional units is recorded twice by each unit,
- inter-linkage between balance sheets and transactions,
- compilation of non-consolidated and consolidated data.

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<sup>1</sup> The terminology used in the 'Explanatory Notes' requires clarification. The term "financial accounts", often found in the literature, refers to the system of national accounts. In this system three groups of accounts are distinguished: current, accumulation and balance sheets. The last of accumulation accounts is financial account which shows transactions in financial instruments. Balance sheets include non-financial and financial assets and liabilities data at a specific moment in time. Financial assets and liabilities data constitute so called financial balance sheet. Term "financial accounts" includes financial account as a one of accumulation accounts and financial balance sheet which is a part of balance sheets in national accounts system. It is worth adding that term "non-financial accounts" used in literature similarly to term "financial accounts" comprises current and accumulation accounts with exclusion of the financial account; last of non-financial accounts is the capital account. It must be emphasized that national accounts system requires consistency of capital and financial account through the equality of the " net receivables/payables " categories found in both accounts.

<sup>2</sup> Attachment A to the Regulation EU No 549/2013 from May 21, 2013 on European System of National and Regional Accounts in the European Union (<https://eur-lex.europa.eu/legal-content/EN/TXT/?qid=1405675686774&uri=CELEX:32013R0549> - link with access to translation of the regulation in all EU official languages). Eurostat also made available a folio version of Attachment A, the so called "Blue book" (<https://ec.europa.eu/eurostat/en/web/products-manuals-and-guidelines/-/KS-02-13-269>). Its content is consistent with that published in the regulation, but is presented differently. It includes some additional elements not included in the regulation, e.g. index of most important terms with references to chapters and paragraphs.

## **Sectoral classification of units**

Financial assets and liabilities data is compiled for institutional sectors. There are five resident sectors:

- non-financial corporations,
- financial corporations,
- general government,
- households,
- non-profit institutions serving for households<sup>3</sup>,
- and
- rest of the world

The following groups of financial corporations are considered the most important subsectors: monetary financial institutions (including the central bank, other deposit taking corporations and money market funds), non-money market investment funds, other financial intermediaries, financial auxiliaries<sup>4</sup>, captive financial institutions and money lenders, insurance corporations and pension funds. Definitions of institutional sectors and subsectors have been included in Annex 1.

## **Classification of financial instruments**

Financial assets and liabilities of financial balance sheets and transactions are broken down by the following financial instruments<sup>5</sup>:

- monetary gold and SDRs,
- currency and deposits,
- debt securities,
- loans,
- equity and investment fund shares or units,
- insurance, pension and standardised guarantee schemes,
- financial derivatives and employee stock options,
- other accounts receivable/payable

Each of the abovementioned instruments may be further broken down into subcategories. Instruments are classified on the basis of their economic nature. Annex 2 includes definitions of financial instruments and balance sheet positions in financial accounts.

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<sup>3</sup> This sector is often incorporated into households sector.

<sup>4</sup> This subsector is often grouped together with subsectors of other financial intermediaries as well as captive financial institutions and money lenders

<sup>5</sup> At the highest level of aggregation

## **Applying market valuation as preferable**

ESA 2010 provisions recommend that receivables and payables of financial instruments be presented at market value. An exception to this rule is nominal value<sup>6</sup> for deposits, loans and other accounts receivable/payable. Valuation rules are outlined in Annex 3.

## **Data presentation on an accrual basis**

In accordance with the accrual basis of presentation, the recording in financial accounts takes place when economic value or liability is created, transformed or extinguished.

## **Quadruple entry**

Quadruple entry means that each flow is recorded twice by counterparties i.e. as a resource (or as a change in liabilities) and at the same time as a use (or a change in assets). Financial instrument showed in assets by creditor (owner) is simultaneously recorded in liabilities by the debtor (issuer). Therefore for each instrument, with the exemption of “Monetary gold”<sup>7</sup>, total assets and total liabilities for stocks and transactions on creditor’s and debtor’s side should be equal.

## **Interlinking of financial balance sheets and transactions**

The interlinking of balance sheets and transactions in financial accounts can be described as follows:

$$S_e - S_b = T + OF$$

where:

$S_e$  – stock at the end of reporting period (closing balance sheet),

$S_b$  – stock at the beginning of reporting period (opening balance sheet); in practice it is stock at the end of previous reporting period,

$T$  – transactions within reporting period,

$OF$  – other flows within reporting period,  $OF = R + OCV$ ,

$R$  – revaluations within reporting period,

$OCV$  – other changes in volume within reporting period.

Other changes refer to non-transactional operations that affect changes between the closing and opening balances for individual financial instruments. They are either revaluations, i.e. valuation changes connected with changes in the prices of assets and exchange rates or other changes in volume i.e. changes other than transactions and revaluations e.g. changes in classification of unit or instrument.

## **Non-consolidated and consolidated data**

Financial accounts can be compiled either on consolidated or non-consolidated basis. Non-consolidated accounts record operations with all counterparts, regardless of the sector of

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<sup>6</sup> Together with interests accrued but not yet paid

<sup>7</sup> The rules for registering a partner operation for this instrument for transactions are described in Annex 3

the counterparty; consolidated accounts do not include operations between units classified in the same institutional sector (subsector).

## Data compiled by NBP

Narodowy Bank Polski compiles quarterly financial accounts in accordance with ECB requirements included in *Guideline of the European Central Bank of 25 July 2013 on the statistical reporting requirements of the European Central Bank in the field of quarterly financial accounts ECB/2013/24*<sup>8</sup> as amended.

Quarterly financial accounts produced by NBP comprise non-consolidated balance sheets and transactions. Quarterly data for general government sector are compiled by Statistics Poland which is officially responsible for general government statistics according to European Commission (Eurostat) requirements.

Data compiled by NBP comprise time series starting from Q4 2003 for balance sheets and from Q1 2004 for transactions which meets the ECB requirements set out in the ECB Guideline 2013/24.

Data used in the compilation process are derived from NBP information systems as well as from other institutions such as Statistics Poland, Polish Financial Supervision Authority and National Depository for Securities.

Published data sets are compliant with the ECB conventions i.e. rules agreed on by the STC Working Group on Financial Accounts and Government Finance Statistics (WG FGS), and are used in compiling quarterly financial accounts transmitted to the ECB in accordance with the ECB Guideline/2013/24. The above mentioned conventions have been included in Annex 2.

In the current calculation procedure, financial balance sheets are compiled first, from which transactions are then calculated - as the difference in balance sheet values at the end and beginning of the quarter less estimated other changes, i.e. flows other than transactions. Data on transactions is available only for several items e.g. pension entitlements and investment funds shares or units.

Scheduled release of quarterly financial accounts takes place by 25<sup>th</sup> day of the 4<sup>th</sup> month following the end of the reporting quarter i.e. by 25<sup>th</sup> January, April, July and October.

On first release the data sets are usually not final and may be subject to changes should new data become available on a later date or data be revised. Presently, during a calculation round all available data is used.

The NBP took over from Statistics Poland the responsibility for the transmission of annual financial accounts (AFA) in line with *ESA Transmission Programme*<sup>9</sup> following the agreement between the management of Statistics Poland and the NBP in 2010; annual data for general

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<sup>8</sup> *Guideline of the European Central Bank of 25 July 2013 on the statistical reporting requirements of the European Central Bank in the field of quarterly financial accounts (recast) – ECB/2013/24*

<sup>9</sup> Attachment B to the Regulation EU No 549/2013 from May 21, 2013 on European System of National and Regional Accounts in the European Union.

government sector are still compiled by Statistics Poland. Annual financial accounts include non-consolidated and consolidated balance sheets and transactions. Sectoral and instrument breakdowns in annual financial accounts are more detailed in comparison with quarterly financial accounts. Published datasets are compliant with the ECB conventions.

Annual financial accounts are released by 25th April of the year following the end of the reporting year together with the publication of quarterly data for the 4th quarter. Annual data is updated on the occasion of the next publication of quarterly data.

As mentioned above, in national accounts the value of “net lending/borrowing” should be the same in capital account and financial account. Currently, the above correspondence is not maintained. The development of integrated national accounts, i.e. complying with the abovementioned consistency condition, will be the aim of the cooperation of the Statistics Poland and NBP experts responsible for the development of non-financial and financial accounts respectively.

Should you have any questions regarding quarterly and annual financial accounts please do not hesitate to contact:

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## **Institutional sectors and subsectors**

### **Total economy (S.1.)**

The structure of total economy comprises residents, i.e. private persons having domestic place of residence, legal entities having their registered seat in Poland as well as other units established in Poland who are capable of incurring liabilities and of owning goods and assets in their own right. Residents are also branch offices and corporations seated in Poland established by non-residents and Polish diplomatic posts, consulates and other Polish diplomatic offices as well as special missions that have been granted diplomatic or consular immunities and privileges.

### **Non-financial corporations (S.11)**

Units whose principal activity is the production of goods and non-financial services, in particular: state corporations (operating pursuant to the provisions of the Act on State Corporations of 25 September 1981), companies, partners in civil partnerships, cooperatives, private entrepreneurs employing more than 9 persons, branches of foreign corporations, producer groups, private higher education institutions, private health care units, research and development units, agencies not included in general government sector.

### **Financial corporations (S.12)**

Units whose principal activity is the production of financial services, i.e. mainly financial intermediation and/or auxiliary financial activities and financial services where most of either their assets or their liabilities are not transacted on open markets. Financial intermediation is the activity in which an institutional unit acquires financial assets and incurs liabilities on its own account by engaging in financial transactions on the market. Auxiliary financial activities are activities related to financial intermediation but do not involve risk of acquiring financial assets or incurring liabilities. The financial corporations sector is subdivided into the following subsectors:

- central bank (S.121),
- deposit-taking corporations except the central bank (S.122),
- money market funds (S.123),
- non-MMF investment funds (S.124),
- other financial intermediaries, except insurance corporations and pension funds (S.125),
- financial auxiliaries (S.126),
- captive financial institutions and money lenders (S.127),
- insurance corporations (S.128),
- pension funds (S.129).

### **Monetary financial institutions (S.121+S.122+S.123)**

Financial institutions which receive deposits and/or close substitute for deposits from units other than monetary financial institutions and grant loans and/or invest in securities for their own account.

This subsector consists of banks (including Narodowy Bank Polski, S.121), credit unions (SKOK) and money market funds<sup>10</sup>. List of domestic monetary financial institutions (MIF), updated on a regular basis, is available at the NBP website (<https://www.nbp.pl/home.aspx?f=/statystyka/sprawozdawczosc/mif.htm>)

### **Non-MMF investment funds (S.124)**

This subsector consists of investment funds (established under the Investment Funds Act of May 27, 2004) with exception of money market funds which are classified as monetary financial institutions.

### **Other financial intermediaries, except insurance corporations and pension funds (S.125)**

Financial institutions which are principally engaged in financial intermediation by incurring liabilities in forms other than currency, deposits, or investment fund shares, or in relation to insurance, pension and standardized guarantee schemes from institutional units.

This subsector consists of i.a. financial leasing corporations, factoring companies, brokerage houses (note: brokerage houses, as units of banks, are classified as monetary financial institutions), financial corporations engaged in lending, units engaged in securitization.

### **Financial auxiliaries (S.126)**

Financial institutions which are principally engaged in activities closely related to financial intermediation but which are not financial intermediaries themselves.

The following financial institutions are classified in subsector: brokers, insurance and pension agents and consultants, investment consultants, currency exchange, stock exchange, commodity exchange, corporations providing infrastructure for financial markets e.g. clearing houses and centres (of which: Krajowy Depozyt Papierów Wartościowych [*National Depository for Securities*]), financial funds and foundations (of which Fundacja Fundusz Współpracy [*Cooperation Fund Foundation*]), investment and pension funds managers, Związek Banków Polskich [*The Polish Bank Association*].

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<sup>10</sup> Meeting the criteria described in ECB Regulation No 1071/2013 on 24<sup>th</sup> of September 2013 on Monetary Financial Institutions sector balance sheets.(recast) as amended Regulation (EU) No 1375/2014 of the European Central Bank of 10 December 2014 amending Regulation (EU) No 1071/2013 concerning the balance sheet of the monetary financial institutions sector (ECB/2013/33) (EBC/2014/51)

### **Captive financial institutions and money lenders (S.127)**

Financial institutions which are neither engaged in financial intermediation nor in providing financial auxiliary services, and where most of either their assets or their liabilities are not transacted on open markets. This subsector consists of i.a. asset management companies, brass plate companies, holding companies, special purpose entities, and units which provide financial services exclusively with own funds or funds provided by a sponsor to a range of clients.

### **Insurance corporations (S.128)**

Units operating as stock companies or mutual insurance companies under the provisions of the Act on Insurance Activity of July 28, 1990.

### **Pension funds (S.129)**

Entities operating under the Act on Organization and Functioning of Pension Funds of August 28, 1997 (open and employee pension funds) and Act on Employee Capital Plans of October 4, 2018 (employee capital plans).

### **General Government (S.13)**

Government institutions at the central level (i.a. central government administration offices, state supervisory bodies and law protection authorities, courts and tribunals, state special purpose funds, public health care units except those managed by local government units, public universities, state cultural institutions, public task agencies), local government (i.a. local government offices and their unions, local administration, local special purpose funds, local cultural institutions, local social welfare institutions, public healthcare units managed by local government units) and social security funds (Zakład Ubezpieczeń Społecznych [*Social Insurance Institution*] and Kasa Rolniczego Ubezpieczenia Społecznego [*Agricultural Social Insurance Institution*] and funds managed by them, Narodowy Fundusz Zdrowia [*National Healthcare Fund*] and its voivodship branch offices).

### **Households (S.14)**

Private persons or groups of persons who are consumers and/or market producers of goods and services.

This sector consists of private persons, private persons being entrepreneurs and employing up to 9 persons (inclusive), farmers, private healthcare units and private schools managed by private persons.

### **Non-profit institutions serving households (S.15)**

Non-profit institutions that are separate legal units serving households whose basic resources, except those obtained from occasional sale, come from voluntary contributions in



cash or in kind from households, general government institutions subsidies and property incomes.

This sector includes i.a. labor unions, scientific and professional societies and associations, consumers' societies, political parties, churches and religion unions, funds and foundations serving households, social clubs, cultural, recreational and sport clubs, housing communities, private healthcare units and schools managed by non-profit institutions, charity organizations, humanitarian aid organizations financed by voluntary transfers in cash or in kind from other institutional units.

### **Rest of the world (S.2)**

The rest of the world sector consists of non-resident units, i.e. private persons and legal entities residing abroad and other units established abroad who are capable of incurring liabilities and of owning goods and assets in their own right. Non-residents are also branch offices and corporations seated abroad established by residents as well as foreign diplomatic posts, consulates and other foreign diplomatic offices, special missions and international organisations that have been granted diplomatic immunities and privileges.

For definitions of institutional sectors and subsectors, see chapter 2 of ESA 2010.

## Financial instruments

### Monetary gold and special drawing rights (SDRs) (F.1)

Gold held as a component of foreign reserves by monetary authorities and SDRs, i.e. international reserve assets created by the International Monetary Fund and allocated to its members to supplement existing reserve assets.

Monetary gold and SDRs do not have counterpart liabilities in financial balance sheet enabling to keep double entry rule, i.e. in both creditor and debtor sector. However, in case of transactions counterpart operation is recorded as transaction in assets of the rest of the world at the same value but with the opposite sign.

### Currency (F.21)

Notes and coins in circulation issued by resident and non-resident monetary authorities commonly used to make payments.

### Deposits (F.22+F.29)

Deposit claims/liabilities, of which:

- financial means on accounts with monetary financial institutions (MFIs), i.e. in banks and credit unions, e.g. financial means in settlement/clearing accounts, incl. current accounts, time deposits, blocked deposits, deposits with a period of notice,
- financial means on accounts with non-resident banks,
- short-term repurchase agreements (repos) which are liabilities of MFIs,
- deposits of public finance sector units with the Minister of Finance.

Moreover, deposits include short-term loan liabilities of MFIs, while deposit liabilities of sectors other than MFIs and general government institutions are classified as loans.

In annual financial accounts deposits are broken down into transferable bank deposits (F.22) (deposits exchangeable for currency on demand, at par, and which are directly usable for making payments by cheque, draft, giro order, direct debit/credit, or other direct payment facilities, without penalty or restriction) and other deposits (F.29).

### Debt securities (F.3)

Securities which give their holders unconditional right to a fixed or contractually determined variable money income in the form of coupon payments (interest) or/and a stated fixed sum on a specified date or dates in the future, excluding securities with limited negotiability which cannot be traded on a secondary market.

Debt securities include treasury bills, treasury bonds, bonds issued by institutions other than the State Treasury (e.g. non-financial corporations, banks, communities <municipal bonds>, mortgage bonds).

Instrument does not include saving bonds issued by the State Treasury – they are classified as loans.

Securities are subdivided according to the original maturity into short-term (up to 1 year – F.31) and long term (over 1 year – F.32) securities.

#### **Loans (F.4)**

Loans consist of:

- credits extended/taken by MFIs with MFIs, incl. inter-bank credits, excl. those classified as deposits
- loans extended/taken on the basis of the Civil Code,
- claims/liabilities due to realised guarantees and warranties,
- claims/liabilities resulting from financial leasing
- repurchase agreements (repo), excl. short-term operations representing liabilities of MFIs which are classified as deposits.

Moreover, Loans include deposit liabilities of sectors other than MFIs and general government. Short-term loan liabilities of MFIs on the other hand are classified in Deposits.

This instrument includes also savings Treasury bonds.

Loans are subdivided according the original maturity into short-term (up to 1 year) and long term (over 1 year) loans.

#### **Listed shares (F.511)**

Shares and allotment certificates that are listed on stock exchanges and regulated over-the-counter markets.

In case of shares issued by residents – shares admitted to quotation on an organised market which comprise dealings on regulated markets (Warsaw Stock Exchange) or in alternative trading system (New Connect). If only part of shares of public company (listed company) has been admitted to quotation on an organised market then listed shares include only the above-mentioned part of shares, i.e. shares admitted to quotation on an organised market; other shares are classified as unlisted shares.

In case of shares issued by non-residents – only shares with ISIN code that are reported as portfolio investment of residents in balance of payments and international investment position are classified as Listed shares.

#### **Unlisted shares (F.512)**

Shares which are not classified as listed shares.

In case of issues carried out by residents this instrument includes i.a. shares of public companies (listed) not admitted to quotation on an organised market and shares of unlisted companies.

In case of issues carried out by non-residents this instrument includes all shares which are not classified as listed shares.

### **Other equity (F.519)**

Shares/equity issued by limited liability companies, equity in partnership, co-operative societies, mutual insurance societies.

In case of issues carried out by non-residents this instrument includes all shares which are not classified as listed and unlisted shares.

### **Money market investment funds shares/units (F.521)**

Shares in money market investment funds.

### **Non-money market investment funds shares/units (F.522)**

Shares in non-money market investment funds which can be organised in form of investment funds (as open-end companies, close-end companies or hybrid/semi-open), investment trusts or other collective investment schemes.

This item consists of i.a. investment funds shares/units and investment certificates.

It does not include financial means accumulated under employee pension programmes, individual retirements accounts, individual pension insurance accounts and employee capital plans operated by investment funds; they are classified as pension entitlements (F.63).

### **Insurance, pension and standardised guarantee schemes (F.6)**

Insurance, pension and standardised guarantee schemes are divided in 6 categories:

- non-life insurance technical reserves (F.61)
- life insurance and annuity entitlements (F.62)
- pension entitlements (F.63)
- claims of pension funds on pension managers (F.64)
- entitlements to non-pension benefits (F.65)
- provisions for calls under standardised guarantees (F.66)

### **Non-life insurance technical reserves (F.61)**

Insurance technical provisions created by insurance corporations for the amount representing that part of gross premiums written which is to be allocated to the following accounting period (prepayments of insurance premiums) and outstanding (not yet settled) claims.

They are liabilities of insurance corporations sector and can represent assets of each institutional sector.

### **Life insurance and annuity entitlements (F.62)**

Insurance technical reserves connected with life insurance, incl. unit-linked life insurance. They are liabilities of insurance corporations sector and assets of households sector and rest of the world.

### **Pension entitlements (F.63)**

Reserves created by open and employee pension funds to provide pensions for their members as well as financial means accumulated in employee pension programmes, individual retirements accounts, individual pension insurance accounts and employee capital plans.

They are financial assets of resident and non-resident households (rest of the world).

They can represent liabilities of each institutional sector, however, in practice they are mainly liabilities of insurance corporations and pension funds sector; liabilities of social security funds sub-sector, being a part of general government sector, according to accepted rules are not recorded in financial accounts.

### **Claims of pension funds on pension managers (F.64)**

In principle, this item refers to defined-benefit pension funds. i.e. pension funds with the level of pensions predetermined in advance according to specific formula. Defined-benefit pension funds liabilities are equal to current value of future benefits.

When the pension manager is a unit different from the administrator and the amount accruing to the pension fund falls below the increase in entitlements, a claim of the pension fund on the pension manager is recorded. Where the amount accruing to the pension fund exceeds the increase in entitlements, there is an amount payable by the pension fund to the pension manager.

### **Entitlements to non-pension benefits (F.65)**

The excess of net contributions over benefits represents an increase in the liability of the insurance scheme towards the beneficiaries. This item is shown as an adjustment in the use of income account. As an increase in a liability, it is also shown in the financial account. This item is likely to occur only rarely and, for pragmatic reasons, changes in such non-pension entitlements may be included with those for pensions.

### **Provisions for calls under standardised guarantees (F.66)**

Provisions for calls under standardised guarantees are financial claims that holders of standardised guarantees have against institutional units providing them. Standardised guarantees are guarantees that are issued in large numbers, usually for fairly small amounts, along identical lines. Examples are export credit guarantees and student loan guarantees.

In financial accounts instruments F.61 and F.66 are presented together as well as F.63, F.64 and F.65.

### **Financial derivatives and employee stock options (F.7)**

Instruments whose value is dependent on the value/price of so called underlying instrument. Underlying instruments include i.a. financial instruments (e.g. bonds, shares), commodities, precious metals, exchange rate, index, interest rate, credit rating.

They include employee stock options and pre-emptive rights.

They do not include allotment certificates which are classified as listed shares.

### **Trade credits and advances (F.81)**

Trade credits and advances are financial claims arising from the direct extension of credit (transactions with deferred payment) by the suppliers of goods and services to their customers, and advances for work that is in progress or is yet to be undertaken, in the form of prepayment by customers for goods and services not yet provided.

### **Other accounts receivable/payable except trade credits and advances (F.89)**

Other accounts receivable/payable are financial claims arising from timing differences between distributive transactions or financial transactions on the secondary market and the corresponding payments. They include claims/liabilities in respect of: wages and salaries, taxes and social contributions, dividends, rent and purchase and sale of securities.

The layout of financial instruments is the same for financial balance sheet and transactions; code "AF.x" denotes financial instrument "x" in financial balance sheet and code "F.x" denotes financial instrument "x" in data set comprising transactions. Definitions of financial instruments are included in chapter 5 of ESA2010.

## **Balancing items**

### **Net financial assets (BF.90)**

Balancing item in financial balance sheet, i.e. in data set comprising financial assets and liabilities at a given point in time as a difference between financial assets and liabilities.

### **Net lending (+) / Net borrowing (-) (B.9)**

Balancing item in financial accounts, i.e. in data set comprising transactions, representing net acquisition of financial assets less net incurrence of liabilities. Net acquisition of financial assets denotes acquisition less disposal of financial assets and net incurrence of liabilities indicates incurrence of liabilities less their repayment.

## **Valuation**

According to ESA2010 financial instruments are presented in balance sheet at market value. If market value is not available then the closest one is used (e.g. fair value).

The exception from the abovementioned rule is valuation of deposits, loans and other accounts receivable/payable that are recorded at nominal value plus accrued and not yet paid interest.

The value of transactions is generally calculated on the basis of a difference between balance sheet values at the end and at the beginning of the quarter which is reduced by estimated other changes which are not transactions. Only in few cases transaction data is available, e.g. for investment fund shares and pension entitlements.

Valuation rules applied in financial balance sheet are described below.

### **Monetary gold and special drawing rights (SDRs) (AF.1)**

Balance sheet value shown in the balance sheet of Narodowy Bank Polski.

### **Deposits (AF.22+AF.29)**

Nominal value increased by accrued and not yet paid interest.

### **Debt securities (AF.3)**

Market value.

Discount securities, e.g. treasury bills, are valued at issue price increased by a part of discount, i.e. difference between nominal and issue value proportionally to a period of time which passed from issue until the moment of production of the balance sheet.

### **Loans (AF.4)**

Nominal value increased by accrued and not yet paid interest.

### **Listed shares (AF.511)**

Market value.

### **Unlisted shares (AF.512)**

Book value of own funds. Unlisted shares of listed companies are valued at market price of listed shares of these companies.

### **Other equity (AF.519)**

Book value of own funds.

**Investment funds shares (AF.52)**

Market value (net asset value of investment funds).

**Non-life insurance technical reserves (F.61)**

Balance sheet value of reserves reported in the balance sheets of institutions setting up the reserves.

**Life insurance technical reserves and annuity entitlements (AF.62).**

Balance sheet value of reserves reported in balance sheets of insurance institutions setting up the reserves.

**Pension entitlements (AF.63)**

The carrying amount of the reserves reported in the balance sheets of the pension funds making up the reserves.

In the case of open-ended pension funds and employee pension schemes, the value of the reserves corresponds to the value of the money accumulated by members in the pension fund plus/less the earned profit/loss (the value of the net assets of the pension funds).

**Claims of pension funds on pension managers (AF.64)**

A value calculated on the basis of the net asset value of the pension fund and the present value of liabilities to fund members. (see page 14).

**Entitlements to non-pension benefits (AF.65)**

The value representing the excess of net contributions over benefits (see page 14).

**Provisions for calls under standardized guarantees (AF.66)**

Expected level of claims less the value of any expected recoveries.

**Financial derivatives and employee stock options (AF.7)**

Market value.

**Trade credits and advances and other accounts receivable/payable excluding trade credits and advances (AF.81 and AF.89)**

Nominal value increased by accrued and not yet paid interest.

The valuation rules of financial instruments are included in chapter 5 (for transactions) and 7 (for financial balance sheet) of ESA2010.