



Explanatory note accompanying the disaggregated Eurosystem financial statement

Version of 25 February 2025

1 Linkages between the accounting balance sheets and statistical information

The format of the balance sheets of Eurosystem central banks included in the [disaggregated financial statement of the Eurosystem](#) (also known as “accounting balance sheets”) differs in part from the structure of the balance sheets of central banks presented in the statistical publication “[Breakdown of Eurosystem aggregated balance sheet](#)” (also known as the “statistical balance sheet”). In order to understand the linkages between the two reports please refer to the bridging tables between the accounting balance sheet items of the national central banks (NCBs) and the European Central Bank (ECB) and the items to be reported for statistical purposes.

Any difference in the balance sheet totals presented in the two data sets may be due to¹:

1. different reference dates, being the last calendar day of the month in the case of the statistical balance sheet, and usually the first Friday of the following month in the case of the disaggregated financial statement;
2. the use of different methodological frameworks for the two reports. For details, please refer to the statistical and financial reporting guidelines published by the ECB:
 - Guideline of the ECB of 26 March 2021 on balance sheet item statistics and interest rate statistics of monetary financial institutions (ECB/2021/11);
 - Guideline of the ECB of 14 November 2024 on the legal framework for accounting and financial reporting in the European System of Central Banks (ECB/2024/31) (recast).

Furthermore, the following important points about methodological differences should be noted:

¹ Please note that, effective from 14 October 2024, changes were made to the grouping of the intra-Eurosystem balance sheet positions. While historical data on the [ECB Data Portal](#) has been republished in accordance with the new structure, the data on the [financial statements](#) will not be adjusted retroactively. As a result, there are discrepancies in the subitems within the intra-Eurosystem positions between the two data sets until, and including, the publication of November 2024 (with reference date as at 4 October 2024).

- The revaluation of gold, foreign currency instruments, and securities (other than securities classified as held-to-maturity, non-marketable securities and securities held for monetary policy purposes that are accounted for at amortised cost), as well as financial instruments, both on-balance-sheet and off-balance-sheet, is carried out as at the quarterly revaluation date at mid-market rates and prices. For statistical purposes, revaluation usually takes place every month.
- Certain assets may be presented in the accounting balance sheets net of the related liabilities, while the statistical balance sheet presents them on a gross basis. For example, the ECB presents its TARGET claims and liabilities vis-à-vis the NCBs on a net basis in the accounting balance sheet, while the statistical balance sheet presents them gross so that they appear on both sides of the balance sheet. This leads to an extension of the statistical balance sheet when compared with the accounting balance sheet.
- Certain asset/liability items that are not part of the accounting balance sheet may be included in the statistical balance sheet. For example, coins in circulation are presented in the statistical balance sheet in the monetary aggregates and are consequently included as a liability item. At the same time in most of the NCBs the accounting balance sheet does not show this item as a liability, because for most NCBs these coins are, from a legal point of view, not a central bank liability. The counterpart to this liability is included in the statistical balance sheet within the category "Remaining assets", leading to an extension of the statistical balance sheet vis-à-vis the accounting balance sheet.
- Current expense (net accumulated loss), as well as loss of the previous year prior to the approval of the Annual Accounts, would be presented by a central bank in the accounting balance sheet under "Other assets", whereas in the statistical balance sheet it would normally be shown as a negative entry under "Capital and reserves", shortening the statistical balance sheet compared with the accounting one.

The above list of methodological differences is not exhaustive. For more information on the reconciliation between the two data sets, please contact the respective NCB via the email addresses provided under "NCB contact details" below.

2 Banknotes in circulation

In the published monthly Eurosystem disaggregated financial statements, the banknote figures of each NCB and of the ECB as reported under the balance sheet item "Banknotes in circulation" will not always follow the exact Eurosystem banknote allocation key set out in Decision ECB/2010/29 of 13 December 2010 on the issue of euro banknotes (as amended). This difference is due to the related re-alignment being conducted on a month-end basis, in line with the process set out in Article 2(1) of the Decision on the allocation of the monetary income (ECB/2016/36 as amended). Consequently, each NCB's figures on banknotes in circulation will only occasionally correspond to the established allocation of euro banknotes, namely

when the last Friday of the month/quarter falls on the last working day of the month/quarter.

3 Consolidation adjustments

The “Consolidation adjustments” column of the disaggregated financial statement shows the adjustments necessary to transform the disaggregated financial statement into the consolidated weekly financial statement of the Eurosystem (WFS).

Consolidation involves eliminating transactions or results that would not be reflected in the accounts if the Eurosystem were a single entity. Therefore, all claims and liabilities between Eurosystem central banks, including the ECB, are netted out and are not presented in the consolidated weekly financial statement of the Eurosystem. For a more detailed description of the consolidation process please refer to Section 3.2 of the ECB’s Monthly Bulletin, April 2012, pp. 87-98.

The following items are eliminated as part of the consolidation process:

- “Participating interest in ECB”;
- “Claims/liabilities equivalent to the transfer of foreign reserves”;
- “Claims/liabilities related to TARGET”;
- “Net claims/liabilities related to the allocation of euro banknotes within the Eurosystem”;
- “Other claims/liabilities within the Eurosystem”.

The item “Participating interest in ECB” shown by each euro area NCB as an intra-Eurosystem claim (asset item 9.1) is offset against “Capital and reserves” in the ECB’s balance sheet (liability item 12). Its greater part refers to the ECB’s paid-up capital, which is made up of contributions from the euro area NCBs. In addition, part of the item “Participating interest in ECB” is consolidated with “Other liabilities” (liability item 10), “Revaluation accounts” (liability item 11) and “Capital and reserves” (liability item 12) to eliminate the effects of:

1. deferred contributions to the ECB’s accumulated equity value from the NCBs whose derogation has been abrogated, in line with Article 48.2 of the Statute of the ESCB and of the ECB;
2. adjustments of the NCBs’ shares in the ECB’s capital in the circumstances referred to in Articles 29.3 and 48.3 of the Statute of the ESCB and of the ECB.

The non-euro area NCBs are required to pay in 3.75% of their subscribed capital as a contribution to the operational costs of the ECB. This contribution is not part of the consolidation adjustments.

The item “Claims/liabilities equivalent to the transfer of foreign reserves” contains the intra-Eurosystem balances arising from the transfer of foreign reserve assets to the ECB by NCBs joining the Eurosystem and are denominated in euro. As shown in the

disaggregated balance sheet, the total of the NCBs' claims from the transfer of foreign reserves equals the liability the ECB records vis-à-vis the NCBs. Consequently, intra-Eurosystem assets and liabilities offset each other.

The item "Claims/liabilities related to TARGET" reflects the claims and liabilities of euro area NCBs vis-à-vis the ECB, arising from cross-border payment flows processed through T2. The sum of all TARGET balances – claims and liabilities – must equal zero. Positive balances indicate a net NCB claim on the ECB, while negative balances represent a net NCB liability. The ECB's figures show its TARGET balances netted against all participating NCBs in the T2 system. Additionally, the TARGET balances of non-euro area NCBs are presented as netted and aggregated vis-à-vis the ECB. In terms of magnitude, this item represents the primary consolidation adjustment.

The item labelled "Net claims/liabilities related to the allocation of euro banknotes within the Eurosystem" arises as a result of adjustments laid down in Article 2(1) of the Decision on the allocation of the monetary income (ECB/2016/36 as amended). These claims and liabilities net out at the level of the Eurosystem, too.

Finally, the item "Other claims/liabilities within the Eurosystem" includes any other claims/liabilities within the Eurosystem not attributed to the aforementioned positions, for example in relation to the repayment of loans granted by the European Union to the EU Member States inside the euro area.

4 NCB and ECB contact details

BANK	CONTACT
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