

Who-to-whom information in German financial accounts - compilation, challenges and usage for monetary policy

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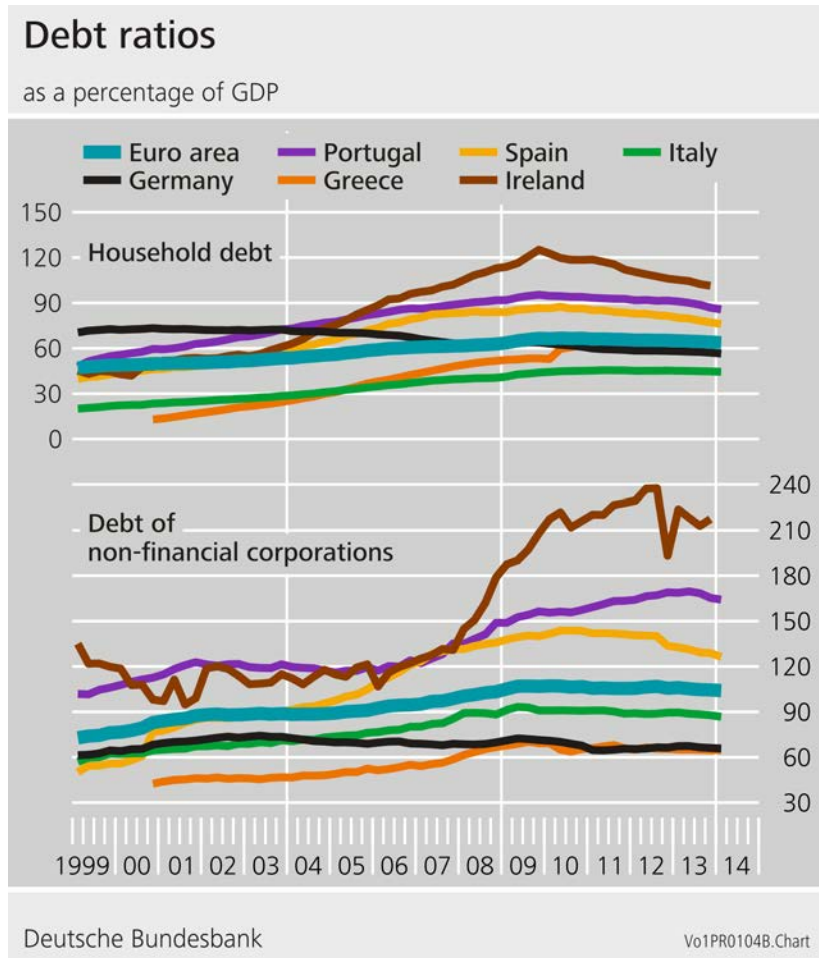
Manuel Rupprecht, Head of Financial Accounts Section, Deutsche Bundesbank

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1. Introduction

The importance of who-to-whom information in financial accounts



Well known: Private debt ratios in EMU strongly increased until 2008

- Excessive demand before crisis
- Subdued spending behavior and credit dynamics afterwards

Less known: Main creditors?

- Mainly domestic banks, but also insurances, mutual funds etc.

Creditor structure has important implications for...

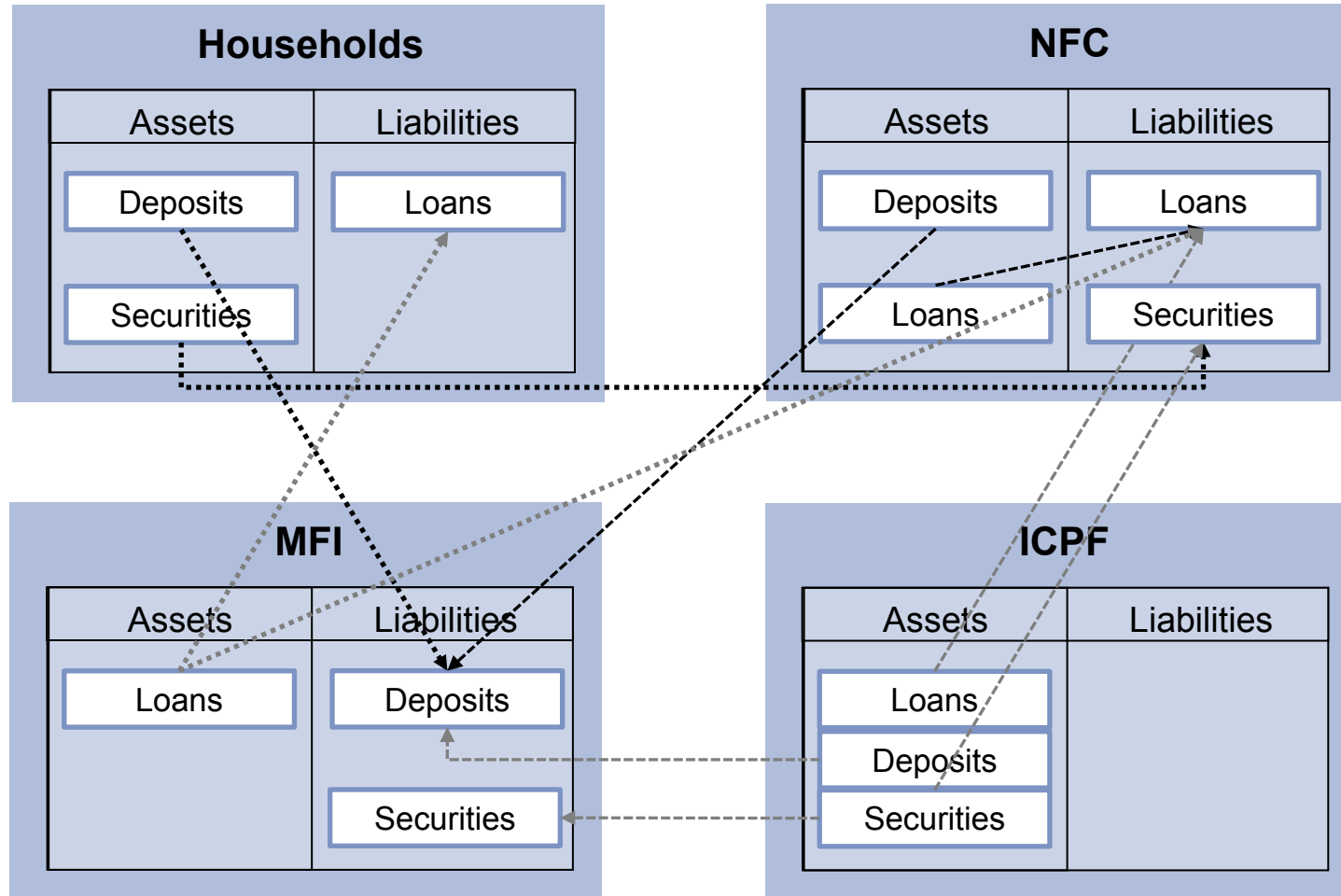
- Macro effects of debt (overhang)
- Transition of sudden asset losses
- Adequate policy area / measures



Need for w-t-w information

2. W-t-w information: Concept, compilation and dissemination

Concept: What are w-t-w information?



2. W-t-w information: Concept, compilation and dissemination

Compilation and dissemination

Compilation: main aspects

- Compilation from perspective of instruments (e.g. one source for shares for all sectors) ➡ Facilitates **inter-sectoral consistency**
- Use similar sources for stocks, flows & valuations (e.g. securities holdings statistics for debt sec.) ➡ Ensures **stock/flow consistency**
- Use comparable sources for assets & liabilities (e.g. securities holdings & issuance statistics) ➡ Ensures **horizontal consistency**



Bottom-up approach ensures data of high quality and reliability

Dissemination of w-t-w information

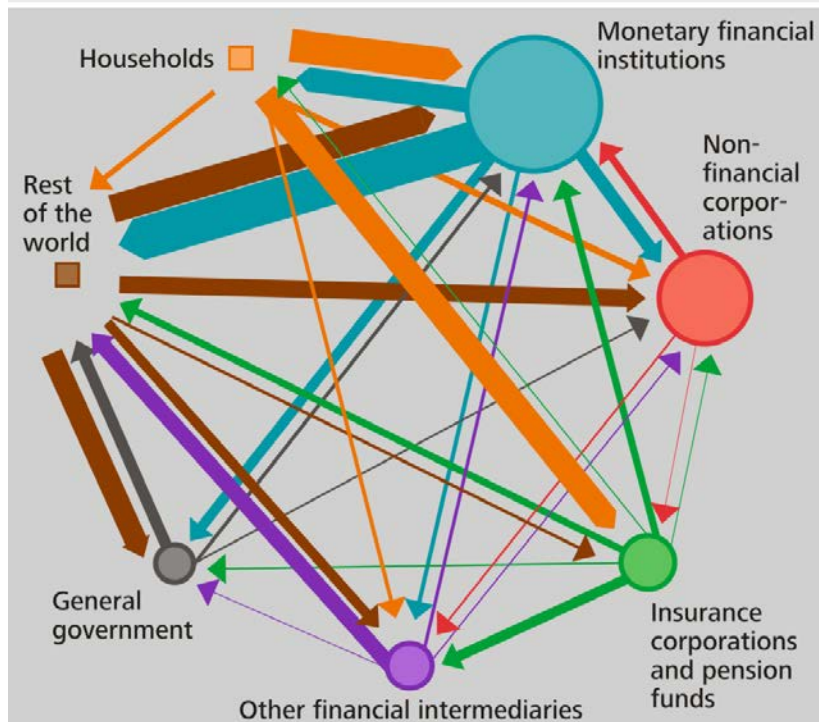
- Full data set is published online ([BBk time series database](#))
- Selected information also published in monthly report, special statistical publication #4 etc.

3. Results and usage for monetary policy

Financial interconnectedness in Germany

Financial links between sectors in Germany

As a percentage of GDP, as at end-2013



Deutsche Bundesbank

Selected results:

- Sectors are strongly interconnected
- No. of relationships of sectors differ...
- ... as well as their intensity

Data *inter alia* used for analyses of monetary policy transmission

- Transmission of sudden asset losses of one sector to others (asymmetric shocks)
→ different effects on aggregate demand
- Effects of interest rate changes on interaction of sectors (symmetric shocks)
- Changes in the financial system / financial intermediation (shadow banking)



Thank you very much for your attention