

INTRODUCTION – General Information on Financial Accounts

To meet the reporting requirements of the European Commission in accordance with the obligations assumed by the Republic of Croatia regarding compliance with *the acquis communautaire* and the negotiating chapter 18 Statistics, and based on the provisions of a three party *Cooperation Agreement in the Field of National Accounts of the General Government and Associated Statistics* (whose signatories are the Croatian National Bank, the Ministry of Finance and the Central Bureau of Statistics), the Croatian National Bank has been appointed as the body responsible for the introduction and implementation of the European system of national and regional accounts in the Community (ESA 95) in the field of financial accounts statistics. The Croatian National Bank is also responsible for publishing the national Financial Account Statistics and for submitting them to the Statistical Office of the European Commission (Eurostat).

The Statistics Department of the Croatian National Bank has prepared preliminary annual data for the Financial Accounts Statistics - balance sheets for financial assets and liabilities (stocks) for the 2001-2008 period. Further Financial Accounts Statistics data releases will be posted on the Internet pages and published in statistical publications of the Croatian National Bank and the Eurostat.

Financial accounts are defined as a group of tables which show the values of transactions of institutional sectors by financial instruments, values of stocks by financial instruments, value and exchange rate adjustments and other changes in assets volume. The basic tables of financial accounts show stocks and flows (transactions, adjustments and other changes) by instruments for each of the sectors while detailed tables show both the stocks and flows of the sectors by instruments and by the sector which represents the counterpart transaction.

Financial accounts consist of financial statistics data associated with the national accounts statistics data which show the financial value of the economy as a whole and of its individual parts as well as the reasons behind changes in this value and net lending/borrowing relationships among the sectors.

Financial Accounts Statistics data is intended for a broad spectrum of use by both current and potential users including:

- monetary policy analysis;
- financial intermediation analysis (e.g. information on the range and amount of individual financial instruments traded by banks, savings banks, insurance corporations, investment and pension funds, stock exchanges and other financial intermediaries);
- analysis and decision making by households, sole entrepreneurs, economic entities, the banking sector and financial intermediaries (on microeconomic level) and the government (on the macroeconomic level) as regards their current and future investments and borrowing;
- improved business and household surveys;
- financial development analysis (e.g. monitoring of information on the use of financial instruments by individual sectors);

- analysis of financial transactions with the rest of the world, by sectors and instruments;
- analysis of financial stability and compliance with other macroeconomic statistics.

Financial Account Statistics - balance sheets for financial assets and liabilities (stocks) can also be used by analysts to analyse the structure of the value of financial assets of individual sectors, the structure and the amount and range of financial instruments, the size and the role of financial intermediation in the economy (i.e. financial market depth) and the degree to which the economy is opened to the rest of the world.