



PRESS RELEASE

EURO AREA INVESTMENT FUND STATISTICS

Today, for the first time, the ECB is releasing euro area aggregate statistics on investment funds resident in the euro area. The background and methodological notes on these new statistics are presented in an annex to this press release.

The total assets of euro area investment funds amounted to EUR 3,038 billion in June 2002, down 6.8% from EUR 3,259 billion in March 2002. One year earlier, in June 2001, these assets had been worth EUR 3,288 billion. The total assets of euro area investment funds amounted to 45% of annual euro area GDP and to 17% of the total assets of all euro area MFIs (excluding the Eurosystem) in June 2002 (cf. Chart 1).

Total assets of investment funds

(EUR billions (not seasonally adjusted; end-of-period stocks))

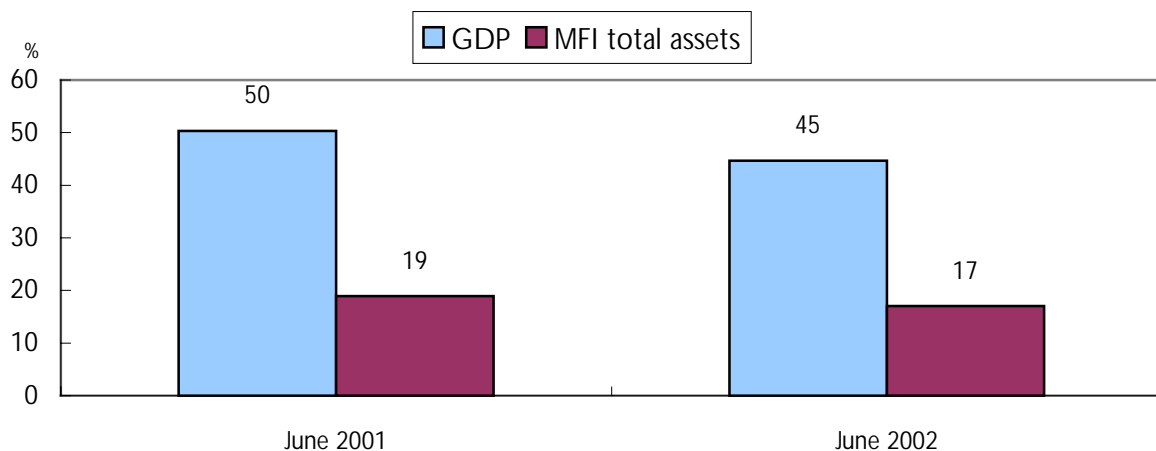
	2001			2002	
	June	September	December	March	June
Total assets of investment funds	3,288	2,976	3,189	3,259	3,038

Source: ECB.

Chart 1

Proportion of total assets of investment funds of GDP and total assets of MFIs

(on the basis of end-of-period stocks; MFIs excluding the Eurosystem)



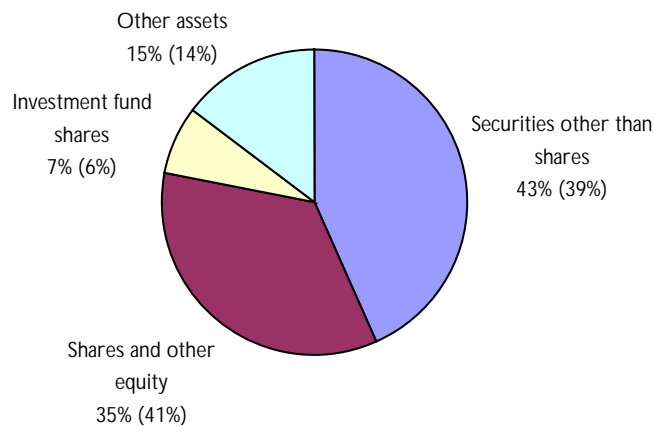
Sources: ECB and European Commission.

Regarding the distribution on the asset side of the balance sheet, in June 2002 the holdings of securities other than shares accounted for 43% of total assets, compared with 35% for holdings of shares and other equity, 7% for investment fund shares (these reflect the positions of funds of funds), and 15% for other assets (which include deposits, fixed assets and financial derivatives). The proportion of shares and other equity had declined markedly compared with the June 2001 figures (cf. Chart 2).

Chart 2

Total assets of investment funds: breakdown by balance-sheet items

June 2002 (June 2001 in brackets)

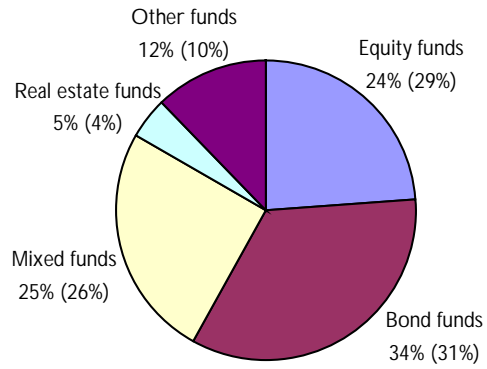


Source: ECB.

As regards the breakdown by investment policy, in June 2002 the assets of bond funds and real estate funds accounted for 34% and 5% respectively of the total assets of investment funds, up from 31% and 4% one year earlier. However, these increases were offset by a decline in the proportion of equity funds in total assets, to 24% from 29%. The proportion of mixed funds also declined slightly, by one percentage point, to 25%.

Chart 3

Total assets of investment funds: breakdown by investment policy
June 2002 (June 2001 in brackets)



Source: ECB.

Table 1. Aggregated balance sheet of euro area investment funds*(EUR billions; not seasonally adjusted)*

	2000Q4	2001Q1	2001Q2	2001Q3	2001Q4	2002Q1	2002Q2
Total assets/liabilities							
of euro area investment funds	3,256	3,184	3,288	2,976	3,189	3,259	3,038
Assets							
Deposits	226	233	249	242	245	254	243
Securities other than shares	1,259	1,290	1,293	1,294	1,310	1,309	1,313
- with maturity up to 1 year	58	60	62	63	63	71	75
- with maturity over 1 year	1,201	1,230	1,231	1,231	1,246	1,238	1,237
Shares and other equity	1,395	1,280	1,339	1,053	1,218	1,263	1,057
Investment fund shares	187	191	212	192	210	225	219
Fixed assets	97	100	104	105	109	111	108
Other assets	93	90	91	89	98	97	99
Liabilities							
Investment fund shares	3,114	3,045	3,136	2,839	3,050	3,114	2,906
Deposits and loans	38	37	39	42	41	43	39
Other liabilities	104	102	112	95	97	102	94
Total assets/liabilities broken down by investment policy							
Equity funds	981	899	945	737	838	862	729
Bond funds	973	999	1,019	1,019	1,032	1,039	1,037
Mixed funds	878	848	856	755	810	820	762
Real estate funds	118	118	124	127	134	142	139
Other funds	305	318	344	337	375	395	371
Total assets/liabilities broken down by type of investor							
General public funds	2,479	2,413	2,507	2,239	2,406	2,464	2,268
Special investors' funds	777	770	781	736	783	795	771

Annex - Methodological notes

The statistics on investment funds are compiled by the ECB drawing upon existing data available in the Eurosystem. These data have not yet been harmonised at the euro area level. However, the national central banks have made every effort to ensure that their national contributions are as consistent as possible with the reporting instructions laid down in the Guideline of the ECB for money and banking statistics (ECB/2002/5). The statistics and methodological notes are available on the ECB website [URL].

Euro area investment fund statistics cover all types of investment funds resident in the euro area and belonging to the sub-sector "Other financial intermediaries, except insurance corporations and pension funds" (OFIs) of the European System of Accounts (ESA 95).¹ They do not cover the money market funds resident in the euro area, which are part of the monetary financial institutions (MFI) population. The term "resident" is defined in Council Regulation No. 2533 of 23 November 1998 concerning the collection of statistical information by the European Central Bank. The reporting population therefore comprises institutions located in the territory, including the subsidiaries of parent companies located outside the territory and resident branches of institutions whose head offices are located outside the territory.

The data refer to end-of-quarter stocks and are currently available from December 1999 onwards. No data on flows (transactions) are available so far. It follows that only "pseudo growth rates", based on changes in stocks, can be calculated. The aggregates currently cover 11 euro area countries. Irish data will be included as soon as they become available.

The euro area aggregates that have been compiled by the ECB refer to the main items of the balance sheets of a) total investment funds, b) investment funds broken down by investment policy (equity funds, bond funds, mixed funds, real estate funds and other funds), and c) investment funds broken down by restrictions, if any, on the purchase of the funds' shares (general public funds and special investor funds).

For the time being, the following points should be borne in mind with respect to the published statistics. First, the figures compiled may underestimate the actual amounts of investment funds' total assets. In principle, investment funds classified as OFIs should include all types of investment funds resident in the euro area with the exception of money market funds (MMFs), which are included in the MFI sector. However, the data coverage may not always be complete. For example, in a number of countries special investor funds (the shares of which are restricted to certain types of investors) are not covered, while in other countries data do not include real estate funds or foreign investment funds that have their headquarters outside the euro area. Second, the definition of different investment policy categories is not yet fully harmonised. The ECB has, at this stage, only established a harmonised definition for MMFs. However, Council Regulation (EC) No. 2533/98 concerning the collection of statistical information by the ECB defines OFIs as belonging to the reference reporting population, and in the future a harmonised definition for investment funds classified as OFIs may be adopted. In theory, investment funds by type of investment are to be classified according to the type of assets in which they primarily invest (e.g. if the

¹ Council Regulation (EC) No. 2223/96 of 25 June 1996 on the European system of national and regional accounts in the Community (ESA 95).

fund primarily invests in shares and other equity then it should be allocated to the equity funds category). Funds investing in both equity and bonds, with no clear preference for either instrument, should be allocated to the "mixed funds" category. When no classification into equity, bond, mixed or real estate funds is feasible, funds should be included in the residual category "other funds". In practice, this classification may vary from country to country. With respect to "funds of funds" (funds investing primarily in other funds), the guidance is to allocate them to the category of funds in which they primarily invest. However this allocation is not feasible in some countries, in which case funds of funds are allocated to the residual category "other funds".

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