



Who-to-whom information in the financial accounts of Germany – compilation, challenges and its use for monetary policy

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The recent financial crisis has shown that information on the financial interconnectedness of institutional sectors (households, corporations etc.) can be very important for both the crisis prevention and resolution. Information of this kind can be used to examine, *inter alia*, how sudden losses of a financial asset in one sector are transmitted to other sectors, as well as the associated impact on the demand for goods. The paper gives an overview of the compilation of who-to-whom information in the German financial accounts, which has been introduced recently for deposits, loans, debt securities, shares and mutual funds shares. It shows that, although the availability of adequate primary sources and their informational content improved in recent years, challenges remain. The paper also discusses how these challenges were overcome. Finally, it is shown that detailed debtor/creditor relationships of this kind are particularly useful for the purposes of monetary policy analysis, since they contribute, *inter alia*, to the understanding of the financing patterns of sectors and of how shocks which affect all sectors (e.g. interest rate changes) impact on the interaction between sectors.

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