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Measurement of Monetary Aggregates Across Countries

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Abstract

This paper compares the compositions and definitions of monetary aggregates being published by the 30 countries belonging to the Organization for Economic Co-operation and Development (OECD) and 10 non-OECD countries. These countries are divided into 5 groups according to the similarity of their monetary aggregates and their membership in the European Union (EU) and/or OECD.

The first three groups are countries in the EU who have adopted the European Central Bank's definitions of the monetary aggregates with some variations. Their monetary aggregates are discussed together and presented in one table. The monetary aggregates for the countries in the other two groups are very heterogeneous and each country is discussed separately.

The criteria used to classify and define monetary aggregates by individual countries are compared and summarized. Variations among the countries' monetary aggregates resulting from emphasis on different criteria for money definitions are also addressed.

I. Introduction

This paper compares the compositions and definitions of monetary aggregates being published by the 30 countries belonging to the Organization for Economic Co-operation and Development (OECD) and 10 non-OECD countries. These countries are divided into the following five groups according to the similarity of their monetary aggregates and their membership of European Union (EU) and/or OECD:

I.1. The European Economic Monetary Union (EMU), called the euro area

The EMU comprises 12 members of the 25 European Union countries that have adopted a single currency (the euro). They are Austria, Belgium, Finland, France, Germany, Greece (joined in 2001), Ireland, Italy, Luxembourg, Netherlands, Portugal, and Spain.¹ The European Central Bank (ECB) is the central bank for the EMU, which issues the euro and has been responsible for conducting monetary policy for the EMU since January 1, 1999.

I.2. The Exchange Rate Mechanism II (ERMII) members

The ERMII comprises the 8 EU countries with their currency linked to the euro but not currently adopting the euro. They are Denmark, Estonia, Cyprus, Latvia, Lithuania (will officially adopt the euro on January 1, 2007), Malta, Slovenia (see footnote 1), and Slovakia (will adopt the euro on January 1, 2009). However, only Denmark and Slovakia are members of OECD.

I.3. Other EU members

This group comprises the 5 members of EU which neither adopt the euro nor link their currency to the euro. They are Czech Republic, Hungary, Poland, Sweden, and the United Kingdom (U.K.).

I.4. Members of OECD but not EU

This group consists of 11 members of OECD but not EU. They are Australia, Canada, Iceland, Japan, Korea, Mexico, New Zealand, Norway, Switzerland, Turkey, and the United States (U.S.).

I.5. Remaining non-OECD countries

This group consists of 4 large non-OECD Asian countries, which are China, India, Philippines, and Thailand.

¹ European Union finance ministers made Slovenia the 13th member of the EMU in July 2006. Slovenia will officially adopt the euro on January 1, 2007.

The first three groups are the 25 countries in the EU who have adopted the ECB's definitions of the monetary aggregates with some variations. Their monetary aggregates are discussed together and presented in one table. Because the monetary aggregates for the remaining two groups (15 non-EU countries) are very heterogeneous, a separate discussion and table is devoted to each country.

The paper is organized as follows: In the next section, the criteria used to classify and define monetary aggregates by individual countries are presented. In the third section, the similarities and differences among the monetary aggregates in the EMU and each of the non-EU countries are highlighted. The types and compositions of these monetary aggregates are summarized in table 1. The final section presents the text summary for the main features of the monetary aggregates in the EMU, the ERMII and other EU members, and individual non-EU countries. In the appendix, tables are provided for the important features of the monetary aggregates for the EMU and other individual countries (table 1 for the EMU, table 2 for the United States, tables 3 – 12 for each of the other 10 countries in the 4th group, and tables 13-16 for each of the 4 countries in the 5th group).

II. Criteria for Monetary Aggregate Classifications

The criteria used to classify and define monetary aggregates by individual countries are summarized in the following nine categories:

II.1. Degree of liquidity

Financial assets with high liquidity are included in narrower measures. Financial assets with lower liquidity are included in broader measures. For example, currency and demand deposits are included in M1, while savings and time deposits are included in the aggregates broader than M1.

II.2. The size of the denomination or minimum deposits

Financial instruments requiring small denominations or low minimum levels are in narrower measures, on the assumption that these tend to be held by households (see category 4 below). Financial instruments requiring large denominations or high minimum levels are in broader measures or not included at all. For example, U.S. small time deposits and retail money market mutual funds (MMMMFs) are included in M2, while large time deposits and institutional MMMFs are excluded (table 2).

II.3. The original maturity of the deposits

Maturity may not matter at all, as in the United States and Australia. However, some countries place deposits with short original maturities in narrower money. The ECB (table 1) puts savings redeemable up to three months and time deposits with agreeable maturity up to two years in M2, but excludes savings and time deposits with longer maturities from each of its three monetary aggregates. In Korea (table 7), financial instruments (deposits, RPs, and cover bills, etc.) are allocated between M2 and M3 entirely according to their original terms of maturity, with the cutoff at two years.

II.4. The characteristics of the asset holders

Personal holdings are in narrower money than non-personal holdings. For example, in Canada (table 4), personal term deposits are included in M2 while non-personal term deposits are included only in M3.

II.5. Foreign currency denominated deposits

Foreign currency deposits are excluded from the monetary aggregates by most countries or included only in broad money, with some exceptions. The ECB (table 1) and Norway (table 10) place deposits denominated in any currency in each of their aggregates. In Mexico, deposits denominated in U.S. dollars are included in each monetary aggregate, but those denominated in other foreign currencies are excluded. Foreign currency deposits are included only in M3 in Canada, only in M4 in Philippines, and in the monetary aggregates other than M1 in Japan. In Turkey, foreign currency deposits are excluded from M1, M2 and M3, but included in its M2Y, M2YR, M3Y and M3YR.

II.6. The types of money issuers

Central banks are the issuers of currencies. Seven central banks (in EMU, Cyprus, Estonia, India, Norway, Switzerland, and Turkey) also issue M1-type deposits for money holders, with the first three issuing M2-type deposits as well.

II.7. The types of financial institutions

In most cases, deposits with commercial banks are in narrower money than those with non-bank depository institutions, while deposits with other non-depository financial institutions, such as post offices and life insurance companies, are either excluded or included only in broad money. For example, all deposits at post offices are only in liquidity aggregates in India, and only in money broader than M2+CDs in Japan.

II.8. The scope of money holders

Money holders usually consist of the private non-bank (or non-depository) residents, except Korea and Turkey. In Korea, currency and deposits held by its central government and its central bank are included in each of its monetary aggregates. In Turkey, official deposits of central government agencies are included in aggregates broader than M2.

II.9. Location of depository institutions

Deposits at oversea branches of domestic depositories may be excluded or included only in broader money than those at domestically located depository institutions. For example, the U.S. monetary aggregates exclude dollar denominated deposits at offshore branches of the U.S. banks, but Mexican M4 include resident and non-resident deposits in Mexican banks' agencies abroad.

III. Comparison of Monetary Aggregates for Individual Countries

As discussed above, there are various criteria which can be used to define and classify monetary aggregates. However, individual central banks usually use only some of these criteria to define their monetary aggregates. Differences in individual central banks' emphases on criteria for money definitions result in variations among the monetary aggregates for individual countries. The similarities and differences among the monetary aggregates for individual countries are summarized below. A table highlighting types and compositions of the monetary aggregates for individual countries is also provided.

III.1. As shown in the following table, the composition of M1 for all countries is essentially the same. In other word, M1 consists of currency and demand and other checkable deposits held by money holders. Canada is a notable exception, placing checkable deposits at credit unions and other non-bank depositories in M1+.

III.2 The composition of monetary aggregates broader than M1 varies substantially. The variations mainly result from emphasis on different criteria for money definitions. The compositions of monetary aggregates classified entirely based on term of maturity are very different from those classified solely according to types of money issuers. Nonetheless, savings deposits and most time deposits are generally included in M2.

III.3. Variations among monetary aggregates also arise from differences in scopes of financial instruments, money issuers, and money holders being included in money. These differences are mostly owing to an inclusion or exclusion of money market mutual funds

Table 1
Summary of Types and Compositions of the Monetary Aggregates
In the EMU and Fifteen Non-EU Countries

OECD Countries	Monetary aggregates containing components (in cells) ¹													
	M1	Currency	Demand Dep.	M2	Savings Dep.	Time Dep.	M3	MMMFs	RPs	Debt Securities	Foreign Currency Dep.	M4	BM ²	Table No. ³
EMU	x	M1	M1	x	M2	M2	x	M3	M3	M3	M1, M2, & M3			1
U. S.	x	M1	M1	x	M2	M2		M2						2
Australia	x	M1	M1		M3	M3	x		BM	BM			x	3
Canada	x	M1	M1, M1+	x	M2, M2+	M2, M2+	x	M2+, M2++		Only M2++	Only M3			4
Iceland	x	M1	M1	x	M2	M3	x			M3				5
Japan	x	M1	M1	x	M2	M2	x		L ⁴	L ⁴	M2, M3		L ⁴	6
Korea	x	M1	M1	x	M2	M2 ⁵	x	LF ⁵	M2 ⁵	M2, LF ⁵				7
Mexico	x	M1	M1	x	M2	M2	x			M2, M3	M1, M2, M3, & M4	x		8
New Zealand	x	M1	M1	x	M2	M3	x		M3					9
Norway	x	M1	M1	x	M2	M2		M2			M1, M2			10
Switzerland	x	M1	M1	x	M2	M3	x							11
Turkey	x	M1	M1	x		M2	x ⁶		M2YR, M3YR		M2Y, M3Y			12
Non-OECD Countries														
China	M ⁷	M	M	QM ⁷	QM	QM								13
India	x	M1	M1	x ⁸	L ₁ ⁹	NM ₂ or L ₁ ⁹	x ⁸		NM ₃ or L ₂ ⁹				Li ⁴	14
Philippines	MS ¹⁰	MS	MS		M3	M3	x		M3		Only M4	x		15
Thailand	x	M1	M1	x	M2	M2	x							16

1. An 'x' placed under a certain type of monetary aggregate for the country name (column 1) indicates the monetary aggregate exists in that country; and a blank indicates otherwise.
2. BM referring to broad money includes select non-deposit borrowing by All Financial Institutions (AFIs) from money-holders in Australia (table 3).
3. The numbers in this column indicate the tables in the appendix which provide details for the monetary aggregates of individual countries.
4. L refers to broadly-defined liquidity in Japan (table 6); Li for i = 1, 2, and 3, refers to three liquidity aggregates in India (table 14).
5. In Korea, financial instruments with a maturity under 2 years are in M2 and LF (Liquidity aggregate of Financial institutions which is the new name adopted for its former M3 since June 12, 2006), but those with a maturity of at least 2 years are only in LF, not in M2 (table 7).
6. In Turkey, M3 equals to M2 plus official deposits at the central bank (table 12).
7. 'M' refers to 'Money' in China which is equivalent to M1 by definition; 'QM' refers to its 'Quasi-Money' which is equivalent to M2 and/or M3 (table 13).
8. In India, both the old series of M₂ and M₃ and the new series, implemented in late 1999, NM₂ (New Intermediate Money) and NM₃ (Broad Money) are published (table 14).
9. In India, time deposits with a maturity of one year or less at banks are in NM₂ and NM₃, but those with a maturity of over one year at banks are only in NM₃, not in NM₂. CDs are in L₂ (table 14). However, all deposits at post offices (including savings and time deposits, etc.) are included only in liquidity aggregates, not in monetary aggregates.
10. 'MS' refers to Philippines' 'Money Supply' or 'Narrow Money'.

(MMMFs), foreign currency denominated deposits, central government deposits, deposits at central banks, non-bank deposits at depository institutions (e.g. credit unions and savings cooperatives, etc.) and at non-depository institutions (e.g. post offices and life insurance companies, etc.), and short-term borrowings (RPs, and bills, etc.).

IV. Summary of the Monetary Aggregates in OECD Countries

IV.1. The Monetary Aggregates in the EMU

IV.1.1. Defined monetary aggregates are M1, M2 and M3.

IV.1.2. Money issuers are monetary financial institutions (MFIs) and central governments (CGs, Post Office accounts, national savings accounts and Treasury accounts) located in the EMU. MFIs include the Eurosystem, resident credit institutions, all other resident financial institutions, and money market funds, whose business is to receive deposits and/or close substitutes for deposits from entities other than MFIs. The Eurosystem comprises the European Central Bank (ECB) and the national central banks (NCBs) of those countries that have adopted the euro.

IV.1.3. Money holders are private (non-CG) non-MFI **residents** in the EMU except for currency (see item IV.1.5).

IV.1.4. Savings deposits and time deposits are classified by terms of maturities with savings redeemable at a period of notice up to 3 months and time deposits maturing up to 2 years being included in non-M1 component of M2.

IV.1.5. Deposits with ECB, CGs, and deposits denominated in foreign currencies held by money holders are included in each aggregate. Currency in circulation (issued by MFIs in the EMU) is entirely included in the monetary aggregates, irrespective of whether it is held by residents or non-residents in the EMU. However, holdings by **foreign** residents of deposits with MFIs in the EMU, MMMFs issued by money market funds in the EMU, and debt securities issued by MFIs located in the EMU are excluded from the EMU monetary aggregates.

IV.1.6. MMMFs, RPs, and debt securities issued with a maturity of up to 2 years held by **money holders** and issued by MFIs in the Euro area are included only in M3.

IV.2. The Monetary Aggregates in the ERMII and Other EU Members

In addition to the EMU, the ERMII members and other EU members adopt the ECB's definitions of the monetary aggregates, with some variations as discussed below:

- IV.2.1. Both Cyprus and Estonia have only M1 and M2, but no M3. Similar to the ECB's monetary aggregates, their M1 and M2 include deposits with their central banks and deposits denominated in foreign currencies. However, unlike the ECB's aggregates, their non-M1 component of M2 include all savings and time deposits, regardless of their terms of maturity.
- IV.2.2. The monetary aggregates of Denmark and Malta are defined identically as the ECB's with one exception – their non-M2 components of M3 do not include MMMFs.
- IV.2.3. Slovenia publishes two slightly different sets of monetary aggregates: one set comprises HM1, HM2, and HM3 (called harmonized monetary aggregates); and the other consists of M1, M2, and M3. Components of the former set are defined according to the ECB definitions. As noted in the introduction section, Slovenia will adopt the euro on January 1, 2007.
- IV.2.4. The U.K. adopts the ECB's definition for its M1, M2, and M3. In addition, it publishes M4 which differs from the U.K.'s/ECB's M3 in terms of:
- a. Institutional basis: Private sector deposits with agencies of the central government are part of the U.K.'s/ECB's M3, but these deposits are not included in the U.K.'s M4.
 - b. Type of currency: Deposits and financial instruments denominated in foreign currencies are included in the U.K.'s/ECB's M3, but the U.K.'s M4 includes only those denominated in sterling.
 - c. Definition of money-holding sector: The money holders for the U.K.'s/ECB's M3 comprise all private (non-central government) non-MFI residents in the U.K./EMU, but public corporations and local governments, which are included in the U.K.'s M3, are excluded from the U.K.'s M4.
 - d. Instruments included: Deposits and short-term securities over two years original maturity are excluded from the U.K.'s/ECB's M3, but the U.K.'s M4 includes these market instruments up to five years of original maturity.

IV.3. Summary of the Monetary Aggregates in the United States

IV.3.1. Defined monetary aggregates are M1 and M2.²

IV.3.2. Money issuers are depository institutions, Federal Reserve Banks for currency, and U.S. Treasury for coins.

² The publication of M3 was discontinued in mid-March 2006.

IV.3.3. Money holders consist of private non-depository sector.

IV.3.4. Time deposits and certificates of deposits (CDs) are classified based on sizes of denominations with denomination less than \$100,000 (called small time deposits or small CDs) being included in non-M1 component of M2. Time deposits and CDs with denominations at least \$100,000 (called large time deposits or jumbo CDs) are excluded from both monetary aggregates.

IV.3.5. Money market mutual funds (MMMFs) are classified by holders' characteristics with those held by individuals/households (called retail MMMFs) being included in non-M1 component of M2. MMMFs held by institutions generally require large minimum balances and they are excluded from both monetary aggregates.

IV.3.6. Foreign currency denominated deposits are excluded from M1 and M2.

IV.3.7. Repurchase agreements (RPs) and U.S. dollar denominated deposits with offshore branches of U.S. banks are excluded from both aggregates.

IV.4. Summary of the Monetary Aggregates in Australia

IV.4.1. Defined monetary aggregates are M1, M3 and Broad Money (BM).

IV.4.2. Money issuers

a. Money issuers of M1 and M3 consist of Reserve Bank of Australia (RBA) for notes and coins, and Authorized Deposit-taking Institutions (ADIs). ADIs include Banks, Permanent Building Societies, Credit Cooperatives, and Specialist Credit Card Institutions (SCCIs).

b. Money issuers of BM consist of Reserve Bank of Australia (RBA) for notes and coins, and All Financial Intermediaries (AFIs). AFIs include Authorized Deposit-taking Institutions (ADIs), Registered Financial Corporations (RFCs), and Cash Management Trusts. RFCs include Money Market Corporations, Finance Companies, Pastoral Finance Companies, and General Financiers.

IV.4.3. Money holders include private (non-government) sector other than AFIs.

IV.4.4. All deposits and CDs held with ADIs by the private non-ADI sector are included in M3.

IV.4.5. Foreign currency denominated CDs and deposits are excluded from each aggregate.

IV.4.6. Select non-deposit borrowings from money-holders by AFIs in Australia are included only in BM.

IV.5. Summary of the Monetary Aggregates in Canada

IV.5.1. Defined monetary aggregates

- a. M1, M2, and M3 consist of currency and bank deposits.
- b. M1+, M1++, M2+, and M2++ include non-bank deposits and other financial market instruments, in addition to currency and bank deposits.

IV.5.2. Money issuers

- a. Issuers of M1, M2 and M3 are commercial banks, Bank of Canada (BOC) for notes and coins.
- b. Issuers of M1+ and M1++ are, in addition to those of M1, M2 and M3, credit unions and caisses popularizes (CUCPs), and trusts and mortgage loan companies (TMLs).
- c. Issuers of M2+ and M2++ are, in addition to those of M1+ and M1++, central government for savings bonds, government-owned savings institutions, and life insurance companies.

IV.5.3. Money holders

- a. Holders of M1, M2 and M3 are private (non-government) non-bank sector in Canada.
- b. Holders of M1+ and M1++ are private sector other than banks, CUCPs and TMLs in Canada.
- c. Holders of M2+ and M2++ are private sector other than banks, CUCPs, TMLs, and life insurance companies in Canada.

IV.5.4. Savings deposits and time deposits are classified according to whether they are personal or non-personal and with banks or non-banks, regardless of their term of maturity.

Personal deposits are in narrower money than non-personal deposits, and bank deposits are also in narrower money than non-bank deposits.

IV.5.5. Foreign currency denominated deposits are included only in M3, not M1, M2 or other aggregates.

IV.5.6. MMMFs and individual annuities at life insurance companies are included only in M2+ and M2++, while all other mutual funds and Canadian savings bonds are included only in M2++.

IV.6. Summary of the Monetary Aggregates in Iceland

IV.6.1. Defined monetary aggregates are M1, M2, M3, and M4.

- IV.6.2. Money issuers are deposit money banks (DMBs, including commercial banks, savings banks, and credit cooperatives) and Central Bank of Iceland for notes and coins.
- IV.6.3. Money holders are non-DMB and non-central-government residents in Iceland.
- IV.6.4. Savings deposits are included in non-M1 component of M2
- IV.6.5. Time deposits with any term of maturity are included in non-M2 component of M3.
- IV.6.6. Foreign currency denominated deposits are excluded from each aggregate.
- IV.6.7. DMB's bonds issued in the domestic market for their own funding are included only in M4, not in the other aggregates.
- IV.6.8. Money market mutual funds (MMMFs) and repurchase agreements (RPs) are excluded from each aggregate.

IV.7. Summary of the Money Stock Statistics in Japan

- IV.7.1. Defined money stock statistics (MSS) are M1, M2+CDs, M3+CDs, and broadly defined liquidity (L). Classifications of money categories are based more on the types of money issuers than on degree of liquidity.³
- a. The deposit money component of M1 includes savings deposits and deposits at notice, etc. **with banks** along with highly liquid checking accounts with **banks**.
 - b. The non-M1 component of M2+CDs includes quasi-money (time deposits, fixed savings, installment savings, and nonresident Yen deposits and foreign currency deposits, etc. **at M2+CD depository corporations**) and CDs issued by M2+CD depository corporations.
 - c. The non-M2+CDs component of M3+CDs includes checking accounts, savings deposits, time deposits, and nonresident Yen deposits and foreign currency deposits, etc. **with M3+CD depository corporations**.
 - d. There is no distinction for term of maturity for time deposits.
- IV.7.2. Money issuers
- a. Money issuers of M1 or M2+CDs (M2+CD depository corporations) are Bank of Japan (BOJ) for notes and coins (in practice, coins are issued by central government), domestically licensed banks, foreign banks in Japan, Shinkin banks, Shinkin Central Bank, Norinchukin Bank, and Shoko Chukin Bank.

³ The Bank of Japan is planning to revise MSS in October 2007, in accordance with the on-going reform of privatization of Japan Post.

- b. Money issuers of non-M2+CD component of M3+CDs (M3+CD depository corporations) are Japan post, credit cooperatives, Shinkumi Federation Bank, Labor Credit Associations, Agricultural Cooperatives, Credit Federations of Agricultural Cooperatives, Fishery Cooperatives, Credit Federations of Fishery Cooperatives, and trust accounts of domestically licensed banks.
- c. Issuers of non-M3+CDs component of broadly defined liquidity are central government, trust accounts of domestically licensed banks, CP issuing financial institutions (domestically licensed banks, Norinchukin bank, Shoko Chukin bank and insurance companies), funds raising entities, and foreign bond issuing organizations.

IV.7.3. Money holders are individuals, public and private nonfinancial corporations, local public authorities/governments, municipal enterprises, and public corporations located in Japan, as well as nonresidents (not located in Japan) who hold Yen or foreign currency deposits with money-issuers in Japan.

IV.7.4. Foreign currency denominated deposits are excluded from M1, but included in all other broader aggregates.

IV.7.5. RPs, bonds (Japanese government and foreign), commercial papers, and other financial instruments are included in L.

IV.8. Summary of the Monetary Aggregates in Korea

IV.8.1. Defined monetary aggregates are M1, M2, liquidity aggregate of financial institutions (LF), and liquidity aggregate (L).

Note: LF is the new name adopted for its previous M3 since June 12, 2006. L is the new aggregate introduced on that date. L is equal to LF plus financial instruments issued by central and local governments, and corporations (such as local government bonds, government bonds, and corporate bonds).

IV.8.2. Money issuers

- a. Money issuers of M1 and M2 are depository corporations (DCs), which include Central bank for notes and coins, commercial banks, specialized banks, Export-Import bank, merchant banking corporations, investment trust management companies, trust accounts of banks, mutual savings banks, community credit cooperatives, credit unions, mutual credits, and postal savings.

- b. Money issuers of LF and L are money issuers of M2 plus local and state governments (government bonds), corporations, the Korea Securities Finance Corporation, and life insurance companies.

IV.8.3. Money holders are non-DC residents in Korea, including **central government and the Bank of Korea.**

IV.8.4. The distinction between M2 and LF is entirely based on the term of maturity of the financial instrument with two-year as a cutoff. All financial instruments with a maturity under two years are included M2, otherwise they are included only in LF. The financial instruments include savings deposits, time deposits, CDs, marketable instruments (RPs, cover bills, etc.), yield-based dividend instruments, financial debentures, and others.

IV.8.5. Foreign currency denominated deposits are excluded from all aggregates

IV.9. Summary of the Monetary Aggregates in Mexico

IV.9.1. Defined monetary aggregates are M1, M2, M3, and M4, which exclude financial assets held by public sector enterprises, central and local governments, and resident banks, but these financial assets are all included in M1a, M2a, M3a, and M4a.

IV.9.2. Money issuers

- a. M3 money issuers are domestic banks, savings and loan companies, Bank of Mexico for notes and coins, federal government, investment companies.
- b. M4 money issuers are M3 money issuers plus Mexican banks' agencies abroad.

IV.9.3. Money holders

- a. Money holders for M1 and M2 are domestic residents other than public sector enterprises, central and local governments, and resident banks as well as savings and loan companies.
- b. Money holders for M3 and M4 are M2 money-holders plus private non-bank non-residents.

IV.9.4. Financial assets (including term deposits, private and public securities, etc.) held by residents are included in non-M1 component of M2, while those held by non-residents are included in non-M2 component of M3. M4 includes deposits of residents and non-residents in Mexican banks' offshore agencies.

IV.9.5. Deposits denominated in U.S. dollars are included in each aggregate, but deposits denominated in other foreign currencies are not.

IV.10. Summary of the Monetary Aggregates in New Zealand

IV.10.1. Defined monetary aggregates are M1, M2, and M3.

IV.10.2. Money issuers are depository institutions, and Reserve Bank of New Zealand (currency, coins, and RPs).

IV.10.3. Money holders are private non-depository residents.

IV.10.4. Overnight and other deposits on terms that can be broken without penalty are included in M2. Otherwise, they are included in M3, not M2.

IV.10.5. Foreign currency denominated deposits are excluded from all aggregates.

IV.10.6. Reserve Bank of New Zealand's RPs denominated in New Zealand dollar with non-depository institutions are included in M3, not M2.

IV.11. Summary of the Monetary Aggregates in Norway

IV.11.1. Defined monetary aggregates are M1 and M2.

IV.11.2. Money issuers are commercial banks, savings banks, and Norges Bank (the central bank of Norway) for currency, coins, and **deposits**.

Note: Deposits held by money holders at Norges Bank are included in M1 and M2.

IV.11.3. Money holders are local government, non-financial corporations, households, and financial corporations other than banks and state lending institutions.

IV.11.4. All non-transaction deposits held by money holders at banks regardless of term of maturity are included in non-M1 component of M2.

IV.11.5. Foreign currency denominated deposits are included in all aggregates.

IV.11.6. Money market fund shares (MMMFs) are included in M2 since May 2006.

IV.11.7. RPs are excluded from all aggregates.

IV.12. Summary of the Monetary Aggregates in Switzerland

IV.12.1. Defined monetary aggregates are M1, M2, and M3.

IV.12.2. Money issuers are banks, post offices, and Swiss National Bank (SNB is the Swiss central bank) for currency, coins, and **deposits**.

Note: Current deposits and sight deposits at the SNB are included in each monetary aggregate.

IV.12.3. Money holders are private non-depository residents.

IV.12.4. Time deposits with any term of maturity are included in non-M2 component of M3.

IV.12.5. Foreign currency denominated deposits are excluded from each aggregates.

IV.12.6. MMMFs and RPs are excluded from all aggregates.

IV.13. Summary of the Monetary Aggregates in Turkey

IV.13.1. Defined monetary aggregates are as follows:

- a. M1, M2, and M3, which exclude foreign currency deposits, and RPs.
- b. M2Y and M3Y are, respectively, equal to M2 and M3 plus foreign currency deposits (FCDs).
- c. M2YR and M3YR are, respectively, equal to M2Y and M3Y plus RPs.

IV.13.2. Money issuers are deposit money banks (DMBs) and Central Bank of the Republic of Turkey (CBRT) for currency and **deposits**, the Treasury Department of Turkey for coins.

Note: Demand deposits at the CBRT are included in each monetary aggregate.

IV.13.3. Money holders

- a. Holders of M1 and M2 are Non-bank non-government residents.
- b. Holders of M3 are holders of M2 and central government agencies (including General Budget Institutions, Annexed Budget Administrations, Municipalities and Courts, Attorney, Execution and Bankruptcy Office, and Legacy Courts).

IV.13.4. Savings deposits and time deposits with any term of maturity are included in the non-M1 component of M2.

IV.13.5. Official deposits are included in the non-M2 component of M3.

IV.13.6. Foreign currency denominated deposits are excluded from M1, M2, and M3, but they are included in M2Y, M2YR, M3Y, and M3YR.

IV.13.7. MMMFs and RPs are excluded from M1, M2, and M3, but RPs are included in M2YR and M3YR.

V. Summary of the Monetary Aggregates in Non-OECD Countries

V.1. Summary of the Monetary Aggregates in China

V.1.1. Defined monetary aggregates are Money, quasi money, and money & quasi money.

V.1.2. Money issuers: banks, Postal Savings Bureau and the People's Bank of China (PBC is the central bank of China) for currency and coins.

V.1.3. Money holders are private non-bank residents.

V.1.4. Time deposits with any term of maturity are included in quasi money.

V.1.5. Foreign currency denominated deposits are excluded from each aggregate.

V.1.6. MMMFs and RPs are excluded from all aggregates.

V.2. Summary of the Monetary Aggregates in India

V.2.1. Defined monetary aggregates are M_1 , NM_2 , and NM_3 .

V.2.2. Types of liquidity aggregates are L_1 , L_2 , and L_3 .

V.2.3. Money issuers

a. Issuers of M_1 , NM_2 , and NM_3 are commercial banks, cooperative banks and the Reserve Bank of India (RBI) for currency, coins, and **deposits**.

b. Issuers of L_1 , L_2 , and L_3 are post offices, financial institutions (FIs), and non-banking financial companies (NBFCs), in addition to the issuers of M_1 , NM_2 , and NM_3 .

V.2.3. Money holders are private non-bank residents.

V.2.4. Time deposits at banks with a maturity of up to one year are included in non- M_1 component of NM_2 , while those with a maturity of over one year are included in non- NM_2 component of NM_3 .

V.2.5. Foreign currency denominated deposits are excluded from each aggregates.

V.2.6. MMMFs are excluded from all aggregates.

V.2.7. Call/term borrowings from financial corporations by banks are included in the aggregates broader than NM_2 .

V.2.8. Monetary aggregates (M_1 , NM_2 , and NM_3) include only the liabilities of the banking system; while liquidity aggregates (L_1 , L_2 , and L_3) also include the liabilities of FIs and NBFCs.

V.2.9. All deposits held by money holders at post offices are included only in liquidity aggregates (L_1 , L_2 , and L_3), i.e. not in monetary aggregates (M_1 , NM_2 , and NM_3).

V.2.10. CDs at FIs are included in L_2 .

V. 3. Summary of the Monetary Aggregates in Philippines

V.3.1. Defined monetary aggregates are money supply (narrow money), M_3 , and M_4 .

V.3.2. Money issuers: central bank (Banko Sentral ng Pilipinas, BSP), and deposit money banks (DMBs).

V.3.3. Money holders are private non-bank residents.

V.3.4. All savings deposits, time deposits, RPs, commercial papers, and other money market borrowings, regardless of maturity, are included in the aggregates other than narrow money.

V.3.5 Foreign currency deposits are included only in M_4 .

V.4. Summary of the Monetary Aggregates in Thailand

Note: Bank of Thailand (BOT) just changed the compilation of its monetary aggregates according to the guidelines of IMF's new standard specified in the Monetary and Financial Statistics Manual (MFSM2000), starting in the first quarter of 2006.

V.4.1. Defined monetary aggregates are M1, M2, M2a, and M3.

V.4.2. Money issuers

- a. Issuers of M1 and M2 are Bank of Thailand (BOT) and commercial banks (CBs).
- b. Issuers of M2a are BOT, CBs, and finance companies (FCs).
- c. Issuers of M3 are BOT, CBs, FCs, and specialized banks (SBs).

V.4.3. Money holders

- a. Holders of M1 and M2 are households, private businesses, FCs, SBs, and other financial corporations (OFCs).
- b. Holders of M2a are households, private businesses, specialized banks, and OFCs.
- c. Holders of M3 are households, private businesses, and OFCs.

V.4.4. All types of deposits held by money holders at CBs, regardless of maturity, are included in the aggregates other than M1.

V.4.5. Promissory notes issued by FCs held by money holders are included in the aggregates other than M1 and M2.

V.4.6. All types of deposits held by money holders at SBs are included in M3 but not other aggregates.

V.4.7. Foreign currency deposits are excluded from all aggregates.

APPENDIX

Tables for the Composition and Definition of the Monetary Aggregates In the EMU and Fifteen non-EU Countries

Table 1**Composition and Definition of the Monetary Aggregates in the EMU^{1, 2}**

Components of Major Aggregates	Definition of Each Component
M1 (Narrow Money)	Sum of the following two components.
(1) Currency in Circulation	Notes and coins issued by money issuers held by private non-MFI residents located in and outside the EMU.
(2) Overnight and Similar Deposits	Deposits which can be converted into currency or used for cashless payments.
M2 (Intermediate Money)	M1 plus non-M1 component of M2.
Non-M1 Component of M2	Sum of the following two components.
(1) Short-term Saving Deposits	Deposits redeemable at a period of notice up to 3 months.
(2) Short-term Time Deposits	Deposits with an agreeable maturity of up to 2 years.
M3 (Broad Money)	M2 plus marketable instruments issued by MFIs.
Marketable Instruments Issued by Monetary Financial Institutions (MFIs)	Sum of the following three components.
(1) Money market fund shares and units (MMMFs)	Excluding shares and units held by MFIs, CGs, and non-euro area residents.
(2) Repurchase Agreements (RPs)	RP liabilities of the MFIs with the money-holding sector
(3) Debt securities with an original maturity of up to 2 years	Liabilities of MFIs held by the money-holding sector

1. Including holdings by the money-holding sector of liquid assets (currency, deposits with the money-issuing sector and marketable instruments issued by MFIs) denominated in domestic or foreign currencies.

The money-issuing sector consists of monetary financial institutions (MFIs) and central governments (CGs, Post Office accounts, national savings accounts and Treasury accounts) in the EMU. MFIs include the Eurosystem, resident credit institutions, all other resident financial institutions, and money market funds, whose business is to receive deposits and/or close substitutes for deposits from entities other than MFIs. The Eurosystem comprises the European Central Bank (ECB) and the national central banks (NCBs) of those countries that have adopted the euro.

The money-holding sector comprises all non-MFI non-CG residents in the EMU, including households, non-financial corporations, non-MFI financial institutions, state and local governments, and social security funds.

2. Also, including holdings by the money-holding sector of liquid assets denominated in foreign currency if they are held with MFIs located in the EMU, as they can be close substitutes for euro-denominated assets.

Table 2
Composition and Definition of the U.S. Monetary Aggregates¹

Components of Major Aggregates	Definition of Each Component
M1	Sum of the following four components.
(1) Currency Component	Currency outside the U.S. Treasury, Federal Reserve Banks, and the vaults of depository institutions.
(2) Demand Deposit Component	Demand deposits at commercial banks (excluding those amounts held by depository institutions, the U.S. government, and foreign banks and official institutions) less cash items in the process of collection (CIPC) and Federal Reserve float.
(3) Other Checkable Deposits (OCD)	Including negotiable order of withdrawal (NOW) and automatic transfer service (ATS) accounts at depository institutions, credit union share draft accounts, and demand deposits at thrift institutions.
(4) Non-bank Traveler's Checks	Traveler's checks issued by non-depository institutions.
M2	M1 plus non-M1 component of M2.
Non-M1 Component of M2	Sum of the following three components.
(1) Saving Deposits	Including money market deposit accounts (MMDA), but excluding those held by the U.S. government.
(2) Small-denomination Time Deposits	Time deposits in amounts of less than \$100,000, less individual retirement account (IRA) and Keogh balances at depository institutions.
(3) Retail Money Market Mutual Funds (MMMFs)	Excluding those held in IRA and Keogh accounts.
Institutional MMMFs²	

1. Excluding deposits denominated in foreign currencies.

2. This series is published as a stand-alone series since it is no longer used to construct any monetary aggregate, since the discontinuation of M3 in mid-March 2006.

Table 3**Composition and Definition of the Australian Monetary Aggregates ¹**

Components of Major Aggregates	Definition of Each Component
M1	Sum of the following two components.
(1) Currency Component	Currency held by private non-bank sector.
(2) Bank Current Deposits	Deposits at banks held by private non-bank sector.
M3	M1 plus the following component.
All Other ADI Deposits of the Private Non-ADI Sector ²	Including CDs, term deposits and other deposits at banks held by the private non-ADI sector plus deposits held with non-bank ADIs less currency and deposits with other ADIs.
Broad Money (BM)	M3 plus the difference of the following components.
(1) Non-Deposit Borrowings from the Private Sector by AFIs ³	Non-deposit borrowings include select bill acceptances and promissory notes/commercial papers issued by AFIs, private sector placements with RFCs, ⁴ and units in cash management trusts
(2) Less: Holdings of Currency and Bank Deposits by RFCs and Cash Management Trusts	

1. Excluding deposits held by Australian and state governments, inter-bank deposits, and foreign currency denominated CDs and deposits.

2. ADIs - Authorized Deposit-taking Institutions (Banks, Permanent Building Societies, Credit Cooperatives and Specialist Credit Card Institutions).

3. AFIs – All Financial Institutions (ADIs, Registered Financial Corporations (RFCs)), and Cash Management Trusts).

4. RFCs -- Registered Financial Corporations (Money Market Corporations, Finance Companies, Pastoral Finance Companies and General Financiers).

Table 4

Composition and Definition of the Canadian Monetary Aggregates ¹

Components of Major Aggregates	Definition of Each Component
Gross M1	Sum of the following two components.
(1) Currency in Circulation	Currency outside banks and central government (CG), (including currency held by CUCPs and TMLs.
(2) Gross Demand Deposits at Banks	Deposits held by private non-bank sector, including private sector float
M1	Sum of the following two components.
(1) Currency in Circulation	Currency outside banks and CG
(2) Net Demand Deposits at Banks	Sum of the following two components, excluding private sector float
* Personal Checking accounts at Banks	
* Current Accounts at Banks	Excluding deposits held by banks and CG
M2	M1 plus the following two components.
(1) Personal Saving Deposits and Term Deposits at Banks	Personal savings deposits, other checking accounts (similar to MMDA) and time deposits at banks.
(2) Non-personal Notice Deposits at Banks	Non-personal deposits requiring notice before withdrawal, excluding those held by banks and CG.
M3	M2 plus the following two components.
(1) Non-Personal Term Deposits at Banks	Excluding deposits held by banks and CG.
(2) Foreign Currency Deposits of Residents at Banks	Excluding deposits held by banks and CG.
M1+	Gross M1 plus the following two components
(1) Checkable Notice Deposits at Banks	Excluding those held by banks, CUCPs and TMLs
(2) All Checkable Deposits at Credit Unions and Caisses Populaires (CUCPs), and Trust and Mortgage Loan Companies (TMLs) ²	Excluding deposits held by banks, CUCPs and TMLs
M1++	M1+ plus the following two components
(1) Checkable Notice Deposits at Banks	Excluding those held by banks, CUCPs and TMLs
(2) All Non-Checkable Deposits at CUCPs and TMLs.	Excluding those held by banks, CUCPs and TMLs
M2+	M2 plus the following four components.
(1) All Deposits at CUCPs and TML	Excluding those held by banks, CUCPs and TMLs,
(2) Money Market Mutual Funds (MMMFs)	Excluding those held by banks, CUCPs and TMLs
(3) Individual Annuities at Life Insurance Companies	Excluding those held by banks, CUCPs and TMLs
(4) Personal Deposits at Government-Owned Savings Institutions	
M2++	M2+ plus the following two components
(1) Non-MMMF Mutual Funds	Excluding those held by banks, CUCPs and TMLs
(2) Canada Savings Bonds	Excluding those held by banks, CUCPs and TMLs

1. Foreign currency denominated deposits are included only in M3, not in M1, M2, or other aggregates.

2. Similar to credit unions, caisses populaires (CPs) are depository institutions with their members associated with Roman Catholic parishes. They are provincially incorporated and their deposits are insured by provinces. They are almost exclusively regulated at the provincial level, but the legislative and regulatory framework general parallels that of federal financial institutions, such as banks.

Table 5**Composition and Definition of the Monetary Aggregates of Iceland ¹**

Components of Major Aggregates	Definition of Each Component
M1 (Money Supply)	Sum of the following two components.
(1) Currency in Circulation	Notes and coins held as cash by deposit money banks (DMBs) and in circulation outside them. ²
(2) Demand Deposits (Current Accounts) at DMBs	Demand deposits can be withdrawn by checks or debt cards. Overdrafts are also allowed on current accounts.
M2	M1 plus the following component.
(1) Demand Saving Deposits (Sight Deposits) at DMBs	Deposits are available for direct withdraw on demand but not by checks or debt cards.
M3 (Broad Money)	M2 plus the following component.
(1) Time Savings Deposits at DMBs	Deposits are tied for a certain period, either required to be held for a fixed period or can only be withdrawn by giving advance notice.
M4	M3 plus the following component.
(1) Domestic Securities Issued by DMBs	DMB' bonds issued in the domestic market for their own funding.

1. Each component includes those held by money-holders, except those are noted in the table. Foreign currency deposits are excluded in each monetary aggregate.

2. DMBs include commercial banks, savings banks and credit cooperatives.

Table 6

Composition and Definition of the Japanese Money Stock Statistics¹

Components of Major Aggregates	Definition of Each Component
M1	Sum of the following two components.
(1) Cash Currency in Circulation	Banknotes and coins.
(2) Deposit Money	Demand deposits (excluding nonresident yen deposits and foreign currency deposits) minus checks and notes held by M2+CD depository corporations. ^{2,3} There are six types of demand deposits (see footnote 2).
M2+CDs	M1 plus the following two components.
(1) Quasi-money	Time Deposits + Fixed Savings + Installment Savings + Nonresident Yen Deposits + Foreign Currency Deposits at banks. ^{4,5,6}
(2) CDs (Certificate of Deposits)	CDs issued by M2+CD depository corporations to money holders. ³
M3+CDs	M2+CDs plus the following three components
(1) Deposits of Post Offices ⁷	They are ordinary deposits, cumulative deposits, house cumulative deposits, Teigaku savings for wage earner's property accumulation, fixed amount deposits, time deposits, and post giro.
(2) Other Savings and Deposits with Money Issuers of Non-M2+CDs Components of M3+CDs	Deposit money + regular savings + installment savings + nonresident yen accounts + foreign currency deposits + CDs minus checks and notes at non-M2+CDs component of M3+CDs depository corporations. ³
(3) Money Trusts	Trust accounts (where the money is returned to the trustees at the end of the trust period) at trust accounts of domestically licensed banks (DLBs, including foreign trust banks), excluding investment trusts, pension trusts, etc. Trust accounts of foreign banks are excluded.
Broadly Defined Liquidity	M3+CDs plus the following seven components
(1) Pecuniary Trusts other than Money Trusts	Pecuniary trusts (trust that do not return money but return securities at the end of trust period) other than money trusts, at trust accounts of DLBs.
(2) Investment Trusts	Bond investment trust, stock investment trust, real estate investment trust, etc. at trust accounts of DLBs.
(3) Bank Debentures	Bank debentures not limited to those at the trust accounts of DLBs.
(4) Commercial Papers (CPs) held by FIs	CPs and dematerialized CPs held by FIs (domestically licensed banks, Norinchukin bank, Shoko Chukin bank, and insurance companies).
(5) Repurchase Agreements (RPs) and Securities Lending with Cash Collateral	Funds raised through RP arrangements and cash collateral for securities lending by financial institutions (FIs). ³
(6) Government Bonds	Including Treasury bills, FILP bonds, and Financial bills issued by central government
(7) Foreign Bonds	Bonds issued by nonresident entities, denominated in Yen or foreign currencies.

Footnotes for table 6:

1. Including only money held by money holders, which are defined as individuals, private nonfinancial corporations, local public authorities, municipal enterprises, and public corporations.
2. Demand deposits including the following six types of deposits with M2+CD depository corporations (see footnote 3 below) :
 - a. Current deposits – non-interest bearing demand deposits that are received under the transaction agreements of current accounts.
 - b. Ordinary deposits – demand deposits that are depositable and withdrawable at any time.
 - c. Savings deposits – demand deposits that are withdrawable at any time where there are additional conditions on the settlement services, such as the fund transfers of stipends, pensions, and dividends, and the automatic account transfers for the payment of public service charges, etc. Receivers in this category are individuals.
 - d. Deposits at notice – deposits that are paid after the grace period (commonly seven days) or after the period noticed(usually two days; the notice may be in the grace period).
 - e. Special deposits – miscellaneous deposits made for the arrangement purposes such as temporary deposits or custodial deposits accompanied with various banking activities.
 - f. Deposits for tax payments – deposits, that are established to smooth the process of tax payments, can only be used to pay taxes.
3. FIs include the following three groups:
 - a. Money issuers of M2+CDs (M2+CD depository corporations) – Bank of Japan, domestically licensed banks (DLBs), foreign banks in Japan, Shinkin banks, Shinkin central bank, Norinchukin bank, and Shoko Chukin bank.
 - b. Money issuers of non-M2+CD component of M3+CDs (M3+CD depository corporations) – Japan Post, credit cooperatives, Shinkumi Federation Bank, Labor Credit Associations, Agricultural Cooperatives, Credit Federations of Agricultural Cooperatives, Fishery Cooperatives, and Credit Federations of Fishery Cooperatives.
 - c. FIs other than money issuers -- insurance companies, investment trusts, government financial institutions (Development Bank of Japan, Japan Bank for International Cooperation, and public finance corporations).
4. Time deposits – deposits that are generally not allowed to withdraw until the maturity dates.
5. Fixed savings – deposits that receive funds several times during the previously determined period.
6. Installment savings – deposits that accumulate funds on a specific day in every month for a certain period under the installment saving contracts and return certain amounts to the depositors on the day of maturity.
7. The Bank of Japan is planning to revise its money stock statistics in October 2007, in accordance with the on-going reform of privatization of Japan Post.

Table 7

Composition and Definition of the Monetary Aggregates in Korea¹

Components of Major Aggregates	Definition of Each Component
M1²	Sum of the following two components.
(1) Currency in Circulation	Notes and coins in circulation outside depository corporations.
(2) Demand Deposits and Savings Deposits with Transferability	Deposits can be withdrawn by checks or debt cards
M2²	M1 plus the following five components, each with a maturity of less than 2 years.
(1) Periodical Time Deposits & Installment Savings	Deposits are available for direct withdraw on demand but not by checks or debt cards
(2) Marketable Instruments	Including CDs, RPs, cover bills, etc.
(3) Yield-Based Dividend Instruments	Including money in trusts, beneficial certificates, etc.
(4) Financial Debentures	
(5) Others	Including securities investment savings at investment trust companies, bills issued by merchant banking corporations, etc.
LF (liquidity Aggregate of Financial Institutions)³	M2 plus the following five components, each with a maturity of at least 2 years.
(1) Time Deposits & Installment Savings	Deposits with a maturity of at least 2 years.
(2) Marketable Instruments	Including CDs, RPs, cover bills, etc.
(3) Yield-Based Dividend Instruments	Including money in trusts, beneficial certificates, etc.
(4) Financial Debentures	
(5) Others	Including securities investment savings at investment trust companies, bills issued by merchant banking corporations, etc.
L (Liquidity Aggregate)	LF plus financial instruments, such as bonds, issued by central and local governments and corporations.

1. Excluding foreign currency denominated deposits, but including currency and deposits held by central government and the Bank of Korea.

2. M1 and M2 include monetary liabilities issued by depository corporations (Central bank, commercial banks, specialized banks, Export-Import bank, merchant banking corporations, investment trust management companies, trust accounts of banks, mutual savings banks, community credit cooperatives, credit unions, mutual credits, and postal savings).

3. LF includes monetary liabilities issued by depository corporations, local and state governments (government bonds), the Korea Securities Finance Corporation, and life insurance companies.

Table 8**Composition and Definition of the Monetary Aggregates in Mexico¹**

Components of Major Aggregates	Definition of Each Component
M1	Sum of the following two components.
(1) Currency in Circulation	Including notes and coins
(2) Demand Deposits	Sum of the following three components
* Deposits in Checking accounts at Banks	
* Deposits in Current Accounts at Banks	Funds can be withdrawn by debit cards
* Sight deposits in Savings and Loan Associations	
M2	M1 plus the following five components.
(1) Resident Term Deposits at Banks	
(2) Resident Term Deposits at Savings and Loan Companies	
(3) Public Securities	Sum of the following four components; including securities held by residents and retirement savings funds managed by investment companies (RSFIC).
* Federal Government Securities	
* Banco de Mexico Securities (BREMs)	
* Protection Savings Bonds	Securities issued by Institute for the Protection of Bank Savings (IPAB)
* Other Public Securities	
(4) Private Securities	Securities held by residents and retirement savings funds
(5) Housing and Other Funds	Public housing funds and retirement funds other than RSFIC.
M3	M2 plus the following two components.
(1) Non-Resident Term Deposits at Banks	Deposits with maturity up to one year
(2) Public Securities Held by Non-Residents	
M4	M3 plus the following two components
(1) Resident Deposits in Mexican Banks' Agencies Abroad	
(2) Non-Resident Deposits in Mexican Banks' Agencies Abroad	

1. Including deposits denominated in domestic currency and U.S. dollars. Currency and deposits held by public sector enterprises, central and local governments, and resident banks are excluded from Mexican M1, M2, M3 and M4, but they are all included in its M1a, M2a, M3a, and M4a.

Table 9**Composition and Definition of the Monetary Aggregates in New Zealand¹**

Components of Major Aggregates	Definition of Each Component
M1	Sum of the following two components.
(1) Currency Held by Public	Notes and coins
(2) Checkable Deposits	
M2	M1 plus non-M1 component of M2.
Non-M1 Call Funding	Sum of the following two components.
(1) Overnight Money	
(2) Funding on Terms that can Be Broken Without Penalties	
M3	M2 plus non-M2 component of M3.
Non-M2 Component of M3	Sum of the following three components.
(1) All Non-M2 Deposits at DIs	
(2) Reserve Bank Repurchase Agreements (RPs) with Non-Depository Institutions	

1. Excluding foreign currency denominated deposits, and holdings of currency and deposits by central government (CG), and M3 institutions (DIs of which there are thirteen).

Table 10**Composition and Definition of the Monetary Aggregates in Norway¹**

Components of Major Aggregates	Definition of Each Component
M1	Sum of the following two components.
(1) Currency in Norwegian krone (NOK)	Notes and coins issued by Norges Bank held by money-holding sector (MHS) ¹
(2) Transaction Deposits	Deposits with Norges Bank and banks.
M2	M1 plus the following components.
(1) All Non-Transaction Deposits at Banks	Including CDs but excluding restricted deposits (bank savings with tax credit etc.)
(2) MMMFs held by money holders	

1. Including holdings of currency and deposits (denominated in domestic and foreign currencies), by money-holding sector for M1 and M2, but excluding holdings of currency and deposits by money-issuing sector for M1 and M2.

Money-holding sector for M1 and M2: local government, non-financial corporations, households, and financial corporations other than banks and state lending institutions.

Money-issuing sector for M1 and M2: Norges Bank, commercial banks, and savings banks.

Table 11**Composition and Definition of the Monetary Aggregates in Switzerland¹**

Components of Major Aggregates	Definition of Each Component
M1	Sum of the following three components.
(1) Currency In Circulation, including: * Notes and coins * Current accounts at the Swiss National Bank (SNB) ² * Sight deposit accounts of trade and industry at the SNB	Notes and coins in circulation minus those at banks and post offices
(2) Sight Deposits at Banks plus Postal Account Balances	Excluding postal account balances of banks and the Federal government.
(3) Transaction Accounts	Deposits in the form of savings accounts and investments for payment purposes
M2	M1 plus the following component.
Savings Deposits	Liabilities vis-à-vis clients in savings and investment form, excluding transaction accounts and vested pension benefit and pension fund accounts
M3	M2 plus the following component.
Time Deposits	

1. Excluding foreign currency denominated deposits, and holdings of currency and deposits by central government (CG), and depository institutions (DIs, i.e. banks and post offices).

2. SNB is the central bank of Switzerland.

Table 12**Composition and Definition of the Monetary Aggregates in Turkey^{1,2}**

Components of Major Aggregates	Definition of Each Component
M1	Sum of the following two components.
(1) Currency in Circulation	Including notes and coins minus bank vault cash
(2) Demand Deposits	Sight deposits at deposit money banks (DMBs) and the Central Bank of the Republic of Turkey (CBRT).
M2	M1 plus the following two components.
(1) Savings Deposits at DMBs	
(2) Time Deposits at DMBs	
M3	M2 plus the following two components.
(1) Official Time/Sight Deposits at CBRT	Official deposits of central government agencies ³
(2) Other Official Deposits at CBRT	Official deposits of central government agencies ³
M2Y	M2 plus the following component.
Residents' Foreign Currency Deposits at DMBs and CBRT	
M2YR	M2Y plus the following component.
Repurchase Agreements at DMBs	
M3Y	M3 plus the following component.
Residents' Foreign Currency Deposits at DMBs and CBRT	
M3YR	M3Y plus the following component.
Repurchase Agreements at DMBs	

1. Excluding the holdings of currency and deposits held by resident banks.
2. Deposits denominated in foreign currencies are excluded from M1, M2, and M3, but they are included in M2Y, M2YR, M3Y, and M3YR.
3. Central government agencies include General Budget Institutions, Annexed Budget Administrations, Municipalities and Courts, Attorney, Execution and Bankruptcy Office, as well as Legacy Courts.

Table 13**Composition and Definition of the Monetary Aggregates in China¹**

Components of Major Aggregates	Definition of Each Component
Money	Sum of the following two components.
(1) Currency in Circulation	Notes and coins held by money-holding sector ¹
(2) Demand Deposits	Deposits with banks.
Quasi Money	Sum of the following three components.
(1) Time Deposits Banks	Including CDs.
(2) Savings Deposits	
(3) Other Deposits	
Money & Quasi Money	Sum of money and quasi money.

1. Excluding deposits denominated in foreign currencies, and holdings of currency and deposits by money-issuing sector.

Table 14

Composition and Definition of the New Monetary Aggregates in India^{1,2}

Components of Major Aggregates	Definition of Each Component
M₁ (Narrow Money)	Sum of the following two components.
(1) Currency with the Public	Including notes and coins minus bank vault cash
(2) Demand Deposits at the Banking System	Banks including commercial banks and co-operative banks.
(3) 'Other' Deposits at the Reserve Bank of India (RBI)	Excluding balances held in IMF account No.1, RBI's Employees' Provident Fund, Pension Fund, Gratuity and Superannuation Fund and Co-operative Guarantee Fund, the amount collected under the Additional Emoluments (Compulsory Deposit) Act, 1974 and the Compulsory Deposit Scheme (Income-Tax Payers') Act
NM₂ (New Intermediate Money)	M ₁ plus the following component.
(1) Short-Term Time Deposits at Commercial Banks	Resident time deposits with a maturity of up to one year.
NM₃ (Broad Money)	NM ₂ plus the following two components.
(1) Long-Term Time Deposits at Banks	Time deposits with a maturity over one year held by residents.
(2) Call/Term Funding from Non-Depository Financial Corporations by the Banking System	
L₁ (Liquidity Aggregate)	NM ₃ plus the following component.
Postal Deposits	Comprising post office savings deposits, post office time deposits, post office recurring deposits, other deposits, and post office cumulative time deposits.
L₂ (Liquidity Aggregate)	L ₁ plus the following three components.
(1) Term Money Borrowings by Financial Institutions (FIs) from corporations and others ³	
(2) Certificates of Deposits (CDs) at FIs	
(3) Term Deposits at FIs	Including commercial papers and others.
L₃ (Liquidity Aggregate)	L ₂ plus the following component.
Public Deposits with Non-Banking Financial Companies (NBFCs) ⁴	

1. Excluding deposits denominated in foreign currencies and non-resident repatriable fixed foreign currency liabilities of the banking system.

2. Excluding holdings of currency and deposits of the banking system.

3. Financial Institutions (FIs) in India are specialized institutions for financing or promoting some directed segments. Some of the FIs are created by special statutes of Government of India or State Governments. FIs comprise Industrial Finance Corporation of India (IFCI), Export-Import Bank (EXIM Bank), Industrial Investment Bank of India (IIBI), Small Industries Development Bank of India (SIDBI), National Bank for Agriculture and Rural Development (NABARD), National Housing Bank (NHB), Tourism Finance Corporation of India (TFCI), and Industrial Development Finance Corporation (IDFC).

4. Non-Banking Financial Companies (NBFCs) are corporations engaged in the business of non-banking financial activity such as equipment leasing, hire purchase, loans, investment, etc. Broadly speaking, there are two types of NBFCs – deposit taking and non-deposit taking as per terms of Certificate of Registration issued by Reserve Bank of India. However, NBFCs cannot take demand deposits.

Table 15

Composition and Definition of the Monetary Aggregates in Philippines¹

Components of Major Aggregates	Definition of Each Component
Money Supply (or Narrow Money)	Sum of the following two components.
(1) Currency in Circulation	Notes and coins issued by the central bank (Banko Sentral ng Pilipinas, BSP) minus vault cash held by the Bureau of Treasury (BTr) and deposit money banks (DMBs) ²
(2) Peso Deposits Subject to Checking or Demand Deposits at DMBs	Including managers and cashers' checks as well as deposits automatically transferred from savings to demand deposits, but excluding demand deposits by the National Government and commercial banks' holdings of checks and other items.
M3 or Domestic Liquidity	Money supply plus the following component.
(1) Quasi-Money	Savings and time deposits at DMBs held by the public.
(2) Deposit Substitutes	Including all types of money market borrowings by banks like promissory notes, repurchase agreements, commercial papers/securities and certificates of assignment/participation with recourse.
M4	M3 plus the following component.
(1) Foreign Currency Deposits at DMBs	Deposits held by resident non-bank (Including government) sectors.

1. Foreign deposits are included only in M4.

Table 16**Composition and Definition of the Monetary Aggregates in Thailand^{1,2,3}**

Components of Major Aggregates	Definition of Each Component
M1	Sum of the following two components.
(1) Currency in Circulation	Notes and coins issued by the central bank (Bank of Thailand) minus those held by money holders ⁴
(2) Current Deposits Held by Money Holders at the commercial banks	
M2	M1 plus the following component.
All types of Deposits Held by Money Holders at commercial banks	
M2a	M2 plus the following component.
Promissory Notes Issued by finance companies (FCs) held by Money holders	Money that finance and finance & securities companies take as deposits from the public.
M3	M2a plus the following component.
All types of deposits of money holders held at specialized banks (SBs)	

1. Bank of Thailand (BOT) just changed the compilation of its monetary aggregates according to the guidelines of IMF's new standard specified in the Monetary and Financial Statistics Manual (MFSM2000), starting in the first quarter of 2006.

2. Foreign deposits are excluded from all aggregates.

3. Money issuers:

Issuers of M1 and M2 – Bank of Thailand (BOT), and commercial banks (CBs)

Issuers of M2a -- BOT, CBs, and finance companies (FCs).

Issuers of M3 – BOT, CBs, FCs, and specialized banks (SBs).

4. Money holders:

Holders of M1 and M2 – households, private businesses, FCs, SBs, and other financial corporations (OFCs).

Holders of M2a -- households, private businesses, SBs, and OFCs.

Holders of M3 -- households, private businesses, and OFCs.