

**SNA Chapter 29**  
**Chapter Title: Financial corporations**  
**Annotated Outline**

## **Chapter 29 2025 SNA: Financial corporations: Annotated Outline<sup>1</sup>**

(New SNA chapter)

### **I. Introduction**

- This new SNA 2025 chapter will include parts of what was covered in 2008 SNA Chapters 4 (Institutional units and sectors) and 21 (Measuring corporate activity). It will expand on the 2008 SNA Chapter 6 (The production account), Section F, by referencing the relevant content of the manual *Financial Production, Flows and Stocks in the System of National Accounts*.
- This Chapter will dovetail with the updated 2025 SNA Chapter 28 on Non-financial corporations, which will cover, in addition to non-financial corporations, more general aspects of corporations (e.g., demographic aspects of corporations). Chapter 29 will reference, but not duplicate, material in Chapter 28. It will also tie in with 2025 SNA Chapter 5 on Institutional units and sectors.
- It will comprehensively review the sectors and subsectors, including concise information on data sources, and discuss different corporate ownership structures. For example, as an alternative to simply listing some types of financial institutions, this chapter will add more descriptive analysis of their functions, as financial intermediaries/auxiliaries. It will also discuss statistical issues specific to sub-sectors, such as the measurement of output.
- In addition, in recent years and as part of the Data Gaps Initiative, increased emphasis has been placed on non-bank financial intermediaries (or shadow banking). This will be covered in a separate section.
- This chapter will allow for a better link with monetary and financial statistics (MFSM 2016) by expanding on the text of 2008 SNA Chapter 27.
- Overall, the chapter will have the following sections: Section II with an overview of financial corporations and financial activity more generally; Section III discussing financial subsectors in more detail; Section IV dealing with non-bank financial intermediation; and finally, Section V providing information on the link between the SNA and monetary and financial statistics.

### **II. Overview of financial corporations and financial activity**

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<sup>1</sup> Prepared by Patrick O'Hagan and cleared by the SNA Project Manager and the SNA Lead Editor.

- This section will discuss in general terms the role, diversity, and growth of financial corporations as an introduction to the chapter.
- There are many uses of financial corporations' detailed information, some of which are statistical and support national accounts and related data compilation. Uses of this information will be briefly discussed, such as providing estimates of specific categories in sectors where there is a paucity of data.
- It will also discuss aspects of the impact of technology innovations on financial industries as well as the recommendations associated with it (GN F.7), including integrating financial technology companies into the existing framework and adding supplementary (*of which*) items. This text will be closely aligned with SNA Chapter 22 on digitalization, to avoid duplication.
- It will also briefly review the relationship of SNA sectors with nationality-based statistics. This will outline the SNA institutional sectors approach versus the corporate group approach, covering issues such as residency and consolidation. The latter will also touch on issues related to the use of consolidated enterprise statistics versus legal entity-based statistics, and the role of holding companies.
- The above will lead into a discussion of the breakdowns of SNA financial corporations by control, in aggregate and by subsector where relevant. This applies to foreign and domestic control as well as government control in the latter (see schematic). For the total financial corporations, as well as all sub-sectors (data sources permitting) the new *of which* details on control (as per GN F.1 and GN G.2) will be discussed. This text will be closely aligned with the 2025 SNA chapter 5 on residence, institutional units, and sectors and 2025 SNA chapter 23 on globalization, to avoid duplication.
- This section will conclude with a short discussion of the uses of SNA financial corporations' statistics in financial stability and monetary analyses.

### **III. Financial corporations' sectors and subsectors**

- This section will be the focus of the chapter. Avoiding duplication to the extent possible, it will review in detail the subsectors of financial corporations, following the same structure used in 2008 SNA Chapter 4 (2025 SNA Chapter 5). Given this, the schematic overview does not include all the subsector financial corporation types.
- The details of financial corporation types in 2008 SNA Chapter 4 (2025 SNA Chapter 5) will also be expanded upon. For example, as an alternative to simply listing some types of financial institutions, this chapter will add more descriptive analysis of their functions, as financial intermediaries/auxiliaries. In addition, key data sources will be reviewed by type of financial corporation (supervisory and prudential authorities) and, where relevant, the links between the SNA and source data will be discussed. Relevant inter-relationships among financial corporations' sub-sectors will be referenced (e.g., depository corporations).
- For each main subsector of financial corporations (1-9 in the schematic below), a concise discussion will be provided using the following structure:

- Definition and key activities
- Subcomponents
- Source data
- National accounts' considerations
  - Output and income
  - Assets and liabilities

#### **IV. Non-bank financial intermediation**

- This section will reflect the increased interest since the financial crisis on intermediation that takes place outside of the “regular” banking system – non-bank financial intermediaries (NBFIs) or “shadow banking”, for which there tends to be much less regulation. NBFIs comprise non-depository financial intermediaries in SNA terminology.
- It will first present an overview of intermediation activity outside of depository corporations. Such activity can vary across countries, but it has generally increased over time as financial systems evolve and expand. NBFIs have taken on increased importance in the analysis of financial stability. For example, the degree of securitization and trade in credit derivatives in the 2008 financial crisis and the corresponding exposures of large institutional investors involved served to underline risks that were not fully accounted for.
- This section will then discuss the recommended supplementary breakdowns of NBFIs, which can be applied in countries for which they are relevant. It will include a schematic for a more granular representation of subsectors that is based on GN F.1 and GN F.6, (see Annex 1, below). In terms of new details, the insurance sector is broken down into life and non-life subsectors, the pension fund sector is broken down into defined benefit and defined contribution schemes, money market funds (MMFs) into constant net asset value MMFs and variable net asset value MMFs and non-money market funds, while central clearing counterparties which are part of the subsector *Other financial intermediaries* also play a role. In addition, supplementary breakdowns for selected subsectors such as captive financial corporations and special purpose entities will be discussed.

Lastly, the section will review supplementary financial instrument details to better support financial stability analysis especially related to liquidity and leverage. This includes an *of which* item under loans for repurchase agreements, securities lending with cash collateral, and margin lending.

#### **V. Link to Monetary and Financial Statistics**

- The SNA financial corporations’ sectors and subsectors are closely tied to the Monetary and Financial Statistics. This section replaces part of 2008 SNA Chapter 27 Links to monetary statistics and the flow of funds). It will discuss the similarities and differences between the two sets of macroeconomic statistics, both to support compilers and to inform users.
- The discussion will include sectoring issues, sequence of accounts coverage and classification of financial instruments as well as any conceptual differences pertaining to specific instruments. For

example, the latter will include a discussion of the different treatment of loan allowances between the two standards.

## Schematic Overview

<b>I</b>	<b>Introduction</b>
<b>II</b>	<p><b>Overview of financial corporations and financial activity</b></p> <p>Background to this chapter</p> <p>Introduction and general discussion of functions</p> <p>Statistical uses of financial corporations' data</p> <p>A digression on Fintech</p> <p>Overview of sector and subsectors (as per GN G.2)</p> <p>SNA versus nationality-based statistics</p> <p>Sector breakdowns by control</p> <p style="padding-left: 20px;"><i>of which:</i></p> <p style="padding-left: 40px;"><i>domestically controlled corporations</i></p> <p style="padding-left: 60px;"><i>of which:</i></p> <p style="padding-left: 80px;"><i>public corporations</i></p> <p style="padding-left: 100px;"><i>of which: part of a domestic multinational</i></p> <p style="padding-left: 80px;"><i>private corporations</i></p> <p style="padding-left: 100px;"><i>of which: part of a domestic multinational</i></p> <p style="padding-left: 60px;"><i>foreign controlled corporations</i></p>
<b>III</b>	<p><b>Financial corporations' sectors and subsectors</b></p> <ol style="list-style-type: none"> <li>1. Central banks (S121)</li> <li>2. Other depository corporations (S122)</li> <li>3. Money market mutual funds (S123)</li> <li>4. Non-MMF investment funds (S124)</li> <li>5. Other financial intermediaries, except insurance corporations and pension funds (S125)</li> <li>6. Financial auxiliaries (S126)</li> <li>7. Captive financial institutions and money lenders (S127)</li> <li>8. Insurance corporations (S128)</li> <li>9. Pension funds (S129)</li> </ol>
<b>IV</b>	<p><b>Non-bank financial intermediaries</b></p> <p>Overview of NBFIs</p>

	<p>NBFIs and financial stability</p> <p>New supplementary details related to NBFIs</p> <p>Breakdowns by sector, by business</p> <p>Breakdowns by instrument</p>
<b>V</b>	<p><b>Links with monetary and financial statistics</b></p> <p>Introduction</p> <p>Sequence of accounts</p> <p>Scope of institutional sectors and sectoring financial corporations</p> <p>Classification and valuation of financial instruments</p>

**References**

Financial production, flows and stocks in the system of national accounts

GN F.14 – Treatment of Factoring Transactions

GN F.7 – Impact of FinTech on Macroeconomic statistics

GN F.6 – Capturing Non-bank Financial Intermediations in the System of National Accounts and External Sector Statistics.

GN F.4 – Financial Derivatives by Type

GN F.1 – More Disaggregated Institutional Sector and Financial Instrument Breakdowns.

GN G.4 – Treatment of Special Purpose Entities.

GN G.2 – Treatment of MNE and intra-MNE Flows.

**Key Stakeholders Consulted**

- SNA and BPM Editors
- IMF Statistics Department, Monetary and Financial Statistics

## Annex 1. Non-depository financial intermediaries – more disaggregated breakdowns

<p>Money market investment funds (SNA S123)</p> <ul style="list-style-type: none"><li>Constant net asset value MMFs</li><li>Variable net asset value MMFs</li></ul> <p>Non-money market investment funds (SNA S124)</p> <ul style="list-style-type: none"><li>Open end funds, by various types of funds (as per GN F.6)</li><li>Closed end funds, by various types of funds (as per GN F.6 and GN F.1)</li></ul> <p>Other financial intermediaries except insurance and corporations and pension funds (SNA S125)</p> <p>Sub-sector details include central clearing counterparties (as per GN F.6)</p> <p>Captive financial institutions and money lenders (SNA S127)</p> <p>Sub-sector details include <i>of which: Foreign owned SPE-type captives</i> (as per GN F.6 and GN F.4)</p> <p>Insurance corporations (SNA S128)</p> <ul style="list-style-type: none"><li>Non-life insurance corporations (as per GN F.6)</li><li>Life insurance corporations (as per GN F.6 and GN G4)</li></ul> <p>Pension funds (SNA S129)</p> <ul style="list-style-type: none"><li>Defined benefit schemes (as per GN F.6)</li><li>Defined contribution schemes (as per GN F.6)</li></ul>
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