FINANCIAL INTERMEDIATION

**Presentation**

This note relates to the metadata of the follow-up production account. Thus, it describes the definition, range, sources, and methodology used in preparing follow-up production accounts.

**Definition and Scope**

**Definition**

The financial intermediation industry acts as a monetary intermediary, that is, receives deposits and grants loans, or provides services auxiliary to financial intermediation.

The following variables are measured: Gross Output (GO), Intermediate Consumption, and Value Added.

The financial intermediation industry in national accounts has special features in measuring output and in determining self-input. In this way, output in the monetary intermediation industry is determined based on the difference between interest accrued on placements or interest received, and interest on deposits taken or interest paid, which are technically called Financial Intermediation Services Indirectly Measured (FISIM), plus actual commissions collected for services rendered.

**Sub-industries / Sub-accounts**

The Production Account of the Financial Intermediation industry includes the following sub-industries: Monetary intermediation, which comprises institutions receiving deposits and granting loans, such as commercial banks, central bank, and credit unions, which report to the Superintendence of Banks and Financial Institutions (SBFI); and other types of financial intermediation, including Pension Fund Managers (AFPs), leasing companies, securitization and factoring companies. It also includes services provided by financial auxiliaries, such as: Pension fund managers (AFPs), investment fund managers (AFIs), real estate investment funds, companies offering support services to banks, stock exchanges and brokers and agents thereof.

**Source Data**

**Administrative Records**

- Source Name: Financial Statements.
  - Reporting Institution: Superintendence of Banks and Financial Institutions (SBFI), Pension Funds (SPF), and Securities and Insurance (SSI).
  - Data used: Financial statements (balance sheets, statement of income, and statement of changes in financial position).
  - Frequency: Annual.

**Balance Sheets and/or Financial Statements**

- Source Name: Annual Reports and Balance Sheets of companies.
  - Reporting Institution: Central Bank of Chile (CBCH), National Economic Development Agency CORFO), Stock Exchange Brokers, Investment Fund Managers, Chattel Mortgage Loan Authority.
  - Data used: Financial statements and their notes.
Other Statistics

- Source Name: Price statistics.
  Reporting Institution: National Statistics Institute (NSI), Balance of Payments and External Debt Department (DBPDE), Central Bank of Chile (CBCH).
  Data used: Consumer Price Index (CPI), Wholesale Price Index (WPI), Compensation Index, Unit Value Index (IVU).
  Frequency: Monthly.

Compilation method

The compilation method to transform source data into the production account consists of the following stages:

Aggregation, imputation and validation

Validations and Imputations
Data from the different sources on behavior of income and expenditure obtained by agents is analyzed in terms of temporal and transversal consistency.

Classification
The information used for preparing the Production Account of the Financial Intermediation industry is classified as per the International Standard industrial Classification Rev. 3 (ISIC Rev.3).

Estimation Procedures

Generally, the procedures used for estimating the follow-up production account depend on the information sources available:

- In the benchmark compilation, every five years, there is often more complete information available; it is then possible, with the source data, to determine the "best level" for the production account components.
- There is generally less complete information for follow-up compilation. So, in order to obtain the "best-change", prices, quantities, and values from the source data above detailed are used as indicators, whose changes are applied to the levels of the 2003 benchmark production account, by extrapolation, deflation, inflation, and identities.

The key aspects of the calculation procedure for the main aggregate transactions or variables of the Financial Intermediation follow-up production account are shown below.

i) Gross Output (GO). Value at constant prices is determined by extrapolation, using quantity indexes (summation of deflated assets and liabilities of the business). Value at current prices is determined from complete information from monetary and financial intermediaries.

ii) Intermediate consumption (IC). Value at constant prices is determined by deflation. Value at current prices is determined from complete information from monetary and financial intermediaries.

iii) Value Added. Value at constant prices is obtained by the double-indicator method. Value at current prices is obtained as the difference between the GO (at basic prices) and the IC (at purchaser prices).

Data Reconciliation

Results of the production account of the Financial Intermediation industry related to foreign trade are conciliated with the results arising from the records...
of imported services, determined at the Balance of Payments and Foreign Debt.

The aggregate Financial Intermediation account is submitted to the balancing processes within the supply-use table framework.

Data Access

Publication

This industry is a component of the Financial and Business Services group (together with insurance companies, real estate, and business services industries) of the CBCH's publications, except for benchmark compilation years disseminated for 73 industries.

Production Account

Period: 2003 through 2007, Base 2003
Link: http://www.bcentral.cl/publicaciones/estadisticas/actividad-economica-gasto/aeg01e.htm
Tables: 1.37 through 1.41

Link: http://www.bcentral.cl/publicaciones/estadisticas/actividad-economica-gasto/aeg01b.htm
Tables: 1.30 through 1.47

Period: 1986 through 1998, Base 1986
Link: http://www.bcentral.cl/publicaciones/estadisticas/actividad-economica-gasto/aeg16a.htm
Tables: 1.29 through 1.56

Value Added and GDP

Period: 1960 through 1985, Base 1977