

Conceptual framework and measurement of financial intermediation services indirectly measured

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Most of financial intermediation services provided by financial corporations are paid for by an interest differential. These services are indirectly measured, that is, the financial corporations pay depositors a lower rate of interest than they charge borrowers. While in principle they may arise from various types of financial transactions, international statistical standards confine them to deposits and loans provided by financial intermediaries, essentially by deposit-taking corporations.

Financial intermediation services indirectly measured (FISIM) are compiled following a reference rate approach in which the rate prevailing for inter-bank lending is seen as a suitable choice. Various reference rates have been proposed in the System of National Accounts, 2008 (2008 SNA) and in the draft chapter on FISIM of the new European System of Accounts (ESA) by distinguishing between reference rates (i) by user (internal and external users); and (ii) by currency denomination (domestic currency and foreign currencies). This note elaborates somewhat further on the statement as articulated in the 2008 SNA that reference rates of the compilation of FISIM should contain no service elements and should also reflect the risk and maturity structure of deposits and loans.