



## **Benchmark revision of national financial accounts**

Each year in October, Banque de France disseminates the updated financial accounts for the previous 14 quarters (the last 3 years and 2 quarters of the current year). In October 2024, the revisions are more extensive, due to “benchmark revision”: this term refers to an overhaul of the entire financial accounts, with the aim of bringing all series in line with the best available data sources and improved methodologies, in order to reflect more accurately the financial operations of economic players. The benchmark revision takes place on a regular basis and is coordinated at European level.

As a result, all data for 1995T4-2024 is revised, and new time series are introduced.

This benchmark revision has been coordinated with those of INSEE (national accounts published in May) and the Balance of Payments Directorate (data published in July). It includes an extensive review of the methods and sources used between 2014 and 2024, the results of which have been compiled backwards for the period 1995-2014 in the same detail.

### **What's new?**

Overall, the revisions of the main macroeconomic aggregates are relatively small (see table in appendix):

- Households' main financial investments: the scale of revisions to investment flows is +/- €10 bn, depending on the year; they are virtually nil on average over the long term. The corresponding level of outstanding amounts has been revised by less than 1%, mainly due to the revaluation of shares and other equity held by households.
- Indebtedness of non-financial agents: the debt of non-financial companies is revised by +/- €15bn, and that of households by +/-€25bn (i.e. +/-1 GDP point), notably following the benchmark revision of the Balance of Payments (revision of the amounts of credit granted by non-resident banks).

Beyond these flagship time series, numerous revisions have been made to the financial accounts, in order to

- Integrate new data sources to improve the accuracy of the accounts;
- Ensure the best possible consistency with INSEE's non-financial accounts and with Balance of Payments' financial accounts;
- Take into account recent changes in the economic context, to bring it in line with the theoretical framework of national accounting, and thus ensure comparability over time (consistent data over

the entire historical period) and space (consistent data from one country to another), for instance creation of the pension funds sector.

#### Identification of pension funds and pension rights

In accordance with international national accounting manuals, the pension fund sector is now isolated in the financial accounts. The entities concerned (“Organismes de Retraite Professionnelle Supplémentaire” - ORPS -, which appeared in 2018) were previously accounted in the insurance company sector. In addition, ERAFP (“Établissement de Retraite Additionnelle de la Fonction Publique”) has also been transferred from the government sector to the pension fund sector.

At the same time, the “pension rights” instrument (F63) has been added, thanks to the reclassification of technical provisions for supplementary occupational pensions, which were previously recorded in the “life insurance and annuity rights” instrument (F62). The F63 instrument is therefore now available for both the insurance sector (S128) and the pension fund sector (S129). It has been assumed that the technical provisions of ORPS do not fall within the scope of F62. Users wishing to retrieve data related to life insurance in the broad sense (including supplementary occupational pensions) will therefore have to add together the series related to life insurance in the strict sense (F62) and pension rights (F63).

#### Financial derivatives

The methodology used to compile the time series has been thoroughly overhauled. Balance of Payments data is now used for credit institution transactions, to cover swaps, as well as accounting data for other financial sectors (mutual funds, insurance). These improvements have led to significant revisions in flows and positions, but these largely offset each other between assets and liabilities.

#### Consistency between national accounts and Balance of Payments

Discrepancies previously observed between the financial account of the Balance of Payments and the national financial accounts have been significantly reduced following the benchmark revision, both in terms of flows and outstanding amounts. In addition to the above-mentioned work on financial derivatives, which has resulted in a complete alignment of the time series relating to this instrument, reconciliation work has also been carried out on deposit/credit transactions, leading to gap-filling between financial accounts and Balance of Payments.

#### Changes in the scope of institutional sectors

Benchmark revisions provide an opportunity to update the allocation of entities to institutional sectors, to better reflect their actual role and to take account of European recommendations, thus enabling better international comparability. In addition to the above-mentioned changes relating to ORPS and ERAFP, reclassifications relating to public broadcasting and “SNCF Réseau” from the non-financial companies sector to the general government sector result in revisions to these sectors (downwards and upwards respectively).

#### Methodological recast of time series about loans

The loan data sources are unchanged, but the combination of them has been reviewed to better reflect the interconnections of the sectors in “who-to-whom” and improve the overall consistency of the sectors' assets and liabilities.

#### Other revisions

Numerous other projects, of varying nature and scope, entail revisions to the series (see appendix for a summary table). A more detailed methodological note will specify these.

### **Coming soon**

Data prior to 1995 will soon be brought into line with more recent published data.

A technical note describing in greater detail the methodological work carried out for the benchmark revision will be published on the Banque de France website.

The data sets will gradually be made available via the various dissemination channels (Insee, ECB, Eurostat, OECD websites, etc.), according to their own update schedule.

The Stat Infos “Financial accounts of the non-financial sectors”, “Debt ratios by institutional sectors - international comparisons” and “Households savings” (French only for the last one) published in October/November 2024 and later will be based on the new financial accounts.

What are financial accounts?

Financial accounts identify the financial assets and liabilities of the different institutional sectors of the national economy, by detailing outstanding amounts, transaction flows, revaluations and other volume changes for each type of financial instrument. They are drawn up in accordance with the requirements laid down in international manuals, in particular the European system of accounts 2010 (ESA 2010).

National financial accounts describe investment and debt behaviour, the use of financial savings and the means of financing investment and consumption.

The quarterly financial accounts describe the most recent and short-term developments in investment and financing, with an emphasis on the transactions of households, non-financial corporations and general government.

The annual financial accounts give a perspective on changes over a full year. They describe the financial counterpart of real transactions, which are presented in the non-financial national accounts drawn up by INSEE.

Helpful links:

Page dedicated to financial accounts on the Banque de France website: <https://www.banque-france.fr/en/statistics/national-financial-accounts-by-sector>

Webstat database: <https://webstat.banque-france.fr/en/themes/national-financial-accounts/>

Balance of Payments annual report (French): <https://www.banque-france.fr/fr/publications-et-statistiques/publications/la-balance-des-paiements-et-la-position-exterieure-de-la-france-2023>

Insee note on the transition to base 2020 (French): [www.insee.fr/fr/metadonnees/source/fichier/Base2020\\_note\\_communication.pdf](http://www.insee.fr/fr/metadonnees/source/fichier/Base2020_note_communication.pdf)

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## Appendix: scale of revisions for the main series

The table below details the average annual revisions over the period 2014-2024. Data from 1995 to 2021 will not be revised until the next benchmark revision. Subsequent data will be revised as part of future revision cycles (for more details, see the methodology available on the website).

	NFC			FC			GG			Households			ROW		
	Stocks	Trans.	Val.	Stocks	Trans.	Val.	Stocks	Trans.	Val.	Stocks	Trans.	Val.	Stocks	Trans.	Val.
<b>Financial assets, of which:</b>	<b>135</b>	<b>47</b>	<b>-8</b>	<b>418</b>	<b>-708</b>	<b>764</b>	<b>15</b>	<b>-6</b>	<b>11</b>	<b>108</b>	<b>-2</b>	<b>-1</b>	<b>768</b>	<b>23</b>	<b>32</b>
Currency and deposits	-18	-3	0	7	-29	1	1	1	0	0	0	0	96	3	1
Debt securities	53	8	-1	12	-1	1	0	0	0	-1	-2	0	-2	-1	0
Loans	26	18	0	43	20	1	4	0	0	0	0	0	-7	-1	0
Equity and investment fund shares	-142	-7	-6	-16	2	0	19	-2	12	12	3	-2	180	7	8
<i>o/w: Equity</i>	<i>-172</i>	<i>-8</i>	<i>-6</i>	<i>-12</i>	<i>5</i>	<i>-2</i>	<i>37</i>	<i>0</i>	<i>12</i>	<i>20</i>	<i>2</i>	<i>-2</i>	<i>180</i>	<i>6</i>	<i>8</i>
<i>o/w: Investment fund shares</i>	<i>30</i>	<i>1</i>	<i>0</i>	<i>-4</i>	<i>-3</i>	<i>2</i>	<i>-18</i>	<i>-2</i>	<i>0</i>	<i>-8</i>	<i>2</i>	<i>0</i>	<i>0</i>	<i>1</i>	<i>-1</i>
Insurance, pension and standardized guarantee	0	0	0	14	-1	0	0	0	0	31	2	0	0	0	0
Financial derivatives	10	1	0	610	-707	761	-2	0	-1	1	0	0	548	14	23
Other	205	30	0	-252	7	0	-7	-4	0	66	-5	0	-47	1	0
<b>Financial liabilities, of which:</b>	<b>111</b>	<b>23</b>	<b>22</b>	<b>889</b>	<b>-708</b>	<b>754</b>	<b>2</b>	<b>-4</b>	<b>-1</b>	<b>57</b>	<b>2</b>	<b>0</b>	<b>384</b>	<b>41</b>	<b>23</b>
Currency and deposits	0	0	0	130	-8	1	0	0	0	0	0	0	-44	-21	1
Debt securities	-2	-1	1	4	-2	3	7	-1	0	0	0	0	52	8	-4
Loans	21	19	0	-44	1	0	2	1	0	9	-1	0	78	18	1
Equity and investment fund shares	23	-8	22	-16	10	-7	-2	0	0	-10	0	0	58	2	-3
<i>o/w: Equity</i>	<i>23</i>	<i>-8</i>	<i>22</i>	<i>15</i>	<i>9</i>	<i>-7</i>	<i>-2</i>	<i>0</i>	<i>0</i>	<i>-10</i>	<i>0</i>	<i>0</i>	<i>28</i>	<i>3</i>	<i>-3</i>
<i>o/w: Investment fund shares</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>-30</i>	<i>1</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>30</i>	<i>-1</i>	<i>0</i>
Insurance, pension and standardized guarantee	0	0	0	31	0	0	0	0	0	0	0	0	15	0	0
Financial derivatives	9	1	0	637	-709	755	-4	1	-1	1	0	0	524	15	29
Other	60	12	0	147	-1	0	0	-5	0	58	3	0	-300	19	0
<b>Net financial transaction (financial net worth)</b>	<b>24</b>	<b>24</b>	<b>-30</b>	<b>-471</b>	<b>0</b>	<b>10</b>	<b>13</b>	<b>-1</b>	<b>12</b>	<b>51</b>	<b>-4</b>	<b>-1</b>	<b>384</b>	<b>-18</b>	<b>8</b>

Note to the reader: on average over 2014-2024, outstanding assets held by NFCs in the form of currency and deposits are revised downwards by €18bn.

NFC: non-financial corporations; FC: financial corporations; GG: general government; ROW: rest of the world.