

SNA Chapter 37

Chapter Title: From-whom-to-whom tables and
related financial analysis

Annotated Outline

Chapter 37 2025 SNA : From-whom-to-whom tables and related financial analysis: Annotated Outline¹

(New SNA chapter)

I. Introduction

- This new SNA chapter is related to the flow of funds section of SNA08 Chapter 27 (Links to monetary and financial statistics and flow of funds), but it expands on this material. It is also related to part of Chapter 8 in MFSM 2016 that deals with statistical tables. The emphasis in this new SNA 2025 chapter will be on the from-whom-to-whom (FWTW) dimension of the relevant components in the sequence of SNA sector accounts as well as on a series of institutional sector related financial indicators.
- This chapter will focus the increased importance of highlighting the inter-relationships among the institutional sectors of the economy, in terms of non-financial and financial transactions as well as financial positions. FWTW tables address questions such as the sources of finance by instrument and by counterpart sector (both domestic and external lenders) and the resulting changes to balance sheets, issues which are increasingly important to understand. This chapter will also reflect the usefulness of financial indicators in better understanding the financial situation of the institutional sectors, both individually and as they relate to each other, as well as for the economy.
- There are no material conceptual issues to consider with respect to this chapter.
- Along with the introduction section, this chapter will have separate sections covering the following: An overview of the main sectoral table structures and derivation of FWTW tables (Section II), including a short discussion of some underlying key data sources; FWTW tables in the sequence of SNA accounts (Section III); and, on financial indicators that can shed light on financial risks and vulnerabilities (Section IV). See Schematic Overview for further details.

II. Overview of SNA sector accounts table structures and derivation of FWTW tables

- This Section will first discuss, in a concise way, the tables that emphasize the time series by institutional sector. These display categories/instruments for any given sector over time. The

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focus of this presentation is to highlight the economic behavior in terms of the evolution of non-financial and financial activity as well as financial positions².

- The section will next discuss the matrix presentation which displays, for each relevant transaction (in categories or instruments) or position, the institutional sectors side-by-side. It shows the direct linkages among institutional sectors and the rest of the world thus displaying, on an aggregated basis, an overview of the interdependencies and any related risks and vulnerabilities across sectors. Examples will be included.
- Subsequently, the format of FWTW tables, as long produced by many countries, will be reviewed. FWTW tables are more specialized constructs that are derived leveraging more detailed data sources. This section will contain with a brief elaboration of how FWTW tables are essentially derived from existing tables and additional sources of data. FWTW tables provide granular information (i.e., more disaggregated data, some of which are based on microdata from securities-by-securities databases) on the linkages among institutional sectors by instrument or category. Examples will be included.
- This will be followed by a discussion of key FWTW data sources in the form of counterpart data and security-by-security databases. Some compilation challenges (e.g., unlisted equity) will also be noted. Examples will be included.
- To conclude this part of the chapter the use of FWTW tables in the compilation of sector transactions and positions will be highlighted, notably for households and non-financial corporations where source data can be quite limited.

III. From-whom-to-whom tables in the sequence of SNA accounts

- The bulk of this section will be devoted to expositions and discussions of FWTW tables and details, as well as the corresponding inter-linkages across the sectors of the economy by component account. These will include the non-financial accounts, the financial account, and the balance sheets). FWTW tables are sometimes referred to as three-dimensional tables, as they show the creditor and debtor for each financial instrument or the receiver and payer for select non-financial categories. Examples will be included.
- Although some countries use versions of these tables for compilation purposes (e.g., property income), the **non-financial accounts** are a relatively new addition to FWTW tables. They are nonetheless closely linked to financial accounts and balance sheets, and their construction can provide for additional sub-category details for relevant items. Table illustrations will follow for specific categories in the component accounts, such as for investment income and current transfers.

² It will show that resources-uses and assets-liabilities dimensions of the sequence of accounts can be presented in two ways: as side-by-side entries or as stacked elements, with the latter facilitating time series analysis.

- The **financial account** FWTW tables highlight the details of new issues of loans, debt securities, equity, and investment fund shares, as well as borrowing via other instruments in relation to the acquisition of those assets. In the case of securities, it may be possible to distinguish between net new issues and trade in outstanding securities, depending on data sources. Financial account transactions can be quite volatile, such that FWTW tables can reflect abrupt changes in economic behavior under certain conditions. This, in turn, can lead to significant swings in financial positions in a short period of time. Examples will be included.
- The **balance sheet** FWTW tables highlight stock inter-relationships across the institutional sectors of the economy. These tables provide the instrument and sub-instrument details on the issuers of liabilities and counterpart holders of assets and shed light on the structure of finance across the institutional sectors. This information can also help assess the build-up of risk and potential spillover effects across sectors. Examples will be included.
- A few examples of analysis of FWTW tables that span the integrated sequence of sector accounts will be discussed. As one example, unrealized gains from the revaluation account can be presented in a FWTW dimension. As another example, FWTW financial stocks and flows can be integrated for an expanded perspective on financing and its effects. In addition, for certain types of analysis on interest or dividend flows, the FWTW table can be combined with the corresponding items on the balance sheet.

IV. Related financial analysis

- This section will expand on the analytical usefulness of FWTW tables, which provide granular information that allows for the tracing of debtor-creditor relationships among institutional sectors. In addition, it will also provide a summary of sectoral risk and vulnerabilities, including mechanisms for transmission, by referencing the sectoral balance sheets and the relevant FWTW tables. It will also present other macroeconomic financial indicators. As such, this section will highlight some current macroeconomic uses of institutional sector accounts. These include financial stability analysis and enhanced monetary analysis with respect to transmission mechanisms. In addition, in the case of fully integrated sector accounts, there is the potential to trace other types of spillover effects more fully (e.g., those that originate from supply or demand shocks, unanticipated price instability for commodities or financial instruments, etc.)
- A first subsection will summarize some key uses of FWTW tables as supplements to the more aggregated core sector accounts data tables. These include a more detailed analysis of overall inter-sector relationships as well as financial structures by counterpart sectors, a more granular representation of financing activities and portfolio shifts, an enhanced analysis of select instruments/markets, and a deepening in the analysis on specific subjects such as debt sustainability.
- This degree of inter-connectivity will lead into a brief discussion of macroeconomic vulnerabilities in the next subsection, including the build-up and transmission of risk. It will reference the indicators identified with the IMF's balance sheet approach (BSA) to financial stability – an analytical framework based on macroeconomic balance sheet data. This will include capital

structure issues (leverage and liquidity indicators), maturity mismatches and related risks, currency mismatches and solvency challenges.

The last subsection will summarize other financial indicators that can be constructed from the institutional sector accounts, some of which can be enhanced by FWTW tables. These indicators, include measures such as the debt service ratio, saving to equity (performance ratio), saving to non-financial assets and/or financial assets (return ratio), various debt measures, as well as an analysis of the reliance of internal to external sources of funds.

Schematic Overview (Annex, if required)

I	Introduction Background and objectives of the chapter Outline of the chapter
II	Overview of SNA sector table structures and derivation of FWTW tables Introduction to FWTW tables Sector accounts matrix structure and sector accounts time series format Category/instrument layout and FWTW tables A digression on sources of data Counterpart data Security-by-security databases FWTW tables in strengthening compilation
III	From-whom-to-whom tables in the sequence of SNA accounts Nonfinancial accounts Financial account Balance sheet account Linking FWTW tables across the sequence of SNA accounts
IV	Related financial analysis Introduction Uses of From-Whom-To-Whom Tables Indicators from the balance sheet approach to financial stability Other financial indicators and analysis

References

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

Monetary and Financial Statistics Manual and Compilation Guide 2016

Financial Production, Flows and Stocks in the System of National Accounts

Handbook on Securities Statistics

Financial Soundness Indicators Compilation Guide.

Key Stakeholders Consulted

- SNA and BPM Editors
- IMF Statistics Department, and Financial Institutions Division