

Compendium

Financial corporations

Financial corporations including monetary financial institutions, insurance corporations and pension funds, and other financial corporations.

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The financial corporations sector (S.12) consists of institutional units that are independent legal entities and market producers, and whose principal activity is the production of financial services. Such institutional units comprise all corporations and quasi corporations that are principally engaged in:

- financial intermediation (financial intermediaries)
- auxiliary financial activities (financial auxiliaries)

Also included are institutional units providing financial services, where most of either their assets or their liabilities are not transacted on open markets.

Financial intermediation is the activity in which an institutional unit acquires financial assets and incurs liabilities on its own account by engaging in financial transactions on the market. The assets and liabilities of financial intermediaries are transformed or repackaged in relation to, for example, maturity, scale or risk in the financial intermediation process. Auxiliary financial activities are activities related to financial intermediation, but which do not involve financial intermediation themselves.

Financial corporations are presented in the following groupings:

- monetary financial Institutions (MFI)
- insurance corporations and pension funds (ICPF)
- financial corporations except MFI and ICPF

Further information on sector classifications and classification decisions can be found in [economic statistics classifications](#).

Notes

For private sector defined benefit pension schemes, the calculation to produce an annual, end-year estimate of private sector employees' defined benefit pension entitlements is based on the latest information available from the Pension Protection Fund (PPF)'s "Purple Book". The Office for National Statistics (ONS) has used the Financial Survey of Pension Schemes to update the estimates for private sector employees' defined contribution pension entitlements.

For public sector pension schemes, public sector employees' pension entitlements have been updated using the latest administrative data, taking into account the latest guidance from Eurostat regarding financial assumptions (e.g the discount rate).