

# **Compilation and Utilisation of the Financial Account of the Household Sector: Experience, Challenges, and Opportunities**

Brussels, 11 October 2023

**1** Introduction: Overview of Financial Account and Balance Sheet of Indonesia (FABSI)

**2** Compilation Practices of Household Sector's Financial Account

**3** Utilisation of Household Sector's Financial Account

**4** Next Steps

# 1. Introduction

## Description

**Financial Account and Balance Sheet Indonesia (FABSI)** is a quarterly internal publication with a data lag of 4 months.

## Purpose

- To analyze liquidity, financial imbalances, and intersectoral systemic risks → **financial system stability assessment**.
- As data input for Sectoral Account and Balance Sheets (SAB) Indonesia (G20 DGI Phase 2 rec #8)

## Concept and Framework

Balance Sheet  
(opening)



Financial Account  
(transaction)



Revaluation and Other Changes  
(others)



Balance Sheet  
(closing)

### FINANCIAL ACCOUNT (FA)

A statement that records net transactions with financial assets and liabilities between institutional sectors in a specific period.

### BALANCE SHEET (BS)

A statement of the values of the financial assets owned and the liabilities owed by an institutional unit at a specific time.

## SECTORS



Non Financial Corporations



Central Bank



Other Depository Corporations



Other Financial Corporations



Central Government



Local Government



Households + NPISH



Rest of the World

## INSTRUMENTS



Monetary Golds & SDRs



Currency & Deposits



Debt Securities



Loans



Equity



Insurance & Pension Funds



Financial Derivative



Other accounts receivable/payable

## MANUAL

System of National Accounts (2008)

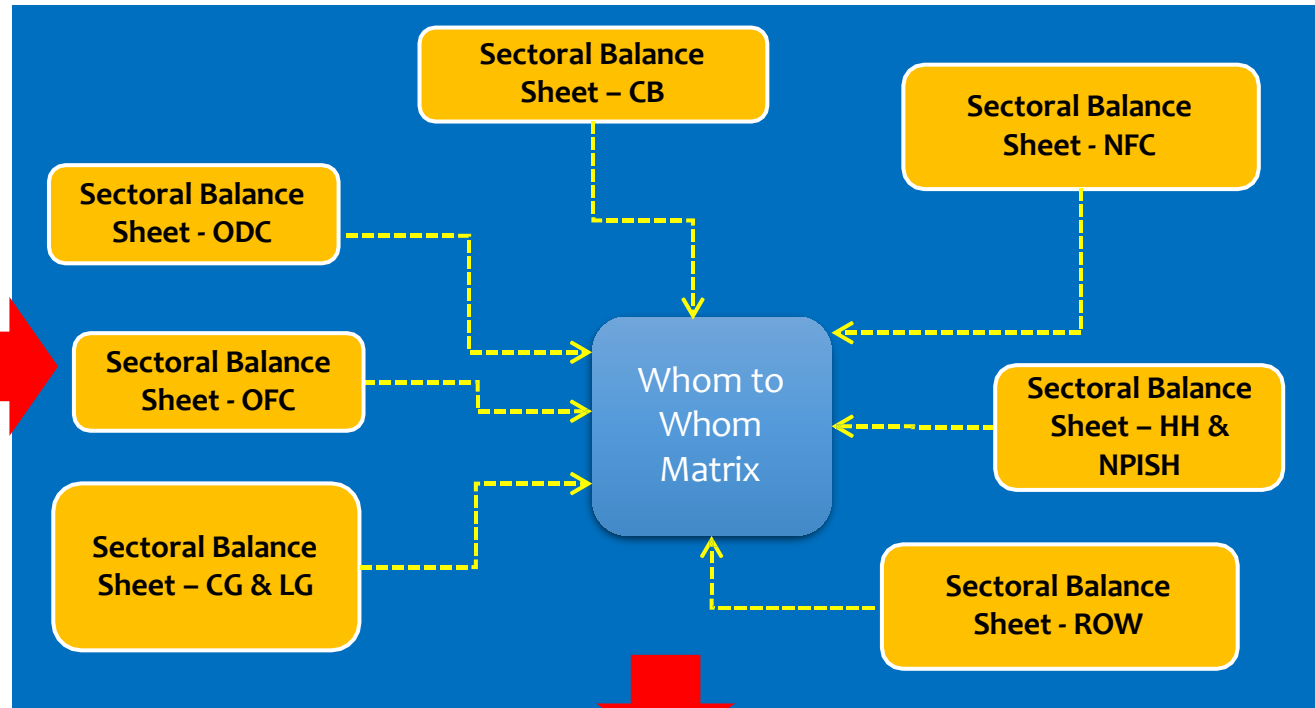
# 1. Introduction

## COLLECT

### DATA SOURCES

- Bloomberg
- State-owned enterprises Financial Report
- Survey
- Tax Report - MoF
- CB Financial Report
- Banks Financial Report
- OFCs Financial Report
- Gov Finance Stat - MoF
- Central Securities Depository
- BI-Scripless Securities Settlement System
- BOP, IIP, Indonesia External Debt Statistics

## COMPILATION



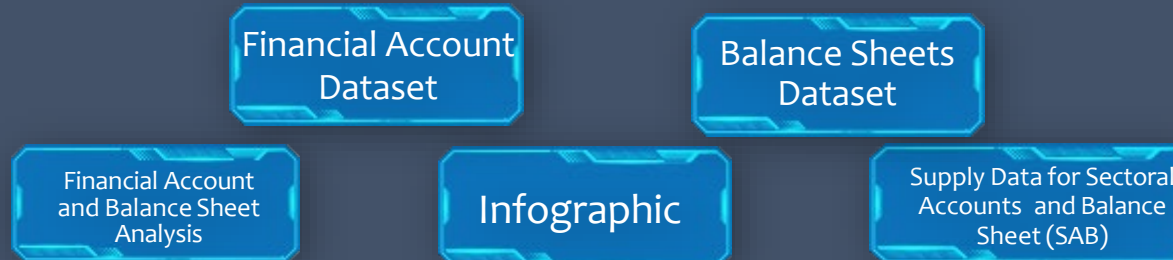
## PUBLICATION

Internal Bank Indonesia

Statistics Indonesia

**Sectoral Account Balance Sheet (SAB) Indonesia – G20 DGI II.8**

## Outputs



- NFC : Non Financial Corp
- CB : Central Bank
- ODC : Other Deposit Taking Corporations
- OFC : Other Financial Corporations
- Gov : Government
- HH & NPISHs : Household & Non Profit Institutions serving households
- ROW : Rest of the World
- MoF: Ministry of Finance
- BOP: Balance of Payments
- IIP: International Investment Position
- GFS: Gov Finance Statistics



## 2. Compilation Practices of Household Sector's Financial Account

### HH's financial instruments

Assets		Liabilities	
F2	Currency and Deposits	F4	Loans
F3	Debt securities	F7	Financial derivatives
F4	Loans	F8	Other accounts payable
F5	Equity		
F6	Insurance and Pensions		
F7	Financial derivatives		
F8	Other accounts receivable		

### HH data availability

Data Source	Periodicity	Lag	Source	Notes
Household accounts survey	Annual	~ 4 months	Bank Indonesia	Samples: around 6,000 households in 21 provinces (~90% HH population). Instruments: F2, F3, F4, F5, and Non-Financial Assets (NFA).
Tax report	Annual	~ 6 months	Ministry of Finance	Aggregate data. Instruments: F2--F8 and NFA.
Capital market statistics	Monthly	~ 1 month	Central Securities Depository	Instrument: F3

### Challenges

- 1 Lack of data availability
- 2 Lagging data
- 3 Incomplete data from source

### Solution

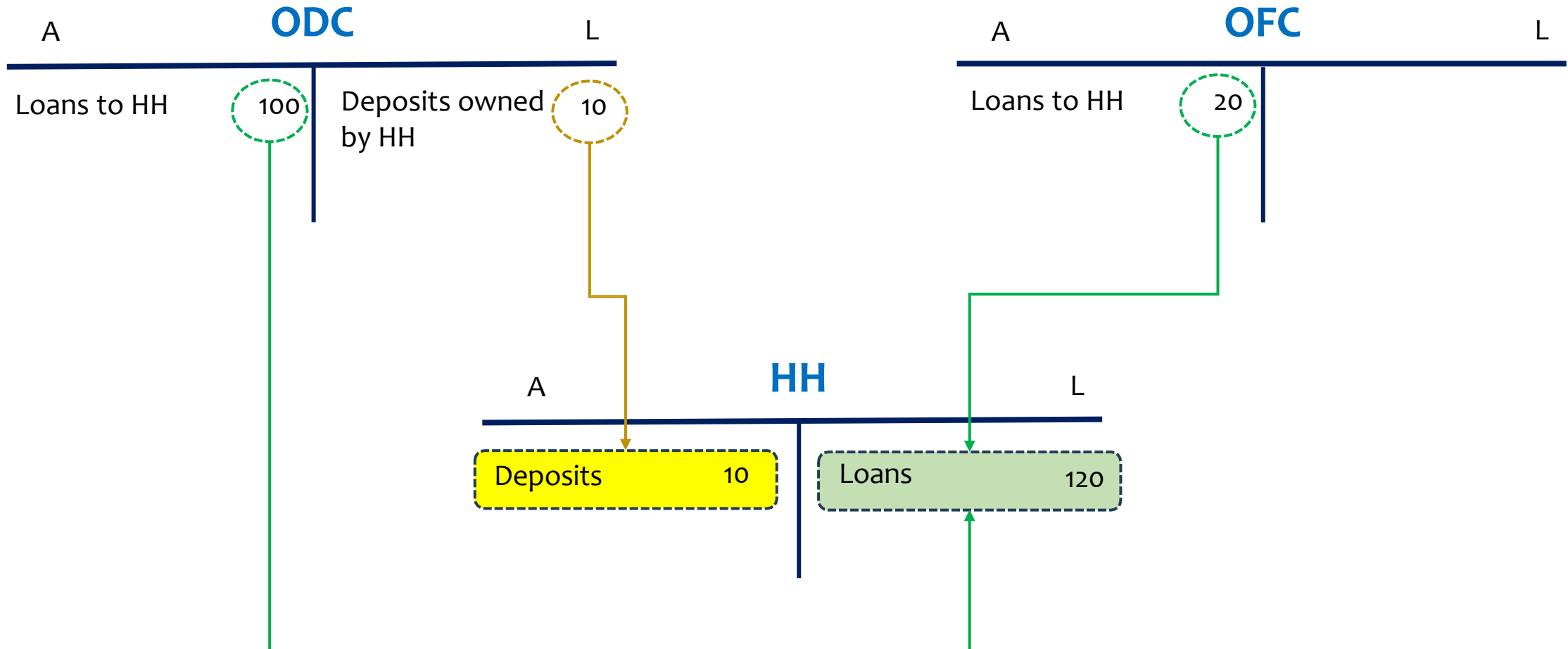
- 1 Data mirroring
- 2 Estimation:  
e.g. by proportion

### Weaknesses

- 1 Inaccurate data
- 2 Undervalued data

## 2. Compilation Practices of Household Sector's Financial Account

Data mirroring



# 2. Compilation Practices of Household Sector's Financial Account

## Data estimation

**Financial Account**  
(Trillion Rp)

Instruments	Households (HH)
<b>Financial assets</b>	
Monetary gold and SDRs	-
Currency and deposits	188.2
Debt securities	35.8
Loans	(2.2)
Equity	40.3
Insurance and pension	(12.7)
Financial derivatives	(0.0)
Other accounts receivable	4.0
<b>Total Financial Assets</b>	<b>253.4</b>
<b>Total NonFinancial Assets</b>	<b>167.2</b>
<b>Total Assets</b>	<b>420.7</b>
<b>Financial Liabilities</b>	
Monetary gold and SDRs	-
Currency and deposits	-
Debt securities	-
Loans	117.1
Equity	-
Insurance and pension	-
Financial derivatives	(0.1)
Other accounts payable	1.3
<b>Total Financial Liabilities</b>	<b>118.3</b>
	<b>135.2</b>

Instruments	Households (HH)
<b>Non-financial</b>	
Produced non-financial assets	145.9
Fixed assets	140.8
Inventories	-
Valuables	5.1
Non-produced non-financial assets	21.3
<b>Total NonFinancial Assets</b>	<b>167.2</b>

3

87.3%  
96.5%  
0.0%  
3.5%  
12.7%  
100%

**Fixed proportion, based on Household Accounts Survey**

2

1

**Loans flows = 70% NFA flows**

Data mirroring


Fixed proportion, based on Household Accounts Survey



## 2. Compilation Practices of Household Sector's Financial Account

### Data source


Code	Instrument	Data Source - HH Asset On					
		NFC	CB	ODC	OFC	CG	ROW
F1	Mon' Gold & SDRs						
F2	Currency & Deposit		Mirroring CB BS (SRF 1SR)	Mirroring Bank Reporting (SRF 2SR)			N/A
F3	Debt Securities	Central Securities Depository	BI-Scripless Securities Settlement System	Mirroring Bank Reporting (SRF 2SR)	Central Securities Depository	BI-Scripless Securities Settlement System	N/A
F4	Loans	-		Mirroring Bank Reporting (SRF 2SR)	Mirroring OFC Reporting (SRF 4SR)		N/A
F5	Equity	Bloomberg		Mirroring Bank Reporting (SRF 2SR)	Mirroring OFC Reporting (SRF 4SR)		N/A
F6	Insurance & Pension Fund				Mirroring OFC Reporting (SRF 4SR)		N/A
F7	Financial Derivatives			Mirroring Bank Reporting (SRF 2SR)	-		N/A
F8	Other Account Receivable	Bloomberg	Mirroring CB BS (SRF 1SR)	Mirroring Bank Reporting (SRF 2SR)	Mirroring OFC Reporting (SRF 4SR)	-Ministry of Finance	N/A

 Not relevant

## 2. Compilation Practices of Household Sector's Financial Account

### Data source

Code	Instrument	Data Source - HH Liab On					
		NFC	CB	ODC	OFC	CG	ROW
F1	Mon' Gold & SDRs						
F2	Currency & Deposit						
F3	Debt Securities						
F4	Loans	-	Mirroring CB BS (SRF 1SR)	Mirroring Bank Reporting (SRF 2SR)	Mirroring OFC Reporting (SRF 4SR)	Ministry of Finance	N/A
F5	Equity						
F6	Insurance & Pension Fund						
F7	Financial Derivatives			Mirroring Bank Reporting (SRF 2SR)			
F8	Other Account Payable	Bloomberg, Ministry of Finance	Mirroring CB BS (SRF 1SR)	Mirroring Bank Reporting (SRF 2SR)	Mirroring OFC Reporting (SRF 4SR)	Ministry of Finance	

 Not relevant

# 3. Utilisation of Household Sector's Financial Account

## Network Analysis

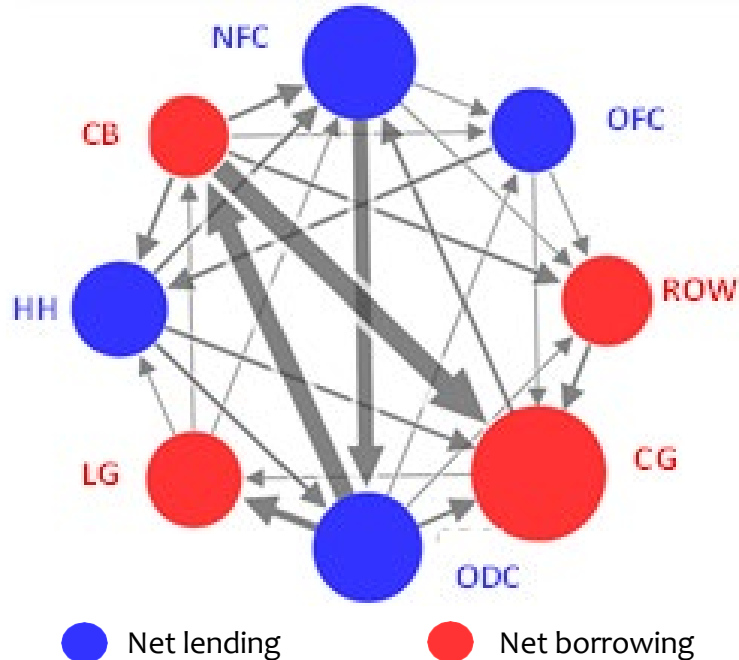
Network shows the position of a sector, which is described as nodes, and connected by edges, which are the size of interconnected exposures.

Network is formed using the whom-to-whom matrix which contains information regarding the bilateral exposure position between institutional sectors.

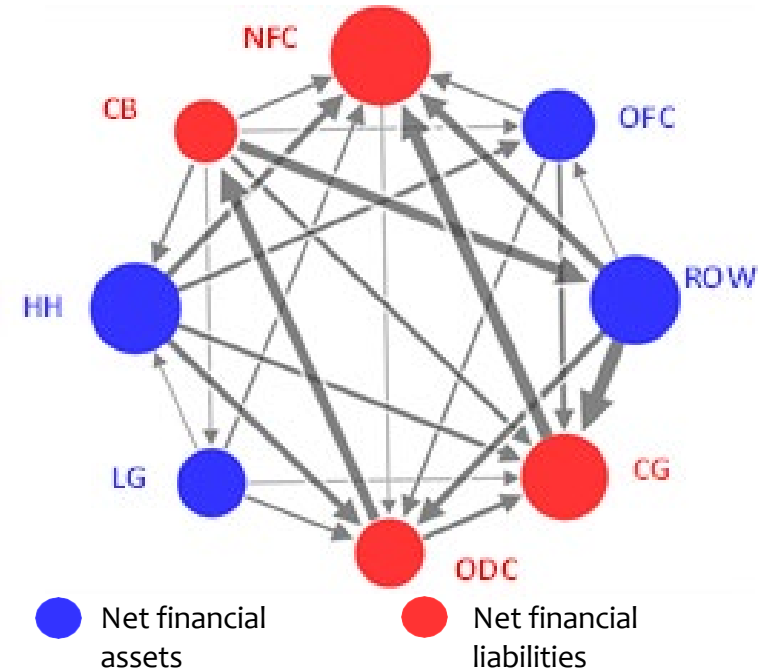
Bilateral exposure reflects sectoral balance sheets that are interconnected → potentially trigger systemic risk when a shock occurs in one of the sectors.

Network analysis using Financial Account (FA) and Balance Sheet (BS) data helps to understand the interconnection and potential risk transmission between sectors.

NET FINANCIAL TRANSACTION NETWORK



FINANCIAL POSITION NETWORK

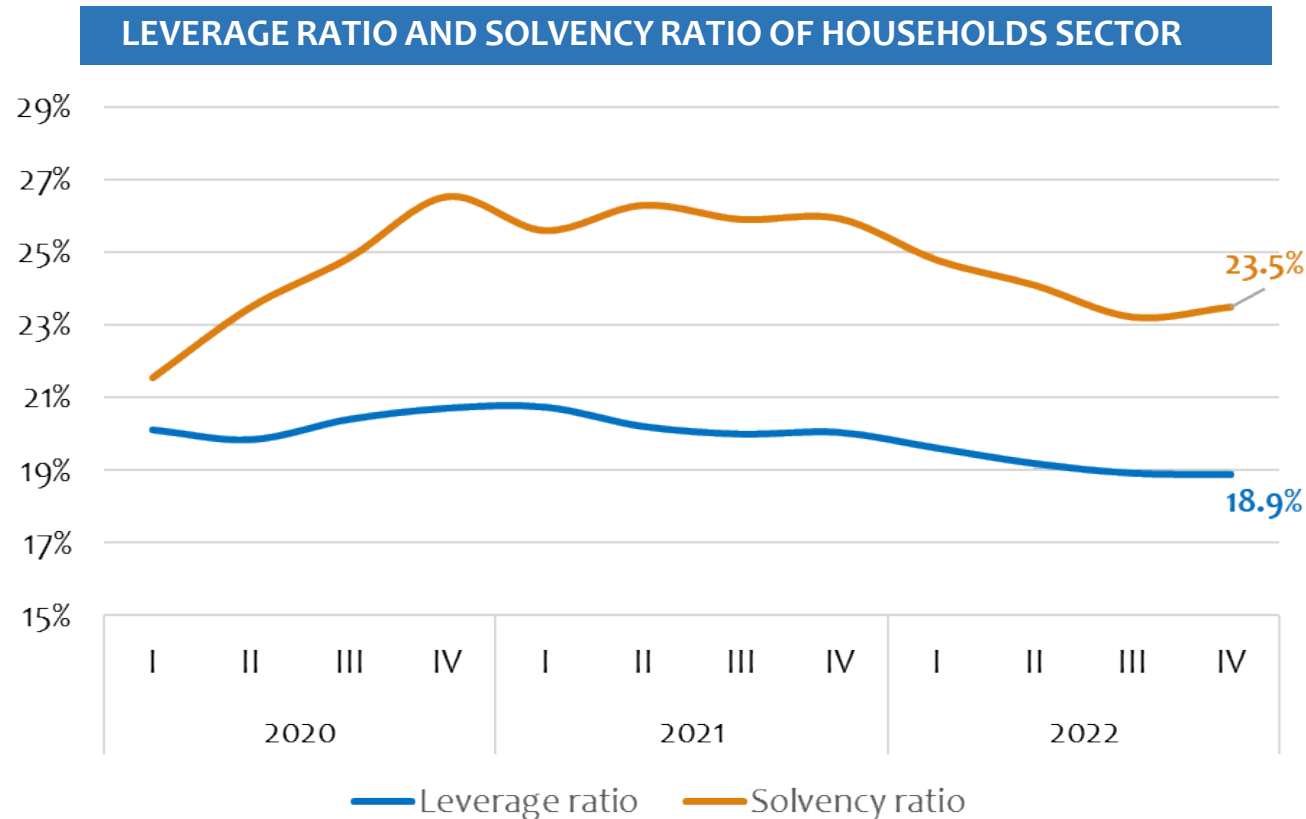


# 3. Utilisation of Household Sector's Financial Account

## Risk Profile Analysis

**Leverage ratio** measures the capacity of a sector to repay its debts.

**Solvency ratio** measures the ability of a sector to meet its long-term obligations



**Next steps** to improve the accuracy of households' financial accounts:

- 1 Strengthening institutional cooperation between BI and Ministry of Finance to obtain **full tax report**, especially to capture Assets/Liabilities of unlisted company to households.
- 2 Evaluating/improving the **sample coverage of Household Accounts Survey**, especially for high-income group.
- 3 Coordinating with Statistics Indonesia to obtain **households' financial account data quarterly**.

**Thank You**