

Statistical release

28 April 2022

Euro area economic and financial developments by institutional sector: fourth quarter of 2021

Euro area [net saving](#) increased to €818 billion in four quarters to fourth quarter of 2021, compared with €796 billion one quarter earlier

Household [debt-to-income ratio](#) increased to 96.8% in fourth quarter of 2021 from 96.3% one year earlier

Non-financial corporations' [debt-to-GDP ratio](#) (consolidated measure) decreased to 80.0% in fourth quarter of 2021 from 81.8% one year earlier

Total euro area economy

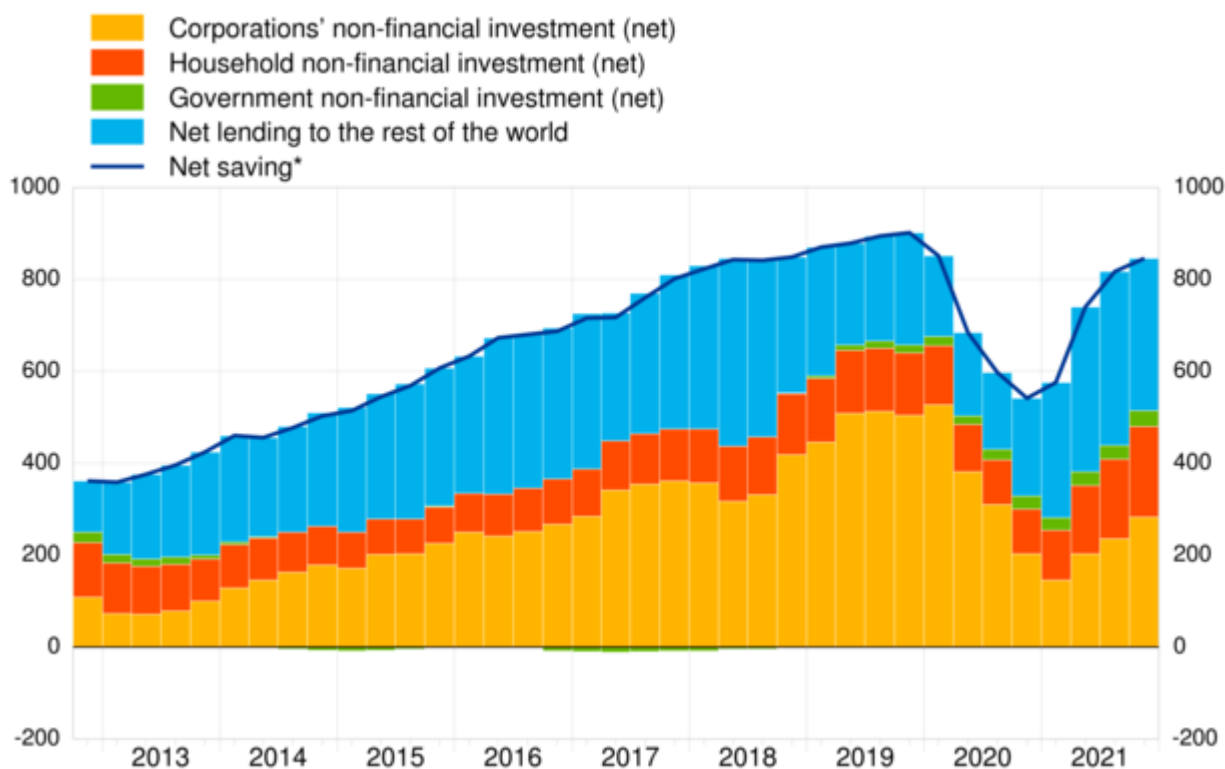
Euro area [net saving](#) increased to €818 billion (8.3% of euro area net disposable income) in 2021 compared with €796 billion in the four quarters to the third quarter of 2021. Euro area [net non-financial investment](#) increased to €515 billion (5.2% of net disposable income), due to increased investment by non-financial corporations, households and government (see Chart 1).

Euro area [net lending](#) to the rest of the world decreased to €332 billion (from €379 billion previously) reflecting the increased net non-financial investment which exceeded the growth of net saving. Net lending

by households decreased to €577 billion (5.9% of net disposable income) as compared with €691 billion previously. Net lending of non-financial corporations declined to €286 billion (2.9% of net disposable income) from €311 billion, and that of financial corporations decreased to €94 billion (1.0% of net disposable income) from €112 billion. The decrease in net lending by the total private sector was partially offset by net borrowing by the government sector, declining to -€626 billion (-6.4% of net disposable income) from -€736 billion.

Chart 1. Euro area saving, investment and net lending to the rest of the world

(EUR billions, four-quarter sums)



Sources: ECB and Eurostat.

* Net saving minus net capital transfers to the rest of the world (equals change in net worth due to transactions).

[Data for Euro area saving, investment and net lending to the rest of the world \(Chart 1\)](#)

Financial transactions can be presented with a counterpart sector breakdown for deposits, loans, debt securities, listed shares and investment fund shares (see Table 1). In 2021 the largest transactions among these financial instruments were interbank operations of other MFIs¹ with the Eurosystem (€852 billion), mostly in the form of deposits, and net purchases of euro area government debt securities by the Eurosystem (€805 billion). Financial investment of households remained high as compared with previous years, particularly with respect to transactions vis-à-vis other MFIs (€375 billion), mostly in the form of deposits, as well as net purchases of investment fund shares (€228 billion). In parallel, the financing received by households from other MFIs in the form of loans amounted to €262 billion. The largest financial transactions vis-à-vis the rest

¹ Other MFIs include banks and money market funds but exclude the Eurosystem.

of the world involved euro area investment funds, both regarding financial investment in instruments issued by the rest of the world (€501 billion) as well as financing received from the rest of the world (€481 billion).

Table 1. Selected financial transactions* between sectors and with the rest of the world

(EUR billions, four-quarter sums, 2021)

		Financing									
		Households	Non-financial corporations	Eurosystem	Other MFIs	Investment funds	Other financial institutions	Insurance corporations	Pension funds	Government	Rest of the world
Financial investment	Households	0	28	1	375	228	-14	6	0	-16	10
	Non-financial corporations	1	218	2	261	50	35	-1	0	-8	215
	Eurosystem	0	33	382	451	-2	26	1	0	805	112
	Other MFIs	262	175	852	310	21	16	1	-8	-76	162
	Investment funds	13	42	2	48	166	75	2	0	11	501
	Other financial institutions	0	96	51	36	55	-31	-6	-23	48	45
	Insurance corporations	8	-7	-1	-45	133	9	5	0	-5	32
	Pension funds	3	3	2	-6	-123	18	0	0	14	76
	Government	-2	12	80	-31	19	3	2	1	58	-9
	Rest of the world	7	124	288	164	481	60	7	0	-135	n/a

Legend



Source: ECB.

* Financial instruments for which the counterpart sector breakdown is available: deposits, loans, debt securities, listed shares and investment fund shares/units.

Households

The annual growth rate of household [financial investment](#) decreased to 3.4% in the fourth quarter of 2021, from 4.0% in the previous quarter. Investment in currency and deposits was the main contributor to this deceleration, while investment in shares and other equity grew at a higher rate, in particular for investment fund shares.

Households were overall net buyers of listed shares. By issuing sector, they were net buyers of listed shares of non-financial-corporations, insurance corporations and the rest of the world sector (i.e. shares issued by non-residents), while they sold (in net terms) shares issued by MFIs. Households continued to sell debt securities issued by MFIs, other financial institutions, general government and the rest of the world, which was only partly offset by purchases of debt securities issued by insurance corporations (see Table 2 below and [Table 2.2. in the Annex](#)).

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Table 2. Financial investment and financing of households, main items

(annual growth rates)

	Financial transactions				
	2020 Q4	2021 Q1	2021 Q2	2021 Q3	2021 Q4
Financial investment*	4.2	4.6	4.2	4.0	3.4
Currency and deposits	8.0	8.2	6.8	6.2	4.9
Debt securities	-7.7	-7.6	-9.7	-10.8	-9.8
Shares and other equity	2.5	3.5	3.2	3.6	3.9
Life insurance and pension schemes	1.9	2.3	2.2	2.3	2.1
Financing**	3.4	3.2	3.6	4.0	4.3
Loans	3.0	3.5	4.0	4.0	4.1

Source: ECB.

* Items not shown include: loans granted, prepayments of insurance premiums and reserves for outstanding claims and other accounts receivable.

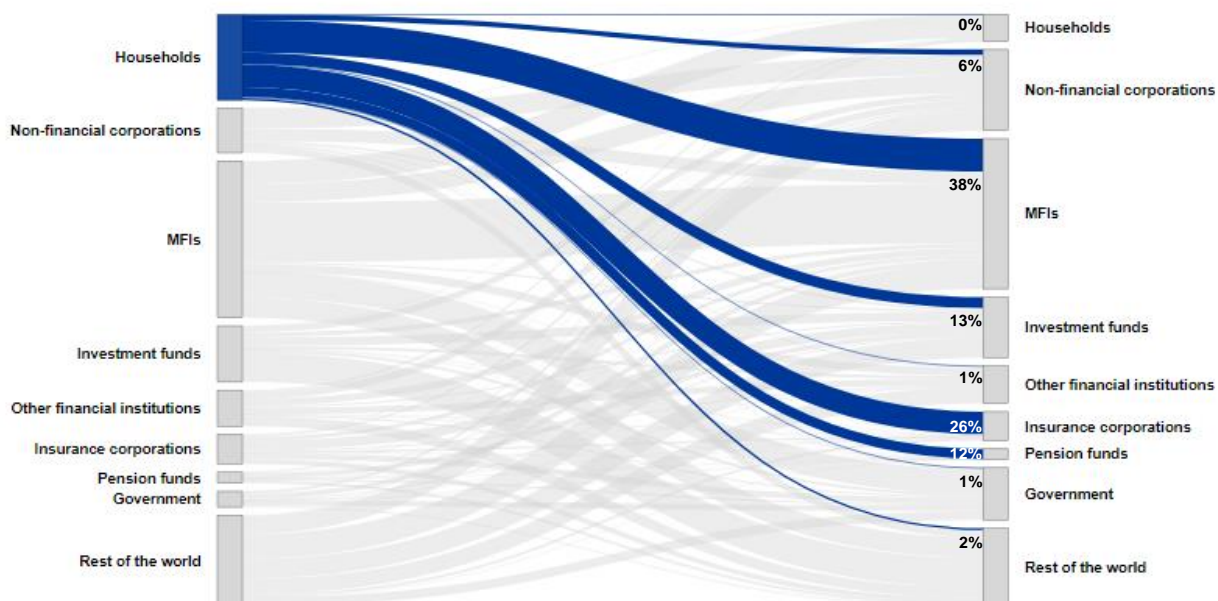
** Items not shown include: financial derivatives' net liabilities, pension schemes and other accounts payable.

[Data for financial investment and financing of households \(Table 2\)](#)

Chart 2 below shows the stock of selected financial assets held by households (in dark blue) vis-à-vis counterpart sectors, at the end of 2021.² Households' financial assets were mostly liabilities of financial intermediaries such as MFIs (38% of households' allocated financial assets), insurance corporations (26%), investment funds (13%) and pension funds (12%). Holdings of financial assets vis-à-vis non-financial corporations (6%), government (1%) and the rest of the world (2%), mainly in the form of listed shares and debt securities, represented much lower proportions of households' financial assets.

Chart 2. Households' financial assets by counterpart sector; selected financial instruments*

(2021 end of period stocks)



Source: ECB.

Discrepancies between totals and their components may arise from rounding.

² This excludes financial instruments for which the counterpart sector breakdown is not available such as unlisted shares, other equity, and other accounts payable.

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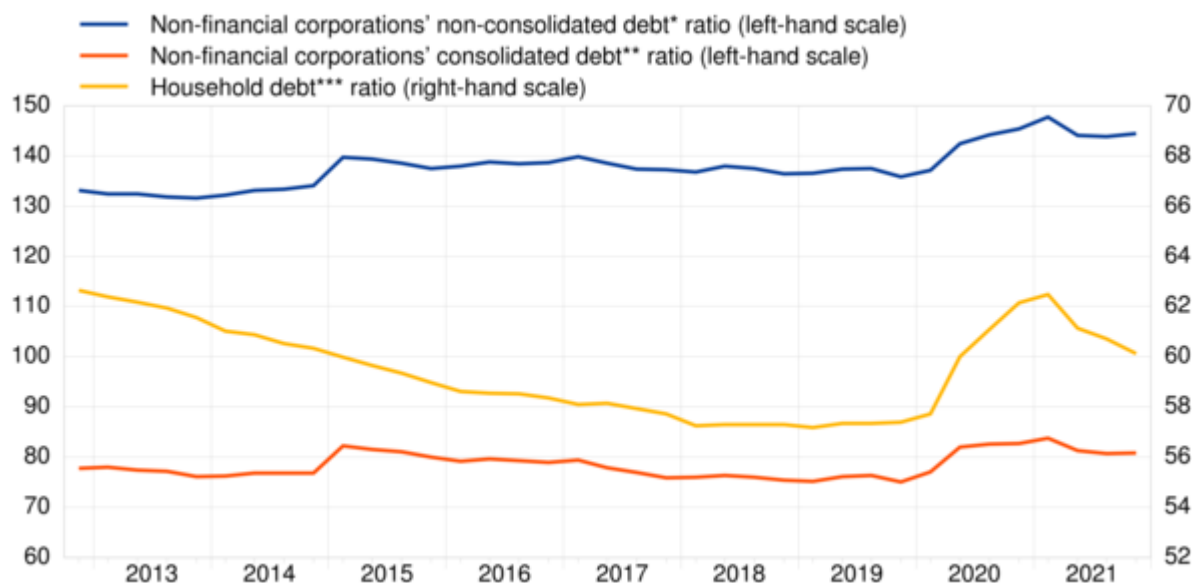
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* Financial instruments for which the counterpart sector breakdown is available: deposits, loans, debt securities, listed shares and investment fund shares/units. In addition, in this chart the counterpart sector breakdown for insurance, pension and standardised guarantee schemes (F.6) is estimated. (See methodological note: [Extension of the who-to-whom presentation to insurance and pension assets](#)).

The household [debt-to-income ratio](#)³ increased to 96.8% in the fourth quarter of 2021 from 96.3% in the fourth quarter of 2020. The household [debt-to-GDP ratio](#) decreased, to 60.1% in the fourth quarter of 2021 from 62.1% in the fourth quarter of 2020 (see Chart 3).

Chart 3. Debt ratios of households and non-financial corporations

(debt as a percentage of GDP)



Sources: ECB and Eurostat.

* Outstanding amount of loans, debt securities, trade credits and pension scheme liabilities.

** Outstanding amount of loans and debt securities, excluding debt positions between non-financial corporations.

*** Outstanding amount of loan liabilities.

[Data for debt ratios of households and non-financial corporations \(Chart 3\)](#)

Non-financial corporations

In the fourth quarter of 2021 the annual growth of [financing](#) of non-financial corporations increased to 3.2%, after 2.5% in the previous quarter, following an acceleration in financing by trade credits, loans from financial corporations and the rest of the world, as well as debt securities. This was only partially offset by a deceleration in intercompany and government loans (see Table 3 below and Table 3.2 in the Annex). Financing via the issuance of shares and other equity grew at a broadly unchanged rate.

³Calculated as loans divided by gross disposable income adjusted for the change in pension entitlements.

Table 3. Financial investment and financing of non-financial corporations, main items

(annual growth rates)

	Financial transactions				
	2020 Q4	2021 Q1	2021 Q2	2021 Q3	2021 Q4
Financing*	2.0	2.0	2.4	2.5	3.2
Debt securities	12.1	9.4	1.9	1.9	5.4
Loans	3.7	3.2	2.9	3.6	4.5
Shares and other equity	1.3	1.4	1.8	1.4	1.3
Trade credits and advances	-4.1	-1.1	6.2	8.2	12.1
Financial investment**	3.1	3.8	4.4	4.6	5.4
Currency and deposits	19.4	17.0	7.6	6.3	9.0
Debt securities	22.2	4.6	0.4	-1.3	-4.9
Loans	0.8	2.7	5.4	6.7	7.5
Shares and other equity	1.8	2.0	2.3	1.9	2.4

Source: ECB.

* Items not shown include: pension schemes, other accounts payable, financial derivatives' net liabilities and deposits.

** Items not shown include: other accounts receivable and prepayments of insurance premiums and reserves for outstanding claims.

[Data for financial investment and financing of non-financial corporations \(Table 3\)](#)

Non-financial corporations' [debt-to-GDP ratio](#) (consolidated measure) decreased to 80.0% in the fourth quarter of 2021, from 81.8% in the fourth quarter of 2020; the [non-consolidated](#), wider debt measure declined to 144.5% from 145.4% (see Chart 2).

Chart 4 below shows the main components of the non-financial corporations' debt (in dark blue) vis-à-vis counterpart sectors. At the end of 2021, the non-financial corporations' debt in the form of loans and debt securities was held primarily by MFIs (36%), other non-financial corporations (28%), the rest of the world (15%) and other financial institutions (10%).

Chart 4. The main components of NFC debt (loans and debt securities) by counterpart sector

(2021 end of period stocks)



Source: ECB.

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Notes

These data come from a second release of quarterly euro area sector accounts from the European Central Bank (ECB) and Eurostat, the statistical office of the European Union. This release incorporates revisions and completed data for all sectors compared with the first quarterly release on "Euro area households and non-financial corporations" of 5 April 2022.

The debt-to-GDP (or debt-to-income) ratios are calculated as the outstanding amount of debt in the reference quarter divided by the sum of GDP (or income) in the four quarters to the reference quarter. The ratio of non-financial transactions (e.g. savings) as a percentage of income or GDP is calculated as sum of the four quarters to the reference quarter for both numerator and denominator.

The annual growth rate of non-financial transactions and of outstanding assets and liabilities (stocks) is calculated as the percentage change between the value for a given quarter and that value recorded four quarters earlier. The annual growth rates used for financial transactions refer to the total value of transactions during the year in relation to the outstanding stock a year before.

The next release of the [Household Sector Report](#) containing results for the euro area and all EU countries is scheduled for 11 May 2022.

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Hyperlinks in the main body of the statistical release lead to data that may change with subsequent releases as a result of revisions.

Figures shown in annex tables are a snapshot of the data as at the time of the current release.

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