

Statistical release

29 October 2024

Euro area economic and financial developments by institutional sector: second quarter of 2024

- As of October 2024, ECB quarterly financial accounts provide more details on loans by counterpart sector granted by other financial institutions (OFIs) and information on debt securities issuance of non-financial corporations (NFCs) via financing conduits. OFIs are creditors of 23% of loans granted to NFCs by financial sector
- Euro area [net saving](#) increased to €795 billion in four quarters to second quarter of 2024, compared with €787 billion one quarter earlier
- Household [debt-to-income ratio](#) decreased to 83.4% in second quarter of 2024 from 87.8% one year earlier
- NFCs' [debt-to-GDP ratio](#) (consolidated measure) decreased to 69.3% in second quarter of 2024 from 71.8% one year earlier

New details on other financial institutions and the financing of other sectors

As of October 2024, the quarterly sector accounts published by the ECB provide more detailed financial accounts data on OFIs, which constitute the second largest financial sector in the euro area after monetary financial institutions (MFIs).¹ OFIs mainly provide financing to NFCs and to a lesser extent to households and other sectors. They also channel funds to and from the rest of the world.

This new release provides counterpart sector data, such as loans granted by the OFI subsectors to NFCs (Chart 1). The release also includes new data on euro area NFC financing conduits which are

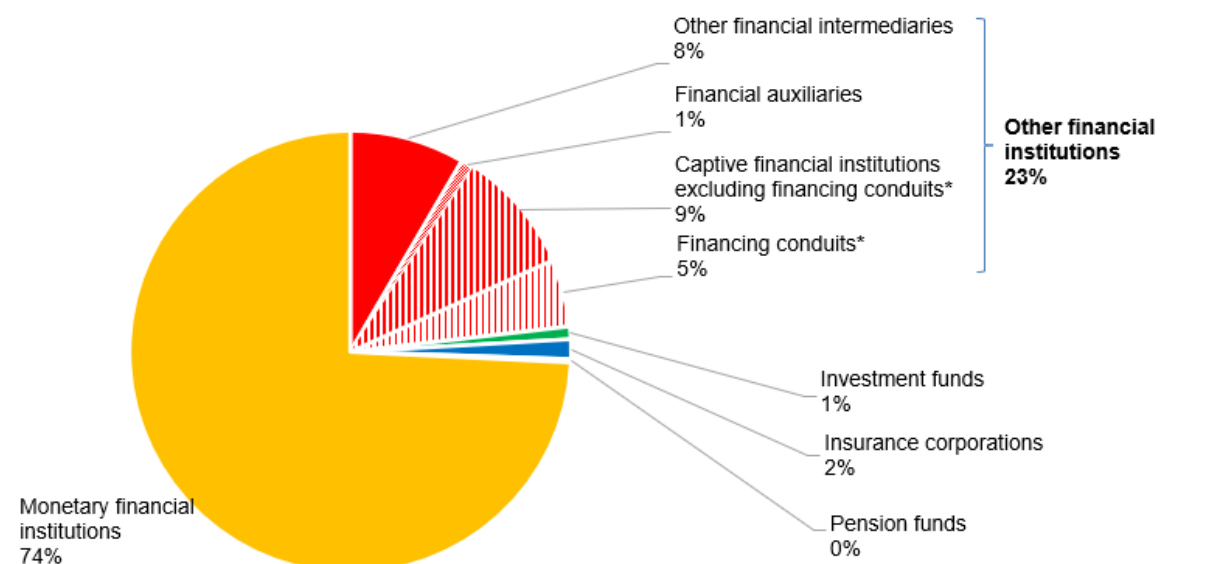
¹ For more details on OFIs see: [Financial accounts for other financial institutions by subsector](#)

captive financial institutions that raise funds by issuing debt securities to be used by their parent corporation.²

Chart 1

Loans to NFCs by financial subsector

(outstanding amounts at the end of the second quarter of 2024, as percentages of financial sector loans to NFCs)



Source: ECB.

* Loans from NFC financing conduits to NFCs are estimated based on the financing conduits' issuance of debt securities.

Total euro area economy

Euro area [net saving](#) increased to €795 billion (6.7% of euro area net disposable income) in the four quarters to the second quarter of 2024, compared with €787 billion in the four quarters to the previous quarter. Euro area [net non-financial investment](#) decreased to €440 billion (3.7% of net disposable income), mainly due to decreased investment by NFCs (Chart 2 and Table 1 in the Annex).

Euro area [net lending](#) to the rest of the world increased to €388 billion (from €336 billion previously) reflecting the increased net saving and decreased net non-financial investment. Household net lending increased to €549 billion (4.6% of net disposable income) from €501 billion. Net lending of NFCs (€233 billion, 2.0% of net disposable income) and that of financial corporations (€124 billion, 1.0% of net disposable income) were broadly unchanged. Government net borrowing stood broadly unchanged at €517 billion, contributing negatively (-4.3% of net disposable income) to euro area net lending.

² For more details on financing conduits see: [NFC financing via financing conduits](#)

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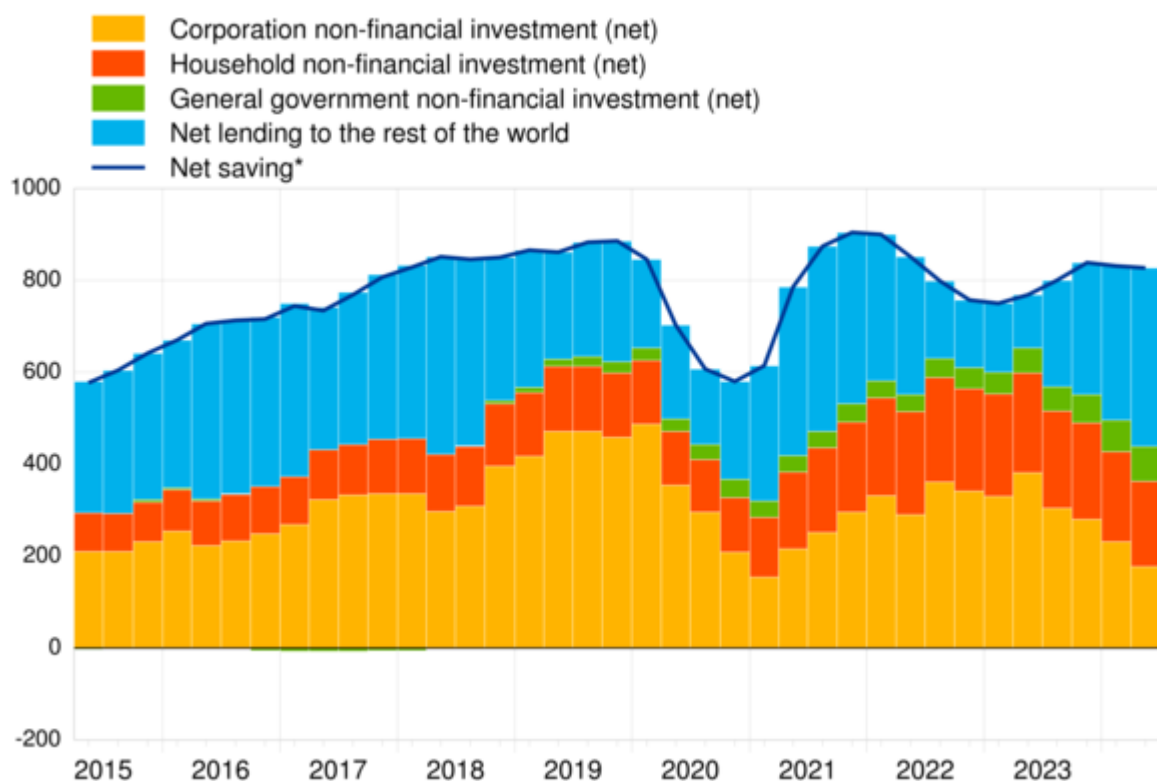
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Chart 2

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 \(Chart 2\)](#)

Households

Household [financial investment](#) increased at a higher annual rate of 2.3% in the second quarter of 2024 (after 2.0% in the previous quarter). Among its components, investment in currency and deposits (2.3%, after 1.6%) and investment in shares and other equity (0.8%, after 0.4%) grew at higher rates due to investment fund shares, while investment in debt securities increased at a lower rate (27.9%, after 38.5%).

Households continued to directly buy, in net terms, mainly debt securities issued by general government and MFIs. Households were overall net sellers of listed shares, selling predominantly listed shares of non-financial corporations, while buying listed shares issued by the rest of the world (i.e. shares issued by non-euro area residents) and MFIs (Table 1 below and Table 2.2 in the Annex).

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The household [debt-to-income ratio](#)³ decreased to 83.4% in the second quarter of 2024 from 87.8% in the second quarter of 2023. The household [debt-to-GDP ratio](#) declined, to 52.2% in the second quarter of 2024 from 54.4% in the second quarter of 2023 (Chart 3).

Table 1

Financial investment and financing of households, main items

(annual growth rates)

	Financial transactions				
	2023 Q2	2023 Q3	2023 Q4	2024 Q1	2024 Q2
Financial investment*	2.0	1.8	1.9	2.0	2.3
Currency and deposits	1.3	0.3	0.8	1.6	2.3
Debt securities	48.6	56.9	54.3	38.5	27.9
Shares and other equity**	1.3	1.1	0.4	0.4	0.8
Life insurance	-0.2	-0.7	-0.6	-0.2	0.0
Pension schemes	2.4	2.4	2.2	2.3	2.3
Financing***	2.4	1.6	0.9	1.1	1.4
Loans	1.8	1.0	0.5	0.6	0.6

Source: ECB.

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

** Includes investment fund shares.

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

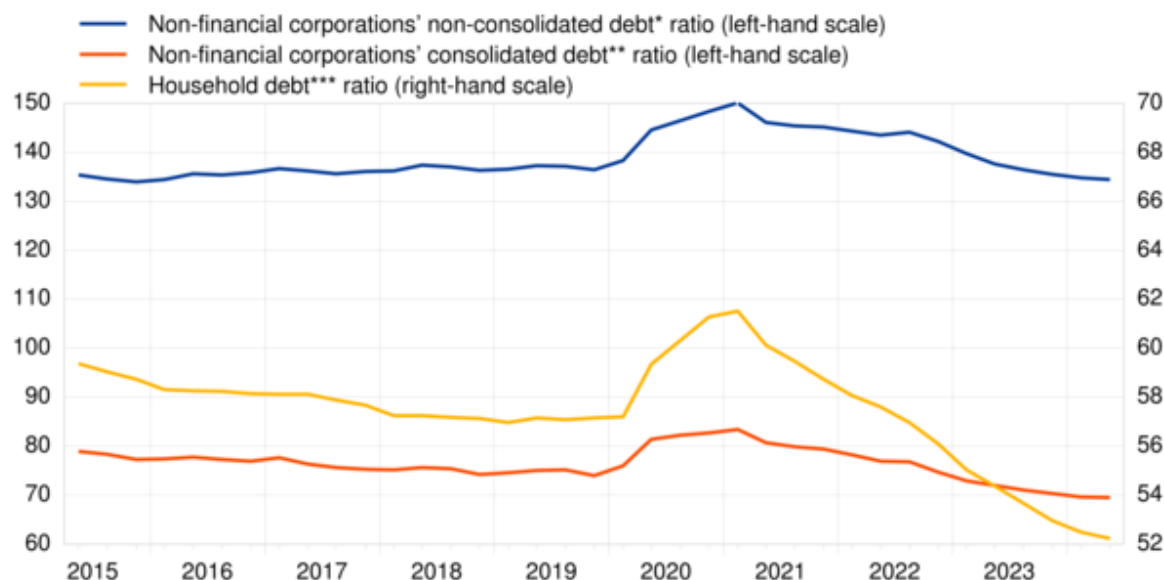
[Data for financial investment and financing of households \(Table 1\)](#)

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

Chart 3

Debt ratios of households and NFCs

(percentages 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 NFCs

*** Outstanding amount of loan liabilities.

[Data for debt ratios of households and NFCs \(Chart 3\)](#)

Non-financial corporations

[Financing](#) of NFCs increased at a higher annual rate of 1.0% in the second quarter of 2024 (after 0.8% in the previous quarter), as financing via debt securities (2.9% after 1.9%), shares and other equity (0.8% after 0.4%) and trade credits (1.8% after 0.6%) all grew at higher rates, while loan financing increased at a broadly unchanged rate (1.3%). Loans granted by other NFCs increased at a broadly unchanged rate (3.7%), while loans granted by MFIs grew at a higher rate (1.3% after 1.1%). Loans granted by the OFI subsector captive financial institutions (-2.9% after 0.5%) and the rest of the world (-2.2% after -2.7) decreased (Table 2 below and Table 3.2 in the Annex).

NFCs' [debt-to-GDP ratio](#) (consolidated measure) decreased to 69.3% in the second quarter of 2024, from 71.8% in the second quarter of 2023; the [non-consolidated](#), wider debt measure decreased to 134.4% from 137.6% (Chart 3).

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Table 2

Financing and financial investment of NFCs, main items

(annual growth rates)

	Financial transactions				
	2023 Q2	2023 Q3	2023 Q4	2024 Q1	2024 Q2
Financing*	1.7	1.2	0.8	0.8	1.0
Debt securities	0.7	1.5	1.3	1.9	2.9
Loans	3.8	1.9	1.7	1.4	1.3
Shares and other equity	-0.0	0.4	0.3	0.4	0.8
Trade credits and advances	5.2	2.2	1.2	0.6	1.8
Financial investment**	2.9	2.4	1.8	1.9	2.1
Currency and deposits	-0.6	-1.2	-1.2	0.5	2.9
Debt securities	23.3	27.9	23.0	10.6	7.8
Loans	5.9	5.2	5.1	4.4	4.5
Shares and other equity	1.2	1.2	1.0	1.4	1.3

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 financing and financial investment of NFCs \(Table 2\)](#)For queries, please use the [statistical information request](#) form.**Notes**

- These data come from a second release of quarterly euro area sector accounts for the second quarter of 2024 from the ECB and Eurostat, the statistical office of the European Union. This release incorporates revisions and completed data for all sectors compared with the first release on "Euro area households and non-financial corporations" of 4 October 2024. The non-financial accounts are revised from the first quarter of 1999, and the financial accounts from the first quarter of 2013, reflecting in both cases also the impact of the benchmark revision 2024 implemented in the EU. For further information see the related [Eurostat webpage](#).
- The euro area and national financial accounts data of NFCs and households are available in an [interactive dashboard](#).
- 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 the 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.
- 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.
- The ECB publishes experimental Distributional Wealth Accounts (DWA) for the household sector. The release of results for the second quarter of 2024 is planned for 29 November 2024 (tentative date).

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