

## Financial accounts for other financial institutions by subsector

New details on the second largest financial sector in the euro area

As of October 2022, the quarterly financial accounts published by the European Central Bank provide a more detailed breakdown of other financial institutions (OFIs), which, after monetary financial institutions (MFIs – i.e. banks and money market funds), constitutes the second largest financial sector in the euro area (see Chart). The expanding role of OFIs was recognised in the ECB's 2020-21 monetary policy strategy review, and the new subsector detail is an important step in facilitating its analysis.<sup>1</sup>

OFIs are financial institutions that are not MFIs, investment funds, insurance corporations or pension funds. This definition covers a residual set of heterogeneous entities, which had made the analysis of this sector, representing more than 20% of financial sector liabilities, challenging.

The new statistical release distinguishes three subsectors, as defined in the European System of Accounts (ESA 2010), according to their main financial activities.

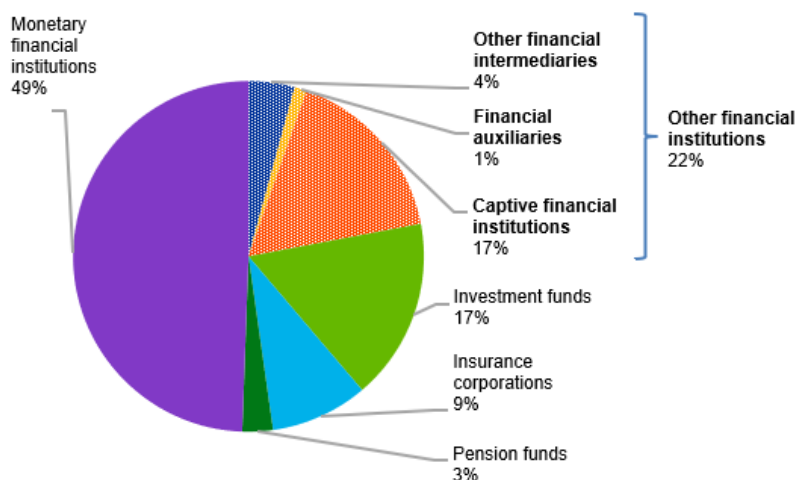
- Other financial intermediaries incur liabilities and acquire assets in financial markets. This subsector includes, for example, security and derivative dealers and financial vehicle corporations engaged in securitisation transactions.
- Financial auxiliaries facilitate financial transactions between third parties without becoming the legal counterparty. Examples are stock exchanges, managers of pension funds and mutual funds, and insurance brokers.
- Captive financial institutions and money lenders are mainly holding companies and intra-group entities, such as financing conduits or special purpose entities that raise funds in open markets to be used by their parent corporation. Financing conduits are only recorded as separate institutional units in the financial accounts if they are resident in a country other than that of their parent corporation.

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<sup>1</sup> For an overview of non-monetary financial institutions and OFIs see "[The role of euro area non-monetary financial institutions in financial intermediation](#)", *Economic Bulletin*, Issue 4, ECB, 2016. The importance of the analysis of OFIs was emphasised in "[Non-bank financial intermediation in the euro area: implications for monetary policy transmission and key vulnerabilities](#)", *Occasional Paper Series*, No 270, ECB, revised December 2021.

Chart 1. Financial subsectors in the euro area

Liabilities, outstanding amount end-second quarter 2022, as percentage of financial sector liabilities



Source: ECB.

[Data for liabilities by financial subsector](#)

## Methodology and data availability

The quarterly financial accounts are compiled according to the concepts and definitions set out in ESA 2010<sup>2</sup> and the respective ECB Guideline<sup>3</sup>, which ensure consistent recording for the euro area and comparability across countries.

Since July 2022 all euro area countries have been sending the quarterly national financial accounts with the OFI subsector breakdown to the ECB for the compilation of the euro area accounts; EU non-euro area countries send the data on a voluntary basis. The OFI subsector breakdown was included, for the first time, in the October 2022 publications of national data and euro area quarterly sector accounts.

Outstanding amounts (stocks), financial transactions and other changes are disseminated with the standard financial instruments split used for the financial accounts, which is also available for the other sectors. The OFI subsector breakdown for the euro area and for EU countries is generally available from the fourth quarter of 2013 (the OFI aggregate combining the three subsectors is available from the first quarter of 1999).

[Data for OFI aggregate \(S125+S125+S127\)](#)

[Data for Other financial intermediaries \(S125\)](#)

[Data for Financial auxiliaries \(S126\)](#)

[Data for Captive financial institutions \(S127\)](#)

<sup>2</sup> [European System of National and Regional Accounts](#).

<sup>3</sup> Guideline ECB/2013/24 on the statistical reporting requirements of the European Central Bank in the field of quarterly financial accounts as amended ([Guideline ECB/2021/20](#)).