

I February 2008

PRESS RELEASE EURO AREA ECONOMIC AND FINANCIAL DEVELOPMENTS BY INSTITUTIONAL SECTOR: THIRD QUARTER 2007

In the third quarter of 2007, the annual growth rate of net disposable income in the <u>euro</u> <u>area</u> equalled 5.2%, compared with 4.7% in the second quarter of 2007 (see Annex Table 1). The annual growth rate of **consumption** was 3.4% in the third quarter, which was higher than in the second quarter (3.0%). In the third quarter the annual growth rate of **net saving** equalled 27.8%, compared with 22.9% in the previous quarter. The annual growth rate of **gross fixed capital** formation was 6.5% in the third quarter of 2007, compared with 7.0% in the previous quarter.

The annual growth rate of **households' gross disposable income** equalled 3.3% in the third quarter of 2007, compared with 3.9% in the previous quarter (see Table 2). The annual growth rate of **gross saving** of households decreased to 3.7%, after 7.6% previously. The households' gross saving rate² remained unchanged at 14.0%. The annual growth rate of **financing** of households decreased to 6.7% in the third quarter, from 7.5% in the previous quarter, and the annual growth rate of their **financial investment** decreased to 3.4% in the third quarter, from 3.9% previously.

The annual growth rate of **gross fixed capital formation of <u>non-financial corporations</u>** in the euro area amounted to 7.7% in the third quarter of 2007, compared with 8.4% in the previous quarter (see Table 3). The annual growth rate of **financing** of non-financial corporations remained broadly unchanged at 4.9% in the third quarter and the annual growth rate of their **financial investment** also remained broadly unchanged, at 6.1%.

Euro area

In the third quarter of 2007, the annual growth rate of euro area **net disposable income** increased to 5.2%, from 4.7% in the previous quarter. The growth of euro area disposable income continued to accrue mainly to households and the government (see Chart I). Euro area **net saving** grew at a high annual rate (27.8%), which was even stronger than in the previous quarter (22.9%). While the savings of the government and financial corporations

¹ The euro area accounts are expressed in current prices and they are not seasonally adjusted. The (nominal) growth rates are presented as year-on-year changes (see the notes).

² The households' saving rate is based on four-quarter cumulated sums of both their saving and their disposable income.

grew strongly, the contributions of households and non-financial corporations to the overall saving growth moderated. The decrease in the annual growth of **gross fixed capital formation** (6.5%), compared to the previous quarter (7.0%), was mainly due to a lower investment growth by households (see Chart 2). The growth rate of **total gross capital formation** decreased as well in the third quarter (to 6.7%, from 7.1%). These developments were reflected in a growing **current account surplus of the euro area** with the rest of the world, or an increasingly negative foreign saving (see Chart 3).

Households

The annual growth rate of households' gross disposable income decreased to 3.3% in the third quarter of 2007, from 3.9% in the previous quarter (see Chart 4). This deceleration was mainly driven by a higher increase of households' tax payments; the annual growth rate of households' taxes on income and wealth increased to 10.6%, from 6.8% previously (see Table 2). By contrast, the annual growth rate of compensation of employees remained broadly unchanged at 4.1%.

The annual growth rate of households' **consumption expenditure** (3.3%) equalled that of their disposable income and the four-quarter average household gross saving rate remained unchanged at 14.0%. The growth rate of their gross fixed capital formation decreased to 4.5%, from 7.1% previously (see Table 2).³ Yet, the overall increase in households' **non-financial investment**, in combination with lower net capital transfers receivable, more than offset the increase in households' saving, so that the growth rate of households' **net lending** decreased as well (see Chart 5).

The annual growth rate of **financing** of households via the incurrence of loans remained broadly unchanged at 7.4% in the third quarter. This coincided with a decline in the annual growth of their **financial investment** to 3.4%, from 3.9%.

Turning to the components of **households' financial investment**, the annual growth rate of their holdings of currency and deposits remained broadly unchanged at 5.7%. The annual growth rate of their investment in debt securities decreased to 1.9%, from 3.6% previously. The growth rate of their investment in shares and other equity remained broadly unchanged at 0.2%. Specifically, the annual growth rate of their investment in unquoted shares and other equity continued to increase whereas they sold quoted shares and mutual fund shares at a higher rate. The annual growth rate of their additions to life insurance and pension fund reserves decreased to 5.0%, from 5.8% in the previous quarter.

³ For the sectors households and non-financial corporations, the figures for net lending / net borrowing derived from the financial accounts may differ somewhat from those derived from the non-financial accounts, due to remaining statistical discrepancies.

Finally, the annual growth rate of households' **net financial wealth** decreased to 3.6%, from 7.2% in the previous quarter, mainly because of lower holding gains on their shares and other equity (see Chart 6).

Non-financial corporations

The **net entrepreneurial income** of non-financial corporations⁴ grew at an annual rate of 5.7% in the third quarter of 2007, after 3.2% in the previous quarter (see Table 3). This acceleration was mainly due to a moderation of the growth of compensation of employees payable by non-financial corporations; the growth of their net value added remained unchanged at 5.6% (see Chart 7 and Table 3).

The annual growth rate of **gross fixed capital formation** of non-financial corporations decreased to 7.7% in the third quarter of 2007, after 8.4% in the previous quarter (see Chart 8). The decline in the annual growth rate of total gross non-financial investment (from 8.5% to 8.1%) was less pronounced as inventories grew slightly stronger than a year ago. At the same time, the sum of saving ("retained earnings") and net capital transfers receivable by non-financial corporations decreased and thus their **net borrowing** was higher.

In the third quarter of 2007, the annual growth rate of **financing** by non-financial corporations remained broadly stable at 4.9%. The growth rate of their loan financing increased to 11.4%, from 10.3%, while the annual growth rate of their issuance of debt securities decreased to 5.8%, from 8.6%. The annual growth rate of their equity financing, via the issuance of shares and other equity, remained unchanged at 2.0% (see Table 3).

As regards the **financial investment** of non-financial corporations, the annual growth rate of their investment in currency and deposits decreased to 11.7% from 13.3% previously. The growth rate of their investment in shares and other equity remained broadly stable at 3.3%.

Insurance corporations and pension funds

The annual growth rate of **insurance technical reserves**, the major financing instrument of insurance corporations and pension funds, decreased to 5.6% in the third quarter of 2007 from 6.2% previously (see Table 6). The annual growth rate of the issuance of quoted shares by this sector decreased to 0.7%, from 2.0% previously. The annual growth rate of their **financial investment** decreased to 5.3%, from 6.2% previously. The growth rate of their investment in debt securities decreased to 8.1%, from 9.3%, and that of their investment in shares and other equity decreased to 2.3%, from 3.3%.

-

⁴ Entrepreneurial income is broadly equivalent to current profits in business accounting (after the receipt and payment of interest and including the profits of foreign subsidiaries, but before the payment of income taxes and dividends).

Additional information on the euro area accounts

This press release incorporates revisions for the second quarter of 2007 and for previous quarters. These revisions have not substantially altered the main aggregates that were previously published.

The euro area accounts encompass integrated non-financial and financial accounts, including financial balance sheets. These quarterly European sector accounts are jointly compiled by the ECB and the European Commission (Eurostat), in close cooperation with the national central banks and the national statistical institutes in the EU.⁵ The European sector accounts follow the methodology of the European System of Accounts 1995 (ESA 95)⁶.

A detailed set of quarterly data is published in Tables 3.1 - 3.5, "Euro area accounts", of the statistics section of the ECB's Monthly Bulletin. A comprehensive set of tables is made available at http://www.ecb.europa.eu/stats/acc/html/index.en.html (ECB). The time series for the euro area accounts can be downloaded from the ECB's Statistical Data Warehouse (SDW).

The publication of euro area economic and financial developments in the fourth quarter of 2007 is scheduled to take place on **6 May 2008** at 10.00 am (CEST).

European Central Bank

Press and Information Division

Kaiserstrasse 29, D-60311 Frankfurt am Main

Tel.: 0049 69 1344 7455, Fax: 0049 69 1344 7404

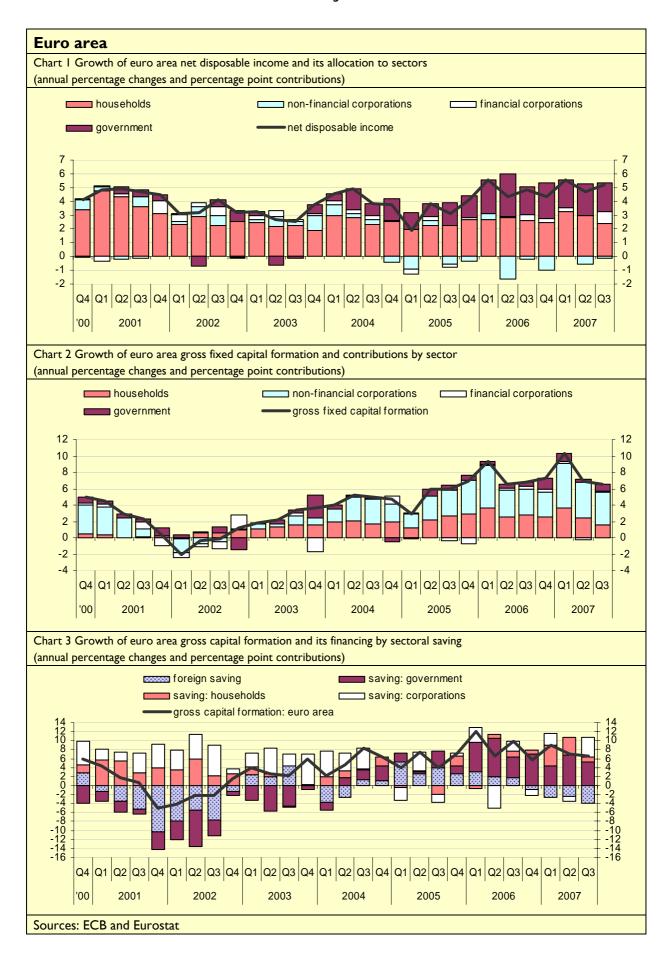
Internet: http://www.ecb.europa.eu

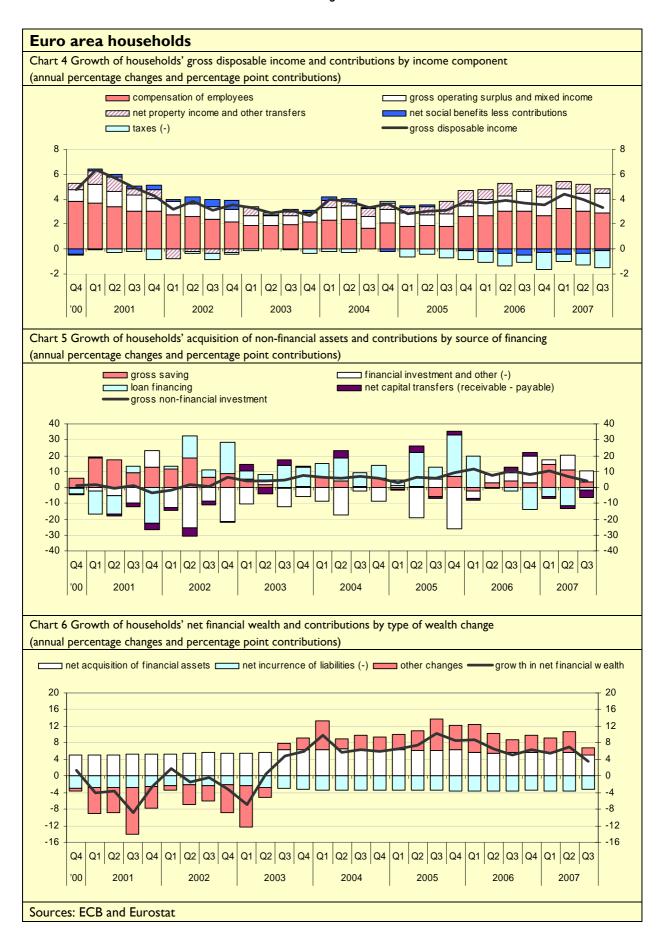
Reproduction is permitted provided that the source is acknowledged.

Annex:

⁵ See http://ec.europa.eu/eurostat/sectoraccounts (Eurostat) for the non-financial accounts of the EU.

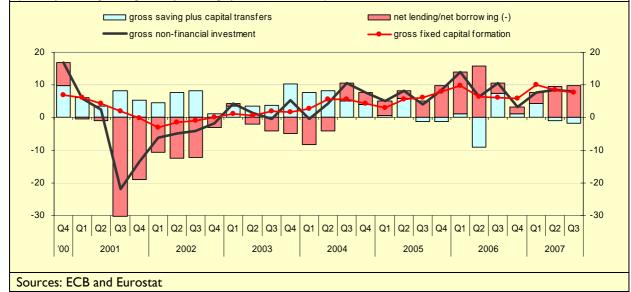
⁶ For more details, see http://forum.europa.eu.int/irc/dsis/nfaccount/info/data/esa95/en/titelen.htm.





Euro area non-financial corporations Chart 7 Growth of net entrepreneurial income of non-financial corporations and contributions by component (annual percentage changes and percentage point contributions) net value added (at factor cost) property income receivable compensation of employees (-) interest and rent payable (-) net entrepreneurial income 50 40 40 30 30 20 20 10 10 0 0 -10 -10 -20 -20 -30 -30 Q1 | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 | Q4 Q1 Q2 Q3 Q1 Q2 Q3 Q4 '00 2001 2002 2003 2004 2005 2007 2006 Chart 8 Growth of non-financial investment of non-financial corporations and contributions by source of financing

(annual percentage changes and percentage point contributions)



Notes

The annual growth rate of non-financial transactions and of outstanding financial assets and liabilities (stocks) is calculated as the percentage change between the value of the transaction or outstanding amount for a given quarter and that value recorded four quarters earlier. Let x_t be the level of a non-financial transaction or end-of-quarter stock, then its annual percentage change $g(x_t)$ is calculated as:

$$g(x_t) = \frac{(x_t - x_{t-4})}{x_{t-4}} * 100.$$

• The annual growth rate used to analyse financial transactions refers to the total value of transactions during the year in relation to the outstanding stock a year before. These growth rates for financial transactions exclude the effect on the outstanding stock of revaluations, reclassifications, and further changes that do not arise from transactions. When f_t represents the value of transactions in a particular financial instrument, and F_t represents the value of the corresponding stock outstanding at the end of quarter t, then the annual growth rate $g(f_t)$ is calculated as the sum of the transactions during the year divided by the outstanding stock a year ago:

$$g(f_t) = \left(\sum_{i=0}^{3} f_{t-i} / F_{t-4}\right) * 100$$

Table 1 Income, consumption, saving, investment and net lending / net borrowing: euro area and contributions by sector

EUR billions						percentage of euro					
Non-financial transactions			four-quart	ter-cumula	ited sums			changes ¹⁾		area NDI	
	2004	2005	2006Q3	2006Q4	2007Q1	2007Q2	2007Q3	2007Q2	2007Q3	2006Q3	2007Q3
Net disposable income (NDI):											
Euro area	6,607	6,822	7,067	7,145	7,241	7,324	7,416				
Households ²⁾	4,879	5,030	5,167	5,211	5,266	5,319	5,361	3.9	3.3		72.3
Non-financial corporations	123	99	75	57	56	46	44			1.1	0.6
Financial corporations General government	140 1,465	137 1,555	145 1,681	151 1,727	156 1,762	156 1,803	171 1,839	9.1	9.3	2.0	
Consumption expenditure:	.,	,,,,,,	,,	.,	.,	.,	.,				
Euro area	6,076	6,308	6,503	6,565	6,619	6,669	6,724	3.0	3.4	92.0	90.7
Households ²⁾	4,485	4,653	4,798	4,843	4,882	4,921	4,961	3.2	3.3	67.9	66.9
General government collective consumption	644	661	673	678	684	687	693	2.2	3.4	9.5	9.3
General government social transfers in kind ³⁾	947	994	1,032	1,043	1,054	1,061	1,070	2.8	3.6	14.6	14.4
Net saving:											
Euro area	531	514	565	581	622	655	692	22.9	27.8	8.0	
Households ²⁾	450	436	430	430	447	461	464	9.7	4.4		6.3
Non-financial corporations	110	87	61	42	42	34	34			0.9	
Financial corporations General government	96 -126	90 -100	97 -23	103 6	108 24	105 54	118 77			1.4 -0.3	
,	-126	-100	-23	0	24	54	77			-0.3	1.0
Consumption of fixed capital: Euro area	1,121	1,173	1,212	1,225	1,237	1,248	1,259	3.6	3.7	17.2	17.0
Households ²⁾	303	318	331	335	339	342	,	4.0		I	
Non-financial corporations	633	662	681	688	694	700	345 706				
Financial corporations	40	41	43	42	43	43	44	3.8	5.2		
General government	145	152	157	159	161	163	164	3.9			
Net capital transfers (receivables-payables):											
Euro area	16	14	14	15	18	17	16			0.2	0.2
Households ²⁾	19	25	29	32	30	28	21			0.4	0.3
Non-financial corporations	58	61	66	81	86	86	76			0.9	1.0
Financial corporations	-10	-13	-9	-10	-10	-9	-9			-0.1	
General government	-51	-60	-72	-88	-88	-87	-71			-1.0	-1.0
Gross fixed capital formation: Euro area	1 600	1 600	1 701	1 011	1 050	4 000	1 010	7.0	6.5	25.2	25.0
Households ²⁾	1,600 524	1,688 560	1,781 596	1,814 608	1,856 623	1,889 634	1,918 641	7.0 7.1		I	
Non-financial corporations	524 841	889	937	950	973	994	1,012	8.4	4.5 7.7		
Financial corporations	44	39	42	43	44	43	43	-8.3			
General government	191	200	206	212	217	218	222	3.0	7.1		
Net acquisition of other non-financial assets ⁴⁾ :											
Euro area	6	10	37	29	26	27	28			0.5	0.4
Households ²⁾	3	0	4	4	4	4	4			0.1	0.1
Non-financial corporations	4	10	32	26	22	23	24			0.5	
Financial corporations	0	1	1	1	1	1	1			0.0	
General government	-1	-1	-1	-2	-2	-1	-1			0.0	0.0
Net lending (+) / net borrowing (-):	0.5	_			_		٠.				
Euro area	62	2	-27	-22	-7	4	21			-0.4	
Households ²⁾	246	220	190	186	189	193	185			2.7	
Non-financial corporations	-43	-89	-161	-165	-174	-197	-220			-2.3	
Financial corporations General government	81 -222	78 -207	87 -143	90 -132	95 -118	95 -87	108 -51			1.2 -2.0	

¹⁾ Annual percentage changes are calculated as $100^*(x_t-x_{t-4})/x_{t-4}$ where x_t stands for the transaction x in quarter t, and x_{t-4} for the transaction four quarters earlier.

²⁾ Households and non-profit institutions serving households.

³⁾ Transfers of goods and services by government units and non-profit institutions serving households (NPISHs) to individual households.

⁴⁾ Changes in inventories, acquisitions less disposals of valuables and acquisitions less disposals of non-produced non-financial assets (e.g. land).

Table 2 **Households**¹⁾ EUR billions

EUR billions												
			_					annual pe		percen	-	
Non-financial transactions			four-quart	er-cumula	ated sums			chan	ges²'	HGDI, a	djusted ⁵⁷	
	2004	2005	2006Q3	2006Q4	2007Q1	2007Q2	200703	2007Q2	2007Q3	2006Q3	2007Q3	
Compensation of employees	3,779	3,884	4,000	4,037	4,081	4,124	4.163	4.2	4.1	72.0	72.2	
Gross operating surplus and mixed income	1,281	1,329	1,384	1,404	1,425	1,446	1,467	6.0	5.8	24.9	25.4	
Property income (receivable - payable)	746	787	817	830	836	846	850			14.7	14.7	
Net social benefits and contributions (recpay.)	17	19	5	1	-5	-9	-11			0.1	-0.2	
Other current transfers (rec pay.)	65	67	63	63	65	65	66			1.1	1.2	
Taxes (on income and wealth) (-)	705	738	771	789	797	811	830	6.8	10.6	13.9	14.4	
Gross disposable income (HGDI)	5,182	5,348	5,498	5,546	5,605	5,661	5,706	3.9	3.3	98.9	98.9	
+Adj. for change in net worth in pension fund ³⁾	57	59	62	63	63	63	64	2.2	6.6	1.1	1.1	
Gross disposable income (HGDI) plus adjustment ³⁾	5,239	5,408	5,560	5,609	5,668	5,724	5,770	3.9	3.4	100.0	100.0	
Consumption expenditure	4,485	4,653	4,798	4,843	4,882	4,921	4,961	3.2	3.3	86.3	86.0	
Gross saving	754	754	761	765	786	803	809	7.6	3.7	13.7	14.0	
Net capital transfers (receivables-payables)	19	25	29	32	30	28	21			0.5	0.4	
Gross fixed capital formation	524	560	596	608	623	634	641	7.1	4.5	10.7	11.1	
Net acquisition of other non-financial assets ⁴⁾	3	0	4	4	4	4	4			0.1	0.1	
Net lending (+) / net borrowing (-)	246	220	190	186	189	193	185			3.4	3.2	
								annual		tage of		
Financial transactions			four-quart	er-cumula	ated sums			rate	es ⁵⁾	HGDI, adjusted ³⁾		
	2004	2005	2006Q3	2006Q4	2007Q1	2007Q2	2007Q3	2007Q2	2007Q3	2006Q3	2007Q3	
Financial investment	592	634	614	624	653	642	574	3.9	3.4	11.1	10.0	
Currency and deposits	247	238	265	277	274	288	294	5.6	5.7	4.8	5.1	
Debt securities	74	-3	83	80	73	47	26	3.6	1.9	1.5	0.4	
Shares and other equity	-15	116	-25	-29	-1	12	10	0.2	0.2	-0.4	0.2	
Quoted shares	-47	3	-31	-12	0	-2	-17	-0.2	-1.5	-0.6	-0.3	
Unquoted shares and other equity	33	58	22	11	30	35	55	1.5	2.4	0.4	1.0	
Mutual fund shares	-1	54	-16	-28	-31	-20	-28	-1.3	-1.7	-0.3	-0.5	
Life insurance and pension fund reserves	251	300	298	277	257	255	226	5.8	5.0	5.4	3.9	
Other financial assets ⁶⁾	36	-17	-8	19	49	41	18			-0.1	0.3	
Financing	328	378	401	384	411	398	362	7.5	6.7	7.2	6.3	
Loans Short-term	312 8	390 15	411 11	391 12	382 13	365 9	362 9	7.5 2.9	7.4 2.8	7.4 0.2	6.3 0.2	
Long-term	303	375	401	379	370	356	353	7.9	2.6 7.7	7.2	6.1	
Other liabilities ⁷⁾	16	-13	-10	-7	29	33	303	7.9	1.1	-0.2	0.0	
	265	257	213	240	242	245	212	2.2	1.9	3.8	3.7	
Net lending (+) / net borrowing (-) (financial accounts) Changes in financial wealth not due to transactions	300	618	367	479	386	604	200	2.2	1.9	6.6	3.7	
Changes in financial wealth not due to transactions	300	010	307	479	300	604	200					
Financial balance sheet						annual percent changes ²⁾				percen		
i mancial balance sheet	2004	2005	2006Q3	f-period s 2006Q4	2007Q1	2007Q2	2007Q3	2007Q2	ges ⁷ 2007Q3	HGDI, ac 2006Q3		
Financial investment	14,840	16,106	16,830	17,210	17,550	17,772	17,602	7.5	4.6	302.7	305.1	
Currency and deposits	4,803	5,061	5,189	5,327	5,345	5,450	5,485	7.5 5.6	4.6 5.7	93.3	95.1	
Debt securities	1,279	1,257	1,328	1,320	1,354	1,308	1,325	-0.2	-0.2	23.9	23.0	
Shares and other equity	4,192	4,830	5,094	5,260	5,441	5,546	5,300	12.1	4.1	91.6	91.9	
Quoted shares	833	1,001	1,128	1,194	1,251	1,301	1,212	25.0	7.4	20.3	21.0	
Unquoted shares and other equity	1,880	2,207	2,334	2,419	2,525	2,541	2,423	10.8	3.8	42.0	42.0	
Mutual fund shares	1,480	1,622	1,632	1,647	1,666	1,704	1,666	5.6	2.1	29.3	28.9	
Life insurance and pension fund reserves	3,849	4,279	4,518	4,605	4,671	4,747	4,774	7.2	5.7	81.3	82.7	
Other financial assets ⁶⁾	717	680	701	698	738	722	718		J.,	12.6	12.5	
Financing	4,735	5,126	5,413	5,511	5,622	5,709	5,774	7.5	6.7	97.4	100.1	
Loans	4,246	4,630	4,916	5,016	5,099	5,196	5,275	7.5	7.3	88.4	91.4	
Short-term	292	305	307	311	310	316	312	2.1	1.9	5.5	5.4	
Long-term	3,954	4,325	4,609	4,705	4,789	4,879	4,963	7.8	7.7	82.9	86.0	
Other liabilities ⁷⁾	489	496	497	495	523	514	499]		8.9	8.6	
Net financial wealth	10,106	10,980	11,416	11,700	11,927	12,063	11,828	7.6	3.6	205.3	205.0	
Sources: ECB and Eurostat	.,	.,	,	,	,	,,,,,,,	,,,,,		2.0			

¹⁾ Households and non-profit institutions serving households.

²⁾ Annual percentage changes are calculated as $100^*(x_t - x_{t-4})/x_{t-4}$ where x_t stands for the transaction or end-of-quarter stock x in quarter t, and x_{t-4} for the transaction or stock four quarters earlier.

³⁾ Net adjustment for the change in net equity of households in pension fund reserves (receivables - payables).

⁴⁾ Changes in inventories, acquisitions less disposals of valuables and acquisitions less disposals of non-produced non-financial assets (e.g. land).

⁵⁾ Annual growth rates for financial transactions are calculated as 100*(f_t+f_{t-1}+f_{t-2}+f_{t-3})/F_{t-4} where f_t stands for the transactions in quarter t, and F_{t-4} for the end-of-quarter stock value four quarters earlier.

⁶⁾ Loans granted, prepayments of insurance premiums and reserves for outstanding claims and other accounts receivable.

⁷⁾ Financial derivatives, pension fund reserves and other accounts payable.

Table 3 Non-financial corporations

EUR billions											(0)(4
Non-financial transactions			four-quar	ter-cumula	ated sums			annual pe chan		percentag or (N	
Hon manda nandadiona	2004	2005	2006Q3		2007Q1	2007Q2	2007Q3	2007Q2	2007Q3	2006Q3	2007Q3
Gross value added (GVA)	3,989	4,113	4,240		4,354	4,410	4,467	5.2	5.3	100.0	100.0
Net value added (NVA)	3,357	3,451	3,559	3,608	3,660	3,710	3,761	5.6	5.6	83.9	84.2
Net entrepreneurial income	1,048	1,123	1,155	1,178	1,190	1,200	1,217	3.2	5.7	32.5	32.4
Net disposable income	123	99	75	57	56	46	44			2.1	1.2
Adj. for change in net worth in pension fund	-13	-12	-14	-15	-14	-13	-11			-0.4	-0.3
Net saving	110	87	61	42	42	34	34			1.7	0.9
Net capital transfers (receivable-payable)	58	61	66		86	86	76			1.6	1.7
Consumption of fixed capital	633	662	681	688	694	700	706	3.3	3.9		15.8
Gross fixed capital formation	841	889	937	950	973	994	1,012	8.4	7.7	22.1	22.7
Net acquisitions of other non-financial assets ³⁾	4	10	32		22	23	24			0.8	0.5
Net lending (+) / net borrowing (-)	-43	-89	-161	-165	-174	-197	-220			-3.8	-4.9
Financial transactions			four-quar	ter-cumula	ated sums			annual gro	wth rates ⁴⁾	percentag	e of GVA
	2004	2005	2006Q3	2006Q4	2007Q1	2007Q2	2007Q3	2007Q2	2007Q3	2006Q3	
Financial investment	384	593	664	706	754	777	783	6.2	6.1	15.7	17.5
Currency and deposits	90	144	144	166	193	193	174	13.3	11.7	3.4	3.9
Debt securities	-56	-23	-12	9	-3	-1	6	-0.2	1.5	-0.3	0.1
Loans	66	131	123	147	167	179	198	11.3	12.3	2.9	4.4
Shares and other equity	192	223	199	178	196	216	231	3.3	3.3	4.7	5.2
Quoted shares	94	25	84		37	56	66	3.4	3.9		1.5
Unquoted shares and other equity	76	177	122		159	163	207	3.6	4.3		4.6
Mutual fund shares	23	21	-6		0	-4	-42	-1.0	-10.3		-0.9
Other financial assets ⁵⁾	92	119	209		201	191	174			4.9	3.9
Financing	446	719	849		980	1,026	1,031	5.0	4.9		23.1
Debt securities	7	3	28		44	60	41	8.6	5.8		0.9
Short-term	10	3	9		28	44	34	16.9	12.9		0.8
Long-term	-2	0	20 555		16 591	16 614	7	3.6	1.6		0.2 15.5
Loans Short-term	198 30	385 129	192		211	229	692 248	10.3 11.7	11.4 12.6	13.1 4.5	5.6
Long-term	168	256	362		380	385	444	9.6	10.8		9.9
Shares and other equity	192	230	162		213	224	229	2.0	2.0		5.1
Quoted shares	132	100	38		46	66	74	1.7	1.8		1.7
Unquoted shares and other equity	180	130	125		166	158	155	2.2	2.0		3.5
Pension fund reserves	14	13	14		14	13	11	4.0	3.4		0.2
Other liabilities ⁶⁾	35	88	90	100	118	115	58			2.1	1.3
Net lending (+) / net borrowing (-) (financial accounts)	-62	-126	-185	-219	-226	-249	-248			-4.4	-5.5
								annual pe			
Financial balance sheet	0004	0005	end-of-period stocks			000700	000700	changes ¹⁾		percentage of GV 3 2006Q3 2007Q	
Financial investment	2004 10,575	2005 11,944	2006Q3 12,920	2006Q4 13,488	2007Q1 13,887	2007Q2 14,345	2007Q3 14,301	2007Q2 14.4	2007Q3 10.7	304.7	320.1
Currency and deposits	1,239	1,396	1,491	1,563	1,625	1,670	1,681	15.1	10.7	35.2	37.6
Debt securities	426	388	387	391	377	392	380	-3.8	-1.8		8.5
Loans	1,399	1,520	1,614		1,733	1,780	1,824	12.2	13.0		40.8
Shares and other equity	5,211	6,225	6,892		7,488	7,810	7,689	18.4	11.6		172.1
Quoted shares	1,257	1,499	1,692		1,911	1,993	1,900	20.5	12.3		42.5
Unquoted shares and other equity	3,582	4,313	4,791	5,036	5,161	5,406	5,416	19.0	13.1	113.0	121.2
Mutual fund shares	372	413	410	404	416	411	372	3.7	-9.1	9.7	8.3
Other financial assets ⁵⁾	2,300	2,415	2,536	2,609	2,664	2,693	2,726			59.8	61.0
Financing	17,425	19,498	20,970	21,903	22,558	23,478	23,449	14.8	11.8	494.5	524.9
Debt securities	668	671	697	699	710	743	733	7.1	5.2	16.4	16.4
Short-term	237	243	261	266	281	305	294	16.8	12.8	6.2	6.6
Long-term	430	428	436	433	429	438	439	1.2	0.6	10.3	9.8
Loans	5,252	5,648	6,082		6,389	6,609	6,775	10.5	11.4		151.7
Short-term	1,702	1,841	1,973		2,087	2,182	2,220	11.8	12.5		49.7
Long-term	3,550	3,807	4,109		4,302	4,427	4,555	9.8	10.8		102.0
Shares and other equity	9,172	10,716	11,634		12,771	13,416	13,201	19.0	13.5		295.5
Quoted shares	2,987	3,681	4,077		4,664	5,061	4,935	28.4	21.0		110.5
Unquoted shares and other equity	6,185	7,035	7,557		8,106	8,355	8,267	13.9	9.4		185.1
Pension fund reserves	301	314	325		332		336	4.0	3.4		7.5
Other liabilities ⁶⁾	2,032	2,150	2,231	2,308	2,356	2,377	2,403			52.6	53.8

¹⁾ Annual percentage changes are calculated as $100^*(x_t - x_{t,d})/x_{t,d}$ where x_t stands for the transaction or end-of-quarter stock x in quarter t, and $x_{t,d}$ for the transaction or stock four quarters earlier.

2) As a percentage of net value added in the case of net entrepreneurial income and net saving.

³⁾ Changes in inventories, acquisitions less disposals of valuables and acquisitions less disposals of non-produced non-financial assets (e.g. land).

⁴⁾ Annual growth rates for financial transactions are calculated as $100^*(f_t + f_{t-1} + f_{t-2} + f_{t-3})/F_{t-4}$ where f_t stands for the transactions in quarter t, and F_{t-4} for the end-of-quarter stock value four quarters earlier.

⁵⁾ Other accounts receivable, and prepayments of insurance premiums and reserves for outstanding claims.

⁶⁾ Other accounts payable, financial derivatives and deposits.

Table 4 General government

EUR billions

Primarcial transactions	EUR billions											
Next disposable income (GNDI)	New Grannick (newscastlens											
Mediagnopable income (NND)	Non-tinancial transactions	2004					200702	200702				
Consumption exponditure 1,591 1,505 1,705 1,721 1,737 1,748 1,760 2,26 3,5 101 9,88	Not disposable income (GNDI)											
Net sawfing												
Consumption of fixed capital 145 157 159 161 153 154 3.9 37 94 3.8 3.0									2.0	5.5		
Not capital transfers (receivable-payable) (75) 600 720 821 838 848 757 751	, and the second			_					3.9	3.7		
Soss fished capital formation 191 200 206 212 217 218 222 3.0 7.1 2.3 2.7 2.8 2.2 3.0 2.5 2.8	· ·								0.0	0		
Net landing (y / net horrowing () 22 207 1 33 32 2 2 1 3 5 1 5 1 5 2 2 2 1 3 5 1 5 1 5 1 5 2 2 2 1 3 5 1 5 1 5 1 5 2 2 2 1 3 5 1 5 1 5 1 5 2 2 2 1 3 5 1 5 1 5 1 5 1 5 1 5 1 5 1 5 1 5 1									3.0	7.1		
Financial transactions												
Primarcial transactions	· ·											-2.8
No. Primarcial transactions Company C	3(7)											
Net acquisition of financial assets	Financial transactions		1	our-quarte	r-cumulat	ed sums			annual grov	vth rates3)		
Financial investment* Currency and deposits 4		2004	2005	2006Q3	2006Q4	2007Q1	2007Q2	2007Q3	2007Q2	2007Q3	2006Q3	2007Q3
Debt securities		42	78	114	34	44	111	90	4.2	3.3	6.8	4.9
Debts securities	Financial investment ⁴⁾	46	71	61	33	52	95	86	4.5	4.1	3.6	4.7
Loans 10 7 4 16 15 12 7 3.2 1.9 0.3 0.4 0.8 Short-term 0 3 1 1 0 0 3 3 3 7.8 8.1 0.1 0.2 Long-term 10 4 6 18 1.5 1.5 1.5 1.0 4.5 3.1 0.3 0.3 0.0 0.5 0.0 Courted shares and other equity 9 9 1.2 1.9 1.8 1.1 1.7 1.2 0.9 0.8 Unquoted shares and other equity 9 9 3 6 6 5 7.7 1.0 1.1 1.2 0.9 0.8 Unquoted shares and other equity 9 9 7.3 6 6 6 5 7.7 1.0 1.1 1.2 0.9 0.8 Unquoted shares and other equity 9 9 7.3 1 8 16 1.3 10.7 11.2 0.9 0.8 Unquoted shares and other equity 9 9 7.3 1 8 16 3 1.0 10.7 11.2 0.9 0.8 Unquoted shares and other equity 9 9 7.3 1 8 16 3 10.7 11.2 0.9 0.8 Unquoted shares and other equity 9 9 7.3 1 8 16 1.3 10.7 11.2 0.9 0.8 Unquoted shares and other equity 9 9 7 7 7 7 7 7 7 7	Currency and deposits	19		61	35	44	79	51	14.6	9.7	3.6	2.8
Short-term	Debt securities		20	13	26	25						2.3
Long-term 10	Loans			-4	-16			-7	-3.2	-1.9	-0.3	-0.4
Shares and other equity								-	-			0.2
Quoled shares Quoled sha	-											
Unquoted shares and other equity Minutal fund shares 11 11 14 13 12 13 14 14	, ,			_								
Multial fund shares												
Other financial assets [®] 4 4 7 53 1 8 16 33 2 1,2 1,5 3,7 7,7 Not incurrence of liabilities 273 263 125 127 133 163 143 2.6 2.2 15,3 7,7 Currency and deposits 25 25 20 13 5 -8 -6 -2.3 1-17 1,2 -0.3 Debt securities 234 215 122 102 112 160 -2.3 1-17 1,2 -0.3 Chory-term 12 24 275 -31 10 44 63 7,3 10.6 -1.5 3.4 Long-term 16 16 16 6 16 26 15 -5 -5 -7 -0.5 -5 -4 -1.5 -5 -4 -1.5 -5 -4 -1.5 -1.4 -0.1 -0.4 -0.3 -0.2 -1.5 -1.5												
Net incurrence of liabilities 264 285 257 167 161 198 141 3.0 2.1 15.3 7.7 Financial part 273 263 165 121 133 163 143 2.6 2.2 2.9 3.7.7 Currency and deposits 25 25 25 20 13 5 8 6 6 6.2 2.3 1.17 1.2 0.3 Debt securities 12 49 2.25 122 102 112 162 151 3.3 3.0 7.7 1.2 0.3 Short-term 12 9-9 2.5 3.1 10 44 63 67.3 100 1.5 3.4 Long-term 222 224 147 133 102 118 88 2.7 2.0 8.7 4.8 Loans 13 23 24 77 17 9 3 0.8 0.2 1.14 0.1 Short-term 3 7 30 5 23 15 2 102 1.12 1.8 0.1 Long-term 16 16 6 1 6 6 6 6 6	5 3								10.7	11.2		
Financing® 273 263 165 121 133 163 143 2.6 2.2 9.8 7.7 Currency and deposits 25 25 20 13 5 -6 -2.3 -1.7 1.2 -0.3 Short-term 12 29 -2.5 -31 100 44 63 7.3 10.6 -1.5 3.4 Long-term 12 22 224 147 133 102 118 88 2.7 2.0 8.7 4.0 Short-term 1-3 27 30 5 23 15 2 10.2 1.4 -0.1 Loany-term 16 16 6 6 5 5.0 7.0 5 2.3 1.1 6 5 5 2.0 1.1 6 5.5 5.0 7.0 4 0.0 9.0 2.0 1.4 0.0 9.0 2.0 1.4 0.0 9.0 2.0 <								-			_	
Currency and deposits 25 25 29 13 5 -8 -6 -2.3 -1.7 1.2 -0.3 Debt securities 234 215 122 102 112 104 151 3.3 3.0 7.2 8.3 Short-term 12 -9 -25 -31 100 144 63 7.3 10.6 -1.5 3.4 Loans 13 222 224 147 133 102 118 88 2.7 2.0 8.7 4.4 -0.1 Short-term -3 7 30 5 2.3 15 2 10.2 1.2 1.8 0.1 Other liabilities® -9 2.2 91 46 2.8 3.5 -1 -5.4 -0.1 -0.4 -0.5 -0.7 -0.5 -0.4 -0.1 -0.6 -0.7 -0.5 -0.5 -0.2 -0.2 -0.2 -0.2 -0.2 -0.2 -0.2												
Debt securities 234 215 122 102 112 162 151 3.3 3.0 7.2 8.2	-											
Short-term 12 2-9 2-25 3-31 10 4-4 6-3 7-3 10.6 2-15 3.4 Long-term 222 224 147 133 102 118 88 2.7 2.0 8.7 4.8 Loans 13 23 24 7 17 9 -3 3.08 -0.2 1.4 -0.1 Short-term -3 7 30 5 23 15 2 10.2 112 18 0.1 Long-term -16 16 6 1 6 7 1 6 -5 -5 -0.7 -0.5 -0.4 -0.3 Other liabilities												
Long-term												
Loans												
Short-term	-											
Long-term Charle												
Other liabilities Ot												
Net lending (+) / net borrowing (·) (financial accounts) -222 -207 -143 -132 -118 -87 -51 -51 -8.5 -2.8 -2.8				-					0	0.0		
Financial balance sheet 2004 2005 2006Q3 2006Q4 2007Q1 2007Q2 2007Q3 2007Q2 2007Q3 2007Q3 2006Q3 2007Q3 2006Q3 2007Q3 2006Q3 2007Q3 2006Q3 2007Q3											_	
Financial balance sheet 2004 2005 2006Q3 2007Q1 2007Q1 2007Q2 2007Q3 2007Q							-		annual nei	rcentage		
Financial assets Financial investment ⁴) 2,333 2,555 2,679 2,687 2,758 2,919 2,882 9,7 7,6 159,3 156,6 150,3 156,6 150,3 150,6 150,6 150,3 150,6	Financial balance sheet			end-of-	period sto	ocks						
Financial investment ⁶⁾ 1,822 2,033 2,130 2,164 2,214 2,365 2,329 11.4 9.4 126.7 126.6 Currency and deposits 447 479 527 513 533 624 579 14.8 9.9 31.3 31.5 Debt securities 184 205 218 226 231 240 257 12.2 17.8 13.0 14.0 257 Loans Short-term 43 46 39 45 39 45 39 42 42 7.5 8.4 2.3 2.3 2.3 Long-term 325 332 327 314 316 315 315 4.9 -3.4 19.4 17.2 Shares and other equity Quoted shares 223 316 342 380 395 441 423 33.1 23.7 20.3 23.0 Unquoted shares and other equity Mutual fund shares 87 114 128 133 142 148 150 23.1 17.5 7.6 8.2 23.7 30.0 Other financial assets ⁵⁾ 511 522 549 524 545 554 553 32.7 30.0 Short-term Currency and deposits 4,720 4,962 5,000 4,917 4,970 4,967 5,008 0.8 0.2 297.4 272.3 Short-term 582 581 590 561 613 656 658 8.7 11.5 35.1 35.8 Short-term 582 581 590 561 613 656 658 8.7 11.5 35.1 35.1 35.1 35.1 35.1 35.1 35.1		2004	2005	2006Q3	2006Q4	2007Q1	2007Q2	2007Q3			2006Q3	2007Q3
Currency and deposits		2,333	2,555	2,679	2,687	2,758	2,919	2,882	9.7	7.6	159.3	156.6
Debt securities	Financial investment ⁴⁾										126.7	126.6
Loans 368 378 366 359 355 357 358 -3.6 -2.1 21.7 19.5 Short-term 43 46 39 45 39 42 42 7.5 8.4 2.3 2.3 Long-term 325 332 327 314 316 315 315 315 -4.9 -3.4 19.4 17.2 Shares and other equity 824 970 1,019 1,065 1,094 1,145 1,135 14.9 11.4 60.6 61.7 Quoted shares and other equity 514 540 549 552 558 555 562 2.1 2.3 32.7 30.0 Mutual fund shares 87 114 128 133 142 148 150 23.1 17.5 7.6 8.2 Other financial assets 511 522 549 524 545 554 553 32.7 30.0 Liabilities 6,386 6,724 6,793 6,710 6,771 6,767 6,805 1.2 0.2 404.1 369.9 Financing 6,084 6,373 6,421 6,344 6,399 6,375 6,417 0.5 -0.1 381.9 348.9 Debt securities 4,720 4,962 5,000 4,917 4,970 4,967 5,008 0.8 0.2 297.4 272.3 Short-term 582 581 590 561 613 656 658 8.7 11.5 35.1 35.8 Long-term 4,138 4,381 4,410 4,356 4,357 4,312 4,350 -0.4 -1.4 262.3 236.5 Loans 1,056 1,079 1,085 1,082 1,088 1,079 1,078 0.4 -0.6 64.5 58.6 Short-term 936 952 955 953 930 919 916 -1.1 -1.0 55.0 49.8 Other liabilities 0 0ther liabilities 0 0th	Currency and deposits			527		533					31.3	31.5
Short-term												14.0
Long-term 325 332 327 314 316 315 315 4.9 -3.4 19.4 17.2 Shares and other equity 824 970 1,019 1,065 1,094 1,145 1,135 14.9 11.4 60.6 61.7 Quoted shares 223 316 342 380 395 441 423 33.1 23.7 20.3 23.0 Unquoted shares and other equity 514 540 549 552 558 555 562 2.1 2.3 32.7 30.5 Mutual fund shares 87 114 128 133 142 148 150 23.1 17.5 7.6 8.2 Other financial assets 5) 511 522 549 524 545 554 553 560 1.2 0.2 404.1 369.9 Financing 6 6,084 6,373 6,421 6,344 6,399 6,375 6,417 0.5 -0.1 381.9 348.9 Currency and deposits 308 332 336 345 341 328 330 -2.3 -1.7 20.0 18.0 Debt securities 4,720 4,962 5,000 4,917 4,970 4,967 5,008 0.8 0.2 297.4 272.3 Short-term 582 581 590 561 613 656 658 8.7 11.5 35.1 35.8 Long-term 4,138 4,381 4,410 4,356 4,357 4,312 4,350 -0.4 -1.4 262.3 236.5 Long-term 936 952 925 953 930 919 916 -1.1 -1.0 55.0 49.8 Other liabilities 9 302 351 372 366 372 393 388 5 2.2 1 2.1 2.1 2.1 1.1												
Shares and other equity Quoted shares 223 316 342 380 395 441 423 33.1 23.7 20.3 23.0 Unquoted shares and other equity 514 540 549 552 558 555 562 2.1 2.3 32.7 30.5 Mutual fund shares 87 114 128 133 142 148 150 23.1 17.5 7.6 8.2 Other financial assets ⁵⁾ 511 522 549 524 545 554 553 Liabilities 6,386 6,724 6,793 6,710 6,771 6,767 6,805 1.2 0.2 404.1 369.9 Currency and deposits 308 332 336 345 341 328 330 -2.3 -1.7 20.0 18.0 Debt securities 4,720 4,962 5,000 4,917 4,970 4,967 5,008 0.8 0.2 297.4 272.3 Short-term 582 581 590 561 613 656 658 8.7 11.5 35.1 35.8 Long-term 4,138 4,381 4,410 4,356 4,357 4,312 4,350 -0.4 -1.4 262.3 236.5 Loans Short-term 120 127 160 129 158 160 163 10.3 1.6 9.5 88.6 Other liabilities ⁹⁾ Other liabilities ⁹⁾												
Quoted shares 223 316 342 380 395 441 423 33.1 23.7 20.3 23.0 Unquoted shares and other equity 514 540 549 552 558 555 562 2.1 2.3 32.7 30.5 Mutual fund shares 87 114 128 133 142 148 150 23.1 17.5 7.6 8.2 Other financial assets ⁵⁾ 511 522 549 524 545 554 553 32.7 30.0 Liabilities 6,386 6,724 6,793 6,710 6,771 6,767 6,805 1.2 0.2 404.1 369.9 Financing ⁴⁾ 6,084 6,373 6,421 6,344 6,399 6,375 6,417 0.5 -0.1 381.9 348.9 Debt securities 4,720 4,962 5,000 4,917 4,967 5,008 0.8 0.2 297.4 272.3 Short-term	-											
Unquoted shares and other equity Mutual fund shares 87 114 128 133 142 148 150 23.1 17.5 7.6 8.2 Other financial assets ⁵⁾ 511 522 549 524 545 554 553 Liabilities 6,386 6,724 6,793 6,710 6,771 6,767 6,805 Financing ⁴⁾ Currency and deposits 308 332 336 345 341 328 330 -2.3 -1.7 20.0 18.0 Debt securities 4,720 4,962 5,000 4,917 4,970 4,967 5,008 0.8 0.2 297.4 272.3 Short-term 582 581 590 561 613 656 658 8.7 11.5 35.1 35.8 Long-term 4,138 4,381 4,410 4,356 4,357 4,312 4,350 -0.4 -1.4 262.3 236.5 Short-term 58 50rt-term 120 127 160 129 158 160 163 10.3 1.6 9.5 8.8 Other liabilities ⁵⁾ Other liabilities ⁵⁾ 30.5 49.5 55.5 562 2.1 2.3 32.7 30.5 32.7 30.5 56.2 32.7 30.0 32.7 30	. ,											
Mutual fund shares 87 114 128 133 142 148 150 23.1 17.5 7.6 8.2 Other financial assets ⁵⁾ 511 522 549 524 545 553 1.2 0.2 404.1 369.9 Liabilities 6,386 6,724 6,783 6,710 6,771 6,767 6,805 1.2 0.2 404.1 369.9 Financing ⁴⁾ 6,084 6,373 6,421 6,344 6,399 6,375 6,417 0.5 -0.1 381.9 348.9 Currency and deposits 308 332 336 345 341 328 330 -2.3 -1.7 20.0 18.0 Debt securities 4,720 4,962 5,000 4,917 4,970 4,967 5,008 0.8 0.2 297.4 272.3 Short-term 582 581 590 561 613 656 658 8.7 11.5 35.1 35.8												
Other financial assets ⁵⁾ 511 522 549 524 545 554 553 32.7 30.0 Liabilities 6,386 6,724 6,793 6,710 6,771 6,767 6,805 1.2 0.2 404.1 369.9 Financing ⁴⁾ 6,084 6,373 6,421 6,344 6,399 6,375 6,417 0.5 -0.1 381.9 348.9 Currency and deposits 308 332 336 345 341 328 330 -2.3 -1.7 20.0 18.0 Debt securities 4,720 4,962 5,000 4,917 4,970 4,967 5,008 0.8 0.2 297.4 272.3 Short-term 582 581 590 561 613 656 658 8.7 11.5 35.1 35.8 Long-term 4,138 4,381 4,410 4,356 4,357 4,312 4,350 -0.4 -1.4 262.3 236.5												
Liabilities 6,386 Financing ⁴⁾ 6,724 6,793 6,710 6,710 6,767 6,805 6,417 6,767 6,805 7.2 404.1 369.9 6,375 6,417 7.2 40.0 18.0 18.0 18.0 18.0 18.0 18.0 18.0 1									23.1	17.5		
Financing ⁴⁾ 6,084 6,373 6,421 6,344 6,399 6,375 6,417 0.5 -0.1 381.9 348.9 Currency and deposits 308 332 336 345 341 328 330 -2.3 -1.7 20.0 18.0 Debt securities 4,720 4,962 5,000 4,917 4,970 4,967 5,008 0.8 0.2 297.4 272.3 Short-term 582 581 590 561 613 656 658 8.7 11.5 35.1 35.8 Long-term 4,138 4,381 4,410 4,356 4,357 4,312 4,350 -0.4 -1.4 262.3 236.5 Lons 1,056 1,079 1,085 1,082 1,088 1,079 1,078 0.4 -0.6 64.5 58.6 Short-term 120 127 160 129 158 160 163 10.3 1.6 9.5 8.8									1.0	0.0		
Currency and deposits 308 332 336 345 341 328 330 -2.3 -1.7 20.0 18.0 Debt securities 4,720 4,962 5,000 4,917 4,970 4,967 5,008 0.8 0.2 297.4 272.3 Short-term 582 581 590 561 613 656 658 8.7 11.5 35.1 35.8 Long-term 4,138 4,381 4,410 4,356 4,357 4,312 4,350 -0.4 -1.4 262.3 236.5 Loans 1,056 1,079 1,085 1,082 1,088 1,079 1,078 0.4 -0.6 64.5 58.6 Short-term 120 127 160 129 158 160 163 10.3 1.6 9.5 8.8 Long-term 936 952 925 953 930 919 916 -1.1 -1.0 -55.0 49.8												
Debt securities 4,720 4,962 5,000 4,917 4,970 4,967 5,008 0.8 0.2 297.4 272.3 Short-term 582 581 590 561 613 656 658 8.7 11.5 35.1 35.8 Long-term 4,138 4,311 4,410 4,356 4,357 4,312 4,350 -0.4 -1.4 262.3 236.5 Lons 1,056 1,079 1,082 1,088 1,079 1,078 0.4 -0.6 64.5 58.6 Short-term 120 127 160 129 158 160 163 10.3 1.6 9.5 8.8 Long-term 936 952 925 953 930 919 916 -1.1 -1.0 55.0 49.8 Other liabilities ³⁰ 302 351 372 366 372 393 388 52 22.1 21.1	_											
Short-term 582 581 590 561 613 656 658 8.7 11.5 35.1 35.8 Long-term 4,138 4,381 4,410 4,356 4,357 4,312 4,350 -0.4 -1.4 262.3 236.5 Loans 1,056 1,079 1,085 1,082 1,088 1,079 1,078 0.4 -0.6 64.5 58.6 Short-term 120 127 160 129 158 160 163 10.3 1.6 9.5 8.8 Long-term 936 952 925 953 930 919 916 -1.1 -1.0 55.0 49.8 Other liabilities ³⁰ 302 351 372 366 372 393 388 22.1 22.1 21.1	* .											
Long-term 4,138 4,381 4,410 4,356 4,357 4,312 4,350 -0.4 -1.4 262.3 236.5 Loans 1,056 1,079 1,085 1,082 1,088 1,079 1,078 0.4 -0.6 64.5 58.6 Short-term 120 127 160 129 158 160 163 10.3 1.6 9.5 8.8 Long-term 936 952 925 953 930 919 916 -1.1 -1.0 55.0 49.8 Other liabilities ¹⁰ 302 351 372 366 372 393 388 52.1 22.1 21.1												
Loans 1,056 1,079 1,085 1,082 1,088 1,079 1,078 0.4 -0.6 64.5 58.6 Short-term 120 127 160 129 158 160 163 10.3 1.6 9.5 8.8 Long-term 936 952 925 953 930 919 916 -1.1 -1.0 55.0 49.8 Other liabilities ¹⁰ 302 351 372 366 372 393 388 22.1 21.1	I											
Short-term 120 127 160 129 158 160 163 10.3 1.6 9.5 8.8 Long-term 936 952 925 953 930 919 916 -1.1 -1.0 55.0 49.8 Other liabilities ⁵⁰ 302 351 372 366 372 393 388 22.1 21.1	•											
Long-term 936 952 925 953 930 919 916 -1.1 -1.0 55.0 49.8 Other liabilities ⁹⁾ 302 351 372 366 372 393 388 22.1 21.1												
Other liabilities ⁵⁾ 302 351 372 366 372 393 388 22.1 21.1												
										0		21.1
	-											

¹⁾ Annual percentage changes are calculated as $100^*(x_t - x_{t-4})/x_{t-4}$ where x_t stands for the transaction or end-of-quarter stock x in quarter t, and x_{t-4} for the transaction or stock four quarters earlier.

²⁾ Changes in inventories, acquisitions less disposals of valuables and acquisitions less disposals of non-produced non-financial assets.

³⁾ Annual growth rates for financial transactions are calculated as $100^*(f_t + f_{t-1} + f_{t-2} + f_{t-3})/F_{t-4}$ where f_t stands for the transactions in quarter t, and F_{t-4} for the end-of-quarter stock value four quarters earlier.

⁴⁾ In line with existing conventions, the financing of the government excludes the net incurrence of liabilities via financial derivatives, shares and other equity, pension fund reserves and other accounts payable, and the financial investment of the government excludes prepayments of insurance premiums and reserves for outstanding claims and other accounts receivable.

⁵⁾ Other accounts receivable, and prepayments of insurance premiums and reserves for outstanding claims.

⁶⁾ Other accounts payable, pension fund reserves, financial derivatives and unquoted shares and other equity.

⁷⁾ General government debt at nominal value and consolidated between sub-sectors of general government.

Table 5 Financial corporations

EUR billions

EUR billions												
Non-financial transactions			four-quarte	er-cumulat	ed sums			annual per chang		percentage of GVA or (NVA) ²⁾		
Non-infancial transactions	2004	2005	2006Q3	2006Q4		2007Q2	2007Q3	2007Q2	2007Q3	2006Q3	. ,	
Gross value added (GVA)	347	361	370	370	370	371	375	1.8	3.6	100.0	100.0	
Net value added (NVA)	307	319	327	327	327	328	331	1.5	3.4	88.5	88.3	
Net entrepreneurial income	319	352	384	399	416	436	454	14.8	20.4	117.2	137.3	
Net disposable income	96	90		103	108	105	118			29.7	35.5	
Adj. for change in net worth in pension fund	-44	-47	-48	-48	-48	-50	-53			-14.6	-16.1	
Net saving	96	90		103	108	105	118			29.7	35.5	
Net capital transfers (receivable-payable)	-10 40	-13	l .	-10	-10		-9	0.0	5.0	-2.5	-2.5 11.7	
Consumption of fixed capital Gross fixed capital formation	40	41 39		42 43	43 44	43 43	44 43	3.8 -8.3	5.2 6.0	11.5 11.2	11.7	
Net acquisition of other non-financial assets ³⁾	0	1	1	1	1	1	1	-0.5	0.0	0.3	0.3	
Net lending (+) / net borrowing (-)	81	78		90	95	95	108			23.6	28.7	
interiorising (1)/ not borrowing (7										percen		
Financial transactions		1	four-quarte	er-cumulat	ed sums			annual grov		G\		
	2004	2005	2006Q3	2006Q4	2007Q1	2007Q2	2007Q3	2007Q2	2007Q3	2006Q3	2007Q3	
Financial investment	1,946	3,051	3,341	3,478	3,560	4,004	3,792	12.1	11.1	903.2	1012.3	
Currency and deposits	335	434		757	888	941	952	25.1	24.5	135.5	254.3	
Debt securities	467	699		563	597	749	660	10.1	8.7	172.5	176.3	
Short-term	101	20	l .	93	168	190	146	40.4	29.6	18.3	39.1	
Long-term Loans	367 603	679 890		469 1,142	429 1,193	559 1,275	514 1,407	8.1 10.6	7.2 11.5	154.2 310.9	137.2 375.7	
Short-term	90	177		313	337	386	373	13.3	12.6	82.1	99.6	
Long-term	513	713	l .	829	856	889	1,034	9.8	11.1	228.8	276.1	
Shares and other equity	386	705	l .	783	557	620	453	8.0	5.6	217.2	121.0	
Other financial assets ⁵⁾	155	323	248	234	324	419	318			67.2	85.0	
Financing	1,864	2,973	3,254	3,388	3,465	3,909	3,684	11.7	10.7	879.6	983.6	
Currency and deposits	713	993	1,129	1,242	1,328	1,556	1,520	13.2	12.6	305.3	405.7	
Debt securities	299	428	549	632	664	685	681	17.5	17.0	148.5	181.8	
Short-term	30	42	l .	83	90	92	117	26.1	31.4	18.6	31.2	
Long-term	269	386	l .	549	574	593	564	16.7	15.5	129.9	150.6	
Loans	77	140	l .		172		348	17.1	25.5	43.9	93.0	
Short-term Long-term	12 65	70 70		64 96	112 60	151 73	163 185	21.6 11.9	22.5 28.9	16.9 27.0	43.6 49.4	
Shares and other equity	346	757	l .		655	708	505	7.5	5.1	216.8	134.8	
Quoted shares	28	21	39	36	41	44	32	3.1	2.0	10.6	8.6	
Unquoted shares and other equity	7	31		142	130	41	45	1.7	1.9	40.2	12.1	
Mutual fund shares	311	705	614	584	484	623	427	11.1	7.3	166.1	114.1	
Insurance technical reserves	266	336	336	317	302	300	275	6.2	5.6	90.8	73.3	
Other liabilities ⁶⁾	162	318	275	276	343	436	355			74.3	94.9	
Net lending (+) / net borrowing (-) (financial accounts)	81	78	87	90	95	95	108			23.6	28.7	
								annual per				
Financial balance sheet	2004	2005	end-of 2006Q3	-period sto	2007Q1	2007Q2	2007Q3	chang 2007Q2	ges ¹⁷ 2007Q3			
Financial investment	27,224	31,441	34,154	2006Q4 35,169	36,392		38,036	13.9	11.4			
Currency and deposits	2,738	3,420		4,121	4,469	4,633	4,740	23.8	21.9			
Debt securities	6,402	7,235			7,792		7,998	8.0	5.3			
Short-term	428	454		536	610	669	643	42.4	29.9			
Long-term	5,973	6,780	7,097	7,061	7,183	7,323	7,355	5.7	3.6			
Loans	10,535	11,478		12,550	12,850	13,204	13,564	10.0	10.6			
Short-term	2,509	2,739		3,006	3,128	3,251	3,285	12.0	10.8			
Long-term	8,026	8,739		9,544	9,723	9,952	10,279	9.4	10.5			
Shares and other equity	5,973	7,315		8,585	8,799	9,224	9,071	18.3	11.1			
Other financial assets ⁵⁾	1,576 27,342	1,993		2,316 35,612	2,481	2,569 38,022	2,663	40.0	40.0			
Financing Currency and deposits	9,948	31,673 11,259			36,843 12,792		38,175 13,397	13.9 12.4	10.6 11.0			
Debt securities	3,133	3,622		4,213	4,425		4,643	16.9	15.8			
Short-term	268	324			431	451	492	27.7	32.2			
Long-term	2,865	3,298		3,813	3,994	4,122	4,151	15.8	14.1			
Loans	1,114	1,262			1,477	1,530	1,700	16.7	24.4			
Short-term	612	684			797	844	884	21.1	21.8			
Long-term	502	578		677	679	686	816	11.7	27.3			
Shares and other equity	7,305	8,845			10,511	10,850	10,483	15.5	5.8			
Quoted shares	1,039	1,360		1,682	1,771	1,822	1,623	28.2	2.4			
Unquoted shares and other equity	1,819	2,137			2,460	2,508	2,412	6.6	-1.7			
Mutual fund shares	4,446	5,348		6,072	6,279		6,448	16.0	9.9			
Insurance technical reserves Other liabilities ⁶⁾	4,185	4,661		5,035	5,117		5,246	7.6	6.3			
Other habilities :	1,657	2,024	2,243	2,342	2,522	2,625	2,706			l		

Other liabilities⁶⁾
Sources: ECB and Eurostat

¹⁰⁾ Annual percentage changes are calculated as $100^*(x_t - x_{t-4})/x_{t-4}$ where x_t stands for the transaction or end-of-quarter stock x in quarter t, and x_{t-4} for the transaction or stock four quarters earlier.

²⁾ As a percentage of net value added in the case of net entrepreneurial income and net saving.

³⁾ Changes in inventories, acquisitions less disposals of valuables and acquisitions less disposals of non-produced non-financial assets (e.g. land).

4) Annual growth rates for financial transactions are calculated as 100*(f₁+f₁₋₁+f₁₋₂+f₁₋₃)/F₁₋₄ where f₁ stands for the transactions in quarter t, and F₁₋₄ for the end-of-quarter stock value four quarters earlier.

⁵⁾ Monetary gold and SDRs, other accounts receivable, and prepayments of insurance premiums and reserves for outstanding claims.

⁶⁾ Other accounts payable and financial derivatives.

Table 6 Insurance corporations and pension funds

EUR billions

Financial transactions		annual growth rates ¹⁾							
Financial transactions	0004		our-quarte			000700	000700		
Pi	2004 266	2005 348	2006Q3 375	2006Q4 377	2007Q1 356	2007Q2 353	2007Q3 309	2007Q2 6.2	2007Q3 5.3
Financial investment	∠66 50	346 26	375 49	65	82	353 74	78	10.8	5.3 11.1
Currency and deposits	155	∠6 150	136	147	62 165	191	76 172	9.3	8.1
Debt securities									
Short-term	22 133	20	-9	0	12	26	21	12.2	10.1
Long-term		129	145	147	153 -9	165	150	9.0	7.9 -3.9
Loans	7 45	-3 137	11 142	4 125	-9 89	-8 70	-15 51	-2.2 3.3	-3.9 2.3
Shares and other equity Quoted shares	13	32	142	17	12	6	3		2.3 0.4
	-1	32 18	26	21	13	15	22	0.8 3.6	5.0
Unquoted shares and other equity	33	-	101		64	49	26		
Mutual fund shares Other financial assets ²⁾		87		88				5.0	2.6
	9	38	38	36	29	26	23		
Financing	276	386	404	383	351 0	357	316	6.2	5.3
Currency and deposits	0 -2	0	0	0 4	4	0	0	-5.9	0.9 14.3
Debt securities	-2 4	12	37		34	-	3 42	16.8	14.3 25.1
Loans	7		_	33		44		27.9	
Short-term		8	26	20	24	36	38	39.5	41.0
Long-term	-3 13	5 9	11	12	10	8 12	4	12.1	5.8
Shares and other equity	3		11	7	10 5		10	2.0 2.0	1.7
Quoted shares	10	6 3	7 4	3	5 5	5 6	2 8	2.0	0.7 2.5
Unquoted shares and other equity Insurance technical reserves	261	335	334	314	300	297	272	6.2	5.6
Other liabilities ³⁾	-1	29	22	25	4	1	-12	0.2	5.0
Net lending (+) / net borrowing (-) (financial accounts)	-10	-37	-30	-6	5	-5	-8		
Financial balance sheet		annual pe							
Financial balance sneet	0004	2005		period sto		000700	000700	chan	_
Financial investment	2004	2005 5,461	2006Q3 5.843	2006Q4	2007Q1	2007Q2	2007Q3	2007Q2 9.4	2007Q3
	4,902 631	659	704	5,965 724	6,079 752	6,176 761	6,206 785	11.2	6.2 11.5
Currency and deposits Debt securities	1,865	2.021	2.124	2.116	2.156	2.183	2.190	6.1	3.1
Short-term	206	2,021	2,124	2,110	2,130	2,103	2,190	11.7	9.0
Long-term	1,659	1,809			1,929	1,945	1,958		2.4
•			1 011						2.4
	364		1,911	1,904				5.5	-5.0
Loans Shares and other equity	364 1 685	367	376	366	355	358	354	-5.0	-5.9
Shares and other equity	1,685	367 2,012	376 2,214	366 2,328	355 2,379	358 2,433	354 2,412	-5.0 15.2	9.0
Shares and other equity Quoted shares	1,685 575	367 2,012 702	376 2,214 762	366 2,328 831	355 2,379 855	358 2,433 860	354 2,412 853	-5.0 15.2 19.9	9.0 12.0
Shares and other equity Quoted shares Unquoted shares and other equity	1,685 575 337	367 2,012 702 397	376 2,214 762 435	366 2,328 831 457	355 2,379 855 460	358 2,433 860 482	354 2,412 853 480	-5.0 15.2 19.9 14.3	9.0 12.0 10.2
Shares and other equity Quoted shares Unquoted shares and other equity Mutual fund shares	1,685 575 337 773	367 2,012 702 397 913	376 2,214 762 435 1,017	366 2,328 831 457 1,040	355 2,379 855 460 1,063	358 2,433 860 482 1,091	354 2,412 853 480 1,080	-5.0 15.2 19.9	9.0 12.0
Shares and other equity Quoted shares Unquoted shares and other equity Mutual fund shares Other financial assets ²⁾	1,685 575 337 773 358	367 2,012 702 397 913 401	376 2,214 762 435 1,017	366 2,328 831 457 1,040 431	355 2,379 855 460 1,063 438	358 2,433 860 482 1,091 441	354 2,412 853 480 1,080 464	-5.0 15.2 19.9 14.3 12.1	9.0 12.0 10.2 6.2
Shares and other equity Quoted shares Unquoted shares and other equity Mutual fund shares Other financial assets ²⁾ Financing	1,685 575 337 773 358 4,976	367 2,012 702 397 913 401 5,595	376 2,214 762 435 1,017 424 5,953	366 2,328 831 457 1,040 431 6,073	355 2,379 855 460 1,063 438 6,191	358 2,433 860 482 1,091 441 6,315	354 2,412 853 480 1,080 464 6,341	-5.0 15.2 19.9 14.3 12.1	9.0 12.0 10.2 6.2
Shares and other equity Quoted shares Unquoted shares and other equity Mutual fund shares Other financial assets ²⁾ Financing Currency and deposits	1,685 575 337 773 358 4,976	367 2,012 702 397 913 401 5,595 4	376 2,214 762 435 1,017 424 5,953 4	366 2,328 831 457 1,040 431 6,073	355 2,379 855 460 1,063 438 6,191 4	358 2,433 860 482 1,091 441 6,315	354 2,412 853 480 1,080 464 6,341	-5.0 15.2 19.9 14.3 12.1 9.2 -5.9	9.0 12.0 10.2 6.2 6.5 0.9
Shares and other equity Quoted shares Unquoted shares and other equity Mutual fund shares Other financial assets ²⁾ Financing Currency and deposits Debt securities	1,685 575 337 773 358 4,976 4 22	367 2,012 702 397 913 401 5,595 4	376 2,214 762 435 1,017 424 5,953 4	366 2,328 831 457 1,040 431 6,073 4	355 2,379 855 460 1,063 438 6,191 4	358 2,433 860 482 1,091 441 6,315 4 25	354 2,412 853 480 1,080 464 6,341 4	-5.0 15.2 19.9 14.3 12.1 9.2 -5.9 19.3	9.0 12.0 10.2 6.2 6.5 0.9 8.3
Shares and other equity Quoted shares Unquoted shares and other equity Mutual fund shares Other financial assets ²⁾ Financing Currency and deposits Debt securities Loans	1,685 575 337 773 358 4,976 4 22 120	367 2,012 702 397 913 401 5,595 4 22	376 2,214 762 435 1,017 424 5,953 4 24	366 2,328 831 457 1,040 431 6,073 4 26 165	355 2,379 855 460 1,063 438 6,191 4 26 184	358 2,433 860 482 1,091 441 6,315 4 25 194	354 2,412 853 480 1,080 464 6,341 4 26 199	-5.0 15.2 19.9 14.3 12.1 9.2 -5.9 19.3 22.5	9.0 12.0 10.2 6.2 6.5 0.9 8.3 18.1
Shares and other equity Quoted shares Unquoted shares and other equity Mutual fund shares Other financial assets ²⁾ Financing Currency and deposits Debt securities Loans Short-term	1,685 575 337 773 358 4,976 4 22 120 63	367 2,012 702 397 913 401 5,595 4 22 132 70	376 2,214 762 435 1,017 424 5,953 4 24 169 93	366 2,328 831 457 1,040 431 6,073 4 26 165 87	355 2,379 855 460 1,063 438 6,191 4 26 184 105	358 2,433 860 482 1,091 441 6,315 4 25 194	354 2,412 853 480 1,080 464 6,341 4 26 199 129	-5.0 15.2 19.9 14.3 12.1 9.2 -5.9 19.3 22.5 31.7	9.0 12.0 10.2 6.2 6.5 0.9 8.3 18.1 38.5
Shares and other equity Quoted shares Unquoted shares and other equity Mutual fund shares Other financial assets ²⁾ Financing Currency and deposits Debt securities Loans Short-term Long-term	1,685 575 337 773 358 4,976 4 22 120 63 57	367 2,012 702 397 913 401 5,595 4 22 132 70 62	376 2,214 762 435 1,017 424 5,953 4 24 169 93 76	366 2,328 831 457 1,040 431 6,073 4 26 165 87 78	355 2,379 855 460 1,063 438 6,191 4 26 184 105 79	358 2,433 860 482 1,091 441 6,315 4 25 194 120 74	354 2,412 853 480 1,080 464 6,341 4 26 199 129 71	-5.0 15.2 19.9 14.3 12.1 9.2 -5.9 19.3 22.5 31.7 10.0	9.0 12.0 10.2 6.2 6.5 0.9 8.3 18.1 38.5 -6.8
Shares and other equity Quoted shares Unquoted shares and other equity Mutual fund shares Other financial assets ²⁾ Financing Currency and deposits Debt securities Loans Short-term Long-term Shares and other equity	1,685 575 337 773 358 4,976 4 22 120 63 57 463	367 2,012 702 397 913 401 5,595 4 22 132 70 62 589	376 2,214 762 435 1,017 424 5,953 4 24 169 93 76 629	366 2,328 831 457 1,040 431 6,073 4 26 165 87 78 645	355 2,379 855 460 1,063 438 6,191 4 26 184 105 79	358 2,433 860 482 1,091 441 6,315 4 25 194 120 74 688	354 2,412 853 480 1,080 464 6,341 4 26 199 129 71 652	-5.0 15.2 19.9 14.3 12.1 9.2 -5.9 19.3 22.5 31.7 10.0 18.9	9.0 12.0 10.2 6.2 6.5 0.9 8.3 18.1 38.5 -6.8
Shares and other equity Quoted shares Unquoted shares and other equity Mutual fund shares Other financial assets ²⁾ Financing Currency and deposits Debt securities Loans Short-term Long-term Shares and other equity Quoted shares	1,685 575 337 773 358 4,976 4 22 120 63 57 463 207	367 2,012 702 397 913 401 5,595 4 22 132 70 62 589 286	376 2,214 762 435 1,017 424 5,953 4 24 169 93 76 629 310	366 2,328 831 457 1,040 431 6,073 4 26 165 87 78 645 321	355 2,379 855 460 1,063 438 6,191 4 26 184 105 79 661 328	358 2,433 860 482 1,091 441 6,315 4 25 194 120 74 688 338	354 2,412 853 480 1,080 464 6,341 4 26 199 129 71 652 295	-5.0 15.2 19.9 14.3 12.1 9.2 -5.9 19.3 22.5 31.7 10.0 18.9 23.2	9.0 12.0 10.2 6.2 6.5 0.9 8.3 18.1 38.5 -6.8 3.7
Shares and other equity Quoted shares Unquoted shares and other equity Mutual fund shares Other financial assets ²⁾ Financing Currency and deposits Debt securities Loans Short-term Long-term Shares and other equity Quoted shares Unquoted shares and other equity	1,685 575 337 773 358 4,976 4 22 120 63 57 463 207 256	367 2,012 702 397 913 401 5,595 4 22 132 70 62 589 286 303	376 2,214 762 435 1,017 424 5,953 4 24 169 93 76 629 310 318	366 2,328 831 457 1,040 431 6,073 4 26 165 87 78 645 321 324	355 2,379 855 460 1,063 438 6,191 4 26 184 105 79 661 328 332	358 2,433 860 482 1,091 441 6,315 4 25 194 120 74 688 338 350	354 2,412 853 480 1,080 464 6,341 4 26 199 129 71 652 295 357	-5.0 15.2 19.9 14.3 12.1 9.2 -5.9 19.3 22.5 31.7 10.0 18.9 23.2 15.1	9.0 12.0 10.2 6.2 6.5 0.9 8.3 18.1 38.5 -6.8 3.7 -4.8
Shares and other equity Quoted shares Unquoted shares and other equity Mutual fund shares Other financial assets ²⁾ Financing Currency and deposits Debt securities Loans Short-term Long-term Shares and other equity Quoted shares	1,685 575 337 773 358 4,976 4 22 120 63 57 463 207	367 2,012 702 397 913 401 5,595 4 22 132 70 62 589 286	376 2,214 762 435 1,017 424 5,953 4 24 169 93 76 629 310	366 2,328 831 457 1,040 431 6,073 4 26 165 87 78 645 321	355 2,379 855 460 1,063 438 6,191 4 26 184 105 79 661 328	358 2,433 860 482 1,091 441 6,315 4 25 194 120 74 688 338	354 2,412 853 480 1,080 464 6,341 4 26 199 129 71 652 295	-5.0 15.2 19.9 14.3 12.1 9.2 -5.9 19.3 22.5 31.7 10.0 18.9 23.2	9.0 12.0 10.2 6.2 6.5 0.9 8.3 18.1 38.5 -6.8

¹⁾ Annual growth rates for financial transactions are calculated as $100^{\circ}(f_1+f_{1-1}+f_{1-2}+f_{1-3})/F_{1-4}$ where f_1 stands for the transactions in quarter t, and F_{1-4} for the end-of-financial transactions are calculated as $100^{\circ}(f_1+f_{1-1}+f_{1-2}+f_{1-3})/F_{1-4}$ where f_1 stands for the transactions in quarter t, and F_{1-4} for the end-of-financial transactions are calculated as $100^{\circ}(f_1+f_{1-1}+f_{1-2}+f_{1-3})/F_{1-4}$ where f_1 stands for the transactions in quarter t, and F_{1-4} for the end-of-financial transactions are calculated as $100^{\circ}(f_1+f_{1-1}+f_{1-2}+f_{1-3})/F_{1-4}$ where f_1 stands for the transactions in quarter t, and F_{1-4} for the end-of-financial transactions are calculated as $100^{\circ}(f_1+f_{1-1}+f_{1-2}+f_{1-3})/F_{1-4}$. quarter stock value four quarters earlier.

²⁾ Other accounts receivable, and prepayments of insurance premiums and reserves for outstanding claims.

³⁾ Other accounts payable and financial derivatives.
4) Annual percentage changes are calculated as 100°(x_t-x_{t-4})/x_{t-4} where xt stands for the transaction or end-of-quarter stock x in quarter t, and x_{t-4} for the transaction or stock four quarters earlier.