



EUROPEAN CENTRAL BANK

EUROSYSTEM

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PRESS RELEASE

EURO AREA ECONOMIC AND FINANCIAL DEVELOPMENTS BY INSTITUTIONAL SECTOR - FOURTH QUARTER 2011

*In the fourth quarter of 2011, the annual growth rate¹ of **households' gross disposable income** decreased to 1.8%, down from 2.4% in the previous quarter (see Table 2). The annual growth rate of households' **consumption expenditure** was 1.6% in the fourth quarter compared with 2.9% in the previous quarter. The annual growth rate of households' **gross saving** increased significantly to 3.6% in the fourth quarter compared with -0.9% in the previous quarter.*

*The annual growth rate of households' **financing** decreased to 1.6% (2011Q3: 2.0%) and that of **financial investment** decreased to 1.9% (2011Q3: 2.1%). The annual growth rate of households' **net worth**² decreased to -0.6% in the fourth quarter, compared with an increase of 0.7% in the previous quarter.*

*The annual growth rate of **net entrepreneurial income** of **non-financial corporations** decreased to -6.3% in the fourth quarter, after 0.1% in the previous quarter. The annual growth rate of **gross fixed capital formation** of non-financial corporations in the euro area decreased to 3.2% in the fourth quarter of 2011, from 5.1% in the previous quarter (see Table 3). The annual growth rate of **financing** of non-financial corporations decreased to 2.3% in the fourth quarter of 2011 (2011Q3: 2.6%), and the annual growth rate of their **financial investment** decreased to 3.4 % in the fourth quarter of 2011 (2011Q3: 4.0%).*

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 Households' non-financial assets mainly consist of housing wealth (residential structures and land). In addition, they also include non-financial assets of unincorporated enterprises classified within the household sector.

Total euro area economy

The annual growth rate of euro area net disposable income decreased to 1.4% in the fourth quarter of 2011 (2011Q3: 2.8%) (see Chart 1). The euro area **gross fixed capital formation** annual growth rate stood at 1.8% (2011Q3: 2.9%), largely due to non-financial corporations and households (see Chart 2). In the fourth quarter, the growth rate of **gross capital formation** decreased to -0.2%, from the previous quarter (2011Q3: 4.0%). This reflected, in particular, an increase of government and household savings offset, in part, by decreases in rest of the world and corporations saving (see Chart 3).

Households

The annual growth rate of households' **gross disposable income** decreased to 1.8% in the fourth quarter of 2011 (after 2.4% previously). This is due to the lower growth rates of compensation of employees, operating surplus and mixed income, and net property income and other transfers as well as stronger negative growth of net social benefits and contributions (see Chart 4).

The annual growth rate of households' **consumption expenditure** decreased to 1.6% from 2.9% in the previous quarter, and households' gross saving increased by 3.6% as compared to -0.9% in the previous period. The households' **gross saving rate**³ was 13.6%, as compared with 13.9% in the corresponding quarter of 2010. The annual growth rate of gross fixed capital formation of households was 2.4% in the fourth quarter, down from 2.7% in the previous quarter.

The annual growth rate of households' **gross non-financial investment** was 2.3%, down from 4.1% in the previous quarter (see Chart 5). The annual growth rate of **financing** of households decreased to 1.6% in the fourth quarter of 2011 (2011Q3: 2.0%). whilst that of **financial investment** decreased slightly to 1.9% (2011Q3: 2.1%).

Turning to the components of **households' financial investment**, the annual growth rate of their holdings of currency and deposits decreased to 2.5% in the fourth quarter of 2011 (2011Q3: 3.0%). The annual growth rate of their investment in debt securities increased to 6.1% in the fourth quarter (2011Q3: 3.3%), whilst that of investment in shares and other equity decreased to -1.0% in the fourth quarter (2011Q3: -0.9%). The annual growth rate of households' additions to life insurance and pension fund reserves decreased to 2.1% in the fourth quarter (2011Q3: 2.7%).

Developments in **households' balance sheets** reflected a decrease in the annual growth rate of **housing wealth** to -0.5% (2011Q3: 1.6%, see Table 2) due to valuation changes. The annual growth rate of the market value of households' holdings of **shares and other equity** decreased to -11.2%

³ The households' saving rate is based on four-quarter cumulated sums of both their saving and their gross disposable income (adjusted for the change in net equity of households in pension fund reserves, receivable minus payable).

in the fourth quarter of 2011 (2011Q3: -9.4%). The growth of households' **net worth** decreased to -0.6% in the fourth quarter of 2011 (2011Q3: 0.7%, see Chart 6).

Non-financial corporations

Net entrepreneurial income of non-financial corporations⁴ decreased by -6.3% in the fourth quarter of 2011, compared with an increase of 0.1% in the previous quarter (see Table 3), and net value added increased by 1.9% (2011Q3: 3.5%, see Chart 7 and Table 3). The annual growth rate of **gross fixed capital formation** of non-financial corporations decreased to 3.2% in the fourth quarter of 2011, from 5.1% in the previous quarter. The annual growth rate of **total gross non-financial investment**, which also includes inventories, decreased to 1.7%, compared with 6.4% in the previous quarter (see Chart 8). **Net borrowing/(Net lending)** of non-financial corporations as a percentage of Gross Value Added was -1.3% in 2011Q4, compared to 0.8 % in 2010Q4 (see Table 3).

In the fourth quarter of 2011, the annual growth rate of **financing** of non-financial corporations decreased to 2.3% (2011Q3: 2.6%). The growth rate of their loan financing decreased to 2.3%, from 2.6% in the previous quarter. The annual growth rate of their issuance of debt securities was broadly unchanged at 5.2% (2011Q3: 5.3%). The annual growth rate of their equity financing, via the issuance of quoted and unquoted shares and other equity, decreased to 1.8% in the fourth quarter (2011Q3: 2.1%).

Financial investment of non-financial corporations decreased to an annual rate of 3.4% in the fourth quarter (2011Q3: 4.0%). The annual growth rate of investment in currency and deposits decreased to 2.7%, after 3.6% previously. The annual growth rate of investment in debt securities increased significantly to 11.1% in the fourth quarter (2011Q3: 4.0%). The growth rate of loans granted was broadly unchanged at 6.7% in the fourth quarter of 2011 (2011Q3: 6.6%). The growth rate of their investment in shares and other equity decreased to 3.0% in the fourth quarter of 2011 (2011Q3: 3.8%).

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 1.7% in the fourth quarter of 2011, compared to 2.3% in the third quarter of 2011 (see Table 6). The annual growth rate of their **financial investment** decreased to 2.1% in the fourth quarter (2011Q3: 3.2%). The growth rate of their investment in debt securities decreased to 1.0% (2011Q3: 2.9%), whilst that of their investment in shares and other equity decreased to 3.9%, from 4.6% in the previous quarter.

⁴ Net 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).

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:

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

- The euro area accounts encompass integrated non-financial and financial accounts, including financial balance sheets. They 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.
- This press release incorporates revisions for the third quarter of 2011 and for previous quarters.
- A comprehensive set of tables is made available at <http://sdw.ecb.europa.eu/reports.do?node=1000002343> (ECB). The time series for the euro area accounts can be downloaded from the ECB's Statistical Data Warehouse.
- The publication of euro area economic and financial developments in the first quarter of 2012 is scheduled to take place on **Tuesday, 31 July 2012** at 10 a.m. CET.

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>.

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Euro area

Chart 1. Growth of euro area net disposable income and its allocation to sectors

(annual percentage changes and percentage point contributions)

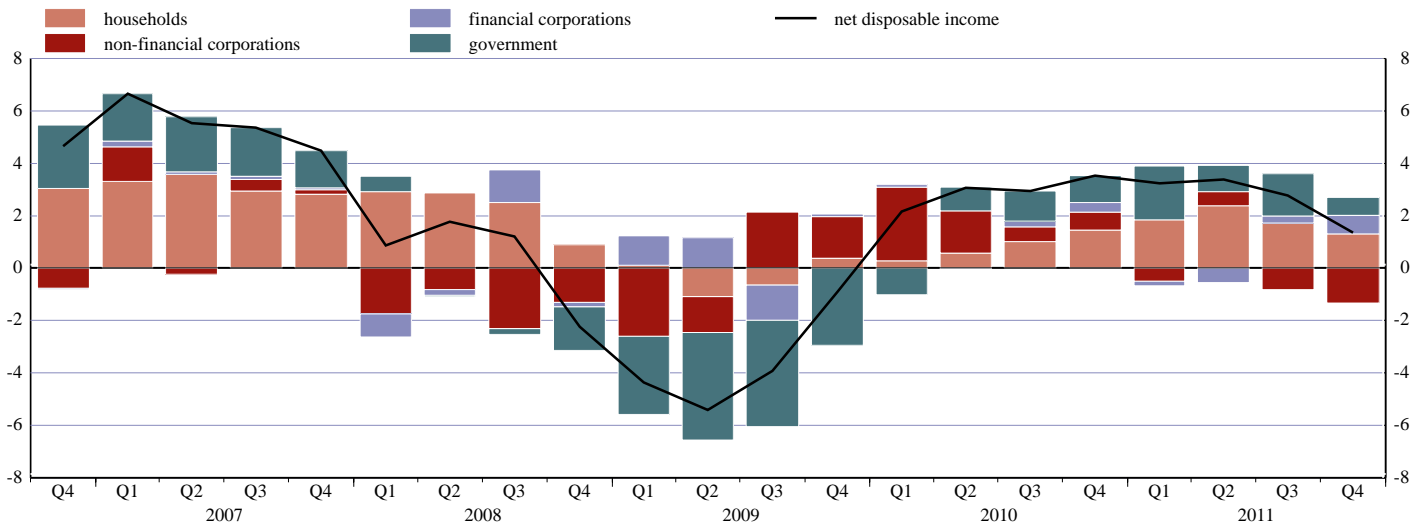


Chart 2. Growth of euro area gross fixed capital formation and contributions by sector

(annual percentage changes and percentage point contributions)

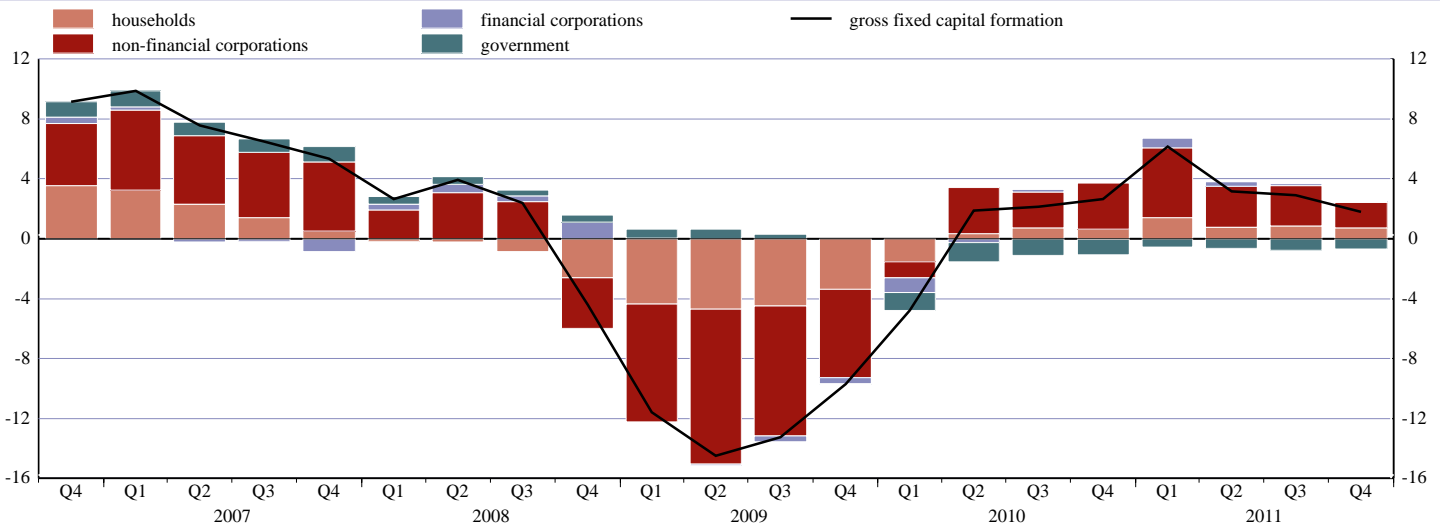
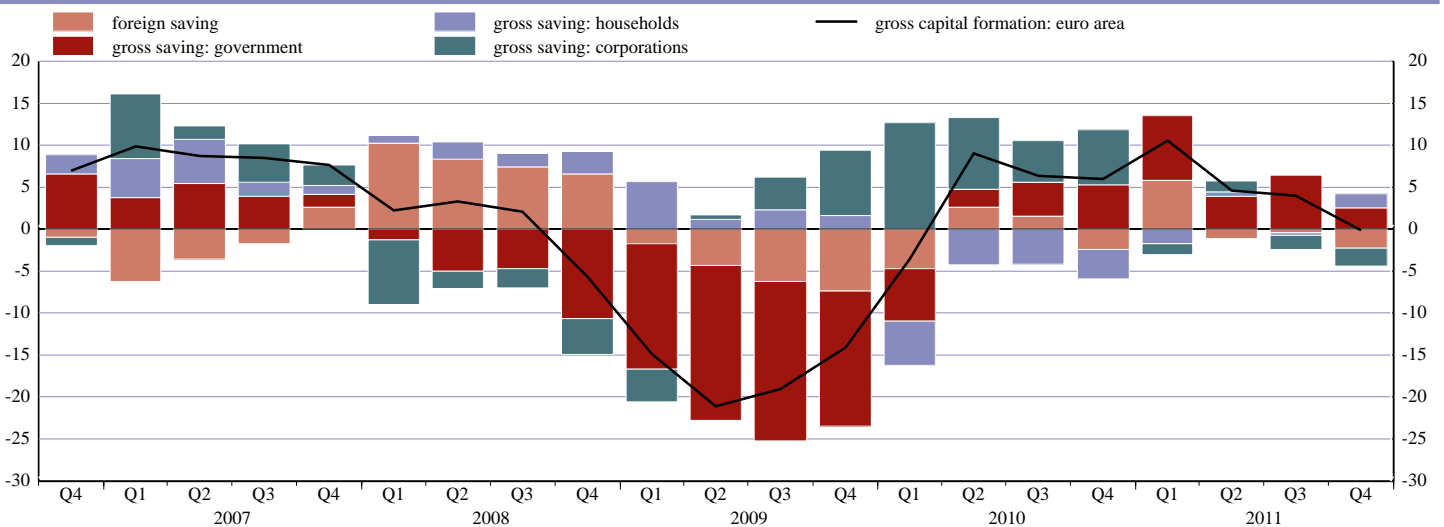


Chart 3. Growth of euro area gross capital formation and its financing by sectoral (gross) saving

(annual percentage changes and percentage point contributions)



Sources: ECB and Eurostat.

Euro area households

Chart 4. Growth of households' gross disposable income and contributions by income component

(annual percentage changes and percentage point contributions)

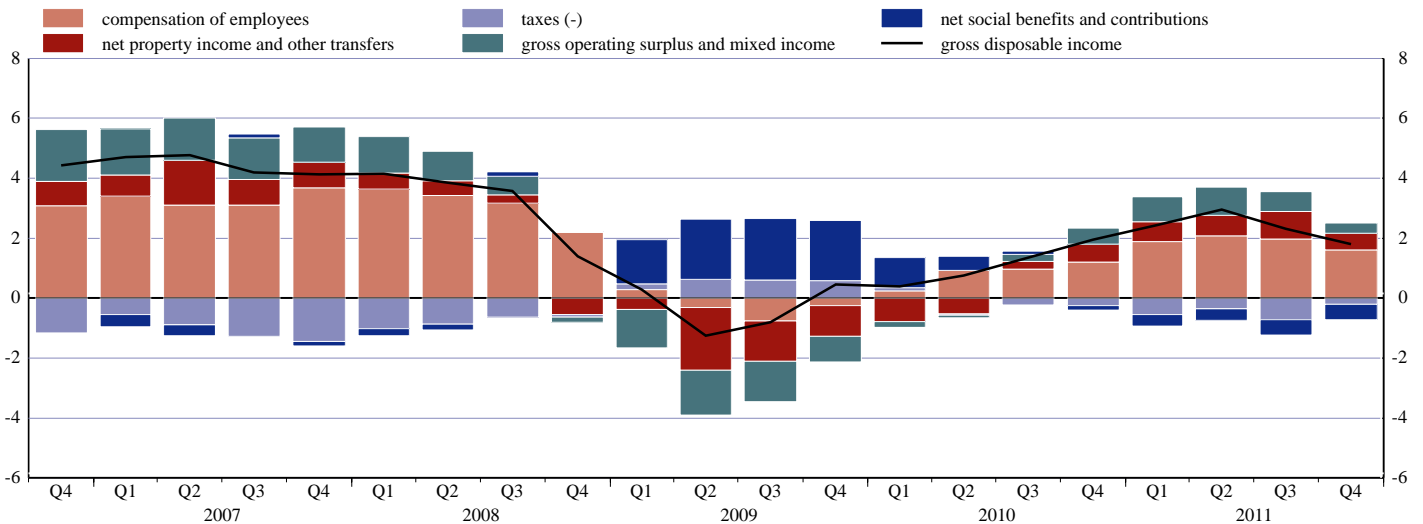


Chart 5. Growth of households' non-financial investment and contributions by source of internal and external financing

(annual percentage changes and percentage point contributions)

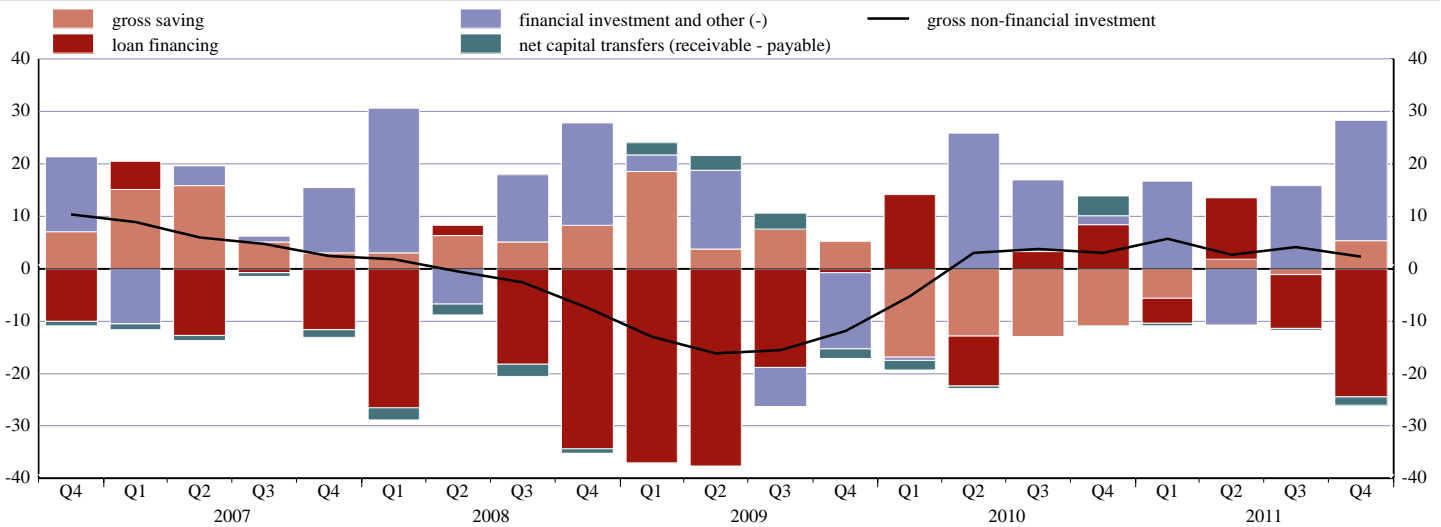
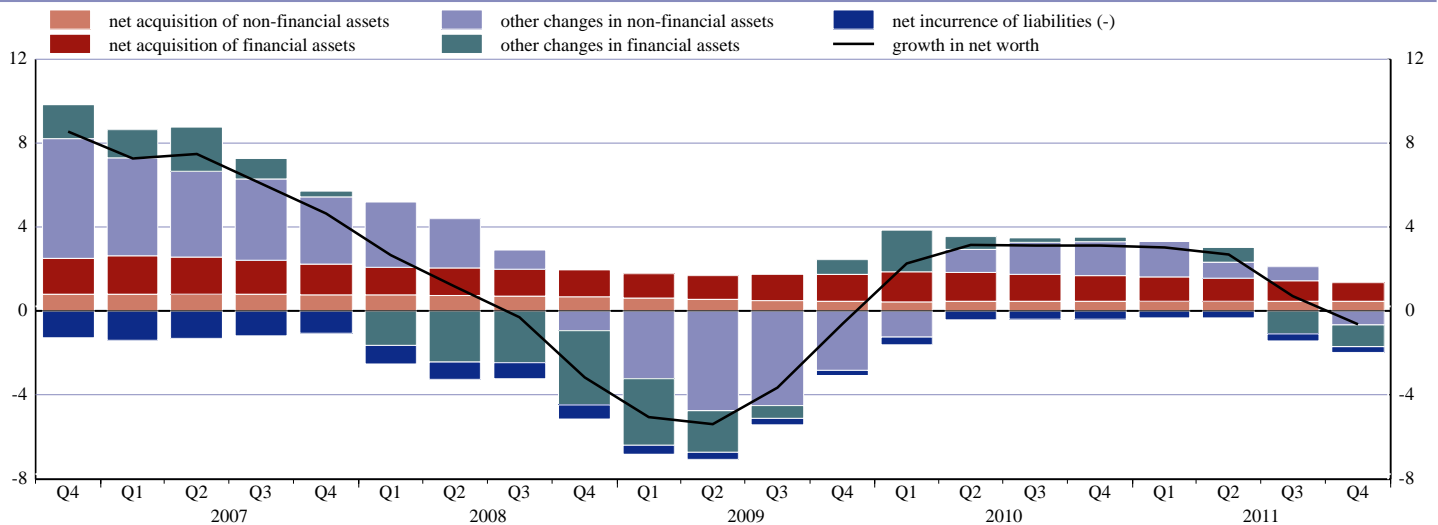


Chart 6. Growth of households' net worth and contributions by type of asset change

(annual percentage changes and percentage point contributions)



Sources: ECB and Eurostat.

Euro area non-financial corporations

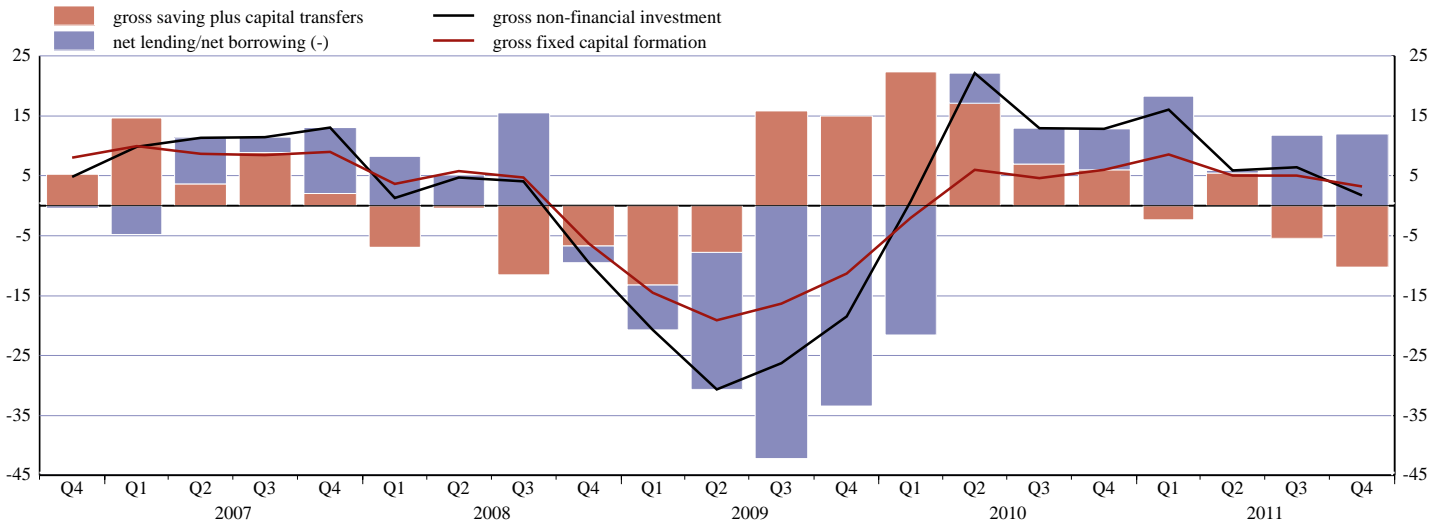
Chart 7. Growth of net entrepreneurial income of non-financial corporations and contributions by component

(annual percentage changes and percentage point contributions)



Chart 8. Growth of non-financial investment of non-financial corp. and contributions by source of internal and external financing

(annual percentage changes and percentage point contributions)



Sources: ECB and Eurostat.

Table I. Income, consumption, saving, investment and net lending / net borrowing: euro area and contributions by sector
(EUR billions)

Non-financial transactions	four-quarter-cumulated sums							annual percentage changes ¹⁾		percentage of euro area NDI	
	2008	2009	2010 Q4	2011 Q1	2011 Q2	2011 Q3	2011 Q4	2011 Q3	2011 Q4	2010 Q4	2011 Q4
Net disposable income (NDI):											
Euro area	7,703	7,424	7,641	7,700	7,764	7,817	7,845	2.8	1.4	100.0	100.0
Households ²⁾	5,671	5,647	5,709	5,743	5,788	5,821	5,847	2.3	1.8	74.7	74.5
Non-financial corporations	24	20	124	115	125	110	83			1.6	1.1
Financial corporations	166	185	197	194	184	189	203			2.6	2.6
General government	1,843	1,571	1,611	1,648	1,667	1,698	1,712	8.2	2.9	21.1	21.8
Consumption expenditure:											
Euro area	7,140	7,143	7,304	7,353	7,400	7,441	7,466	2.3	1.3	95.6	95.2
Households ²⁾	5,241	5,156	5,291	5,335	5,379	5,418	5,439	2.9	1.6	69.2	69.3
General government collective consumption	736	771	772	773	774	775	775	0.5	0.0	10.1	9.9
General government social transfers in kind ³⁾	1,163	1,216	1,241	1,245	1,247	1,248	1,252	0.6	1.1	16.2	16.0
Net saving:											
Euro area	562	280	337	347	364	376	379	13.8	2.2	4.4	4.8
Households ²⁾	498	552	473	463	464	461	467	-4.6	5.0	6.2	5.9
Non-financial corporations	21	17	123	114	124	109	82			1.6	1.0
Financial corporations	99	127	143	140	129	132	145			1.9	1.9
General government	-56	-416	-401	-370	-353	-325	-315			-5.3	-4.0
Consumption of fixed capital:											
Euro area	1,361	1,385	1,416	1,426	1,436	1,443	1,451	2.2	2.0	18.5	18.5
Households ²⁾	372	376	380	382	384	386	387	1.9	1.9	5.0	4.9
Non-financial corporations	767	784	803	810	816	820	824	2.3	2.0	10.5	10.5
Financial corporations	41	42	42	43	43	43	43	1.8	1.1	0.6	0.6
General government	180	184	191	192	193	194	196	2.3	2.3	2.5	2.5
Net capital transfers (receivable - payable):											
Euro area	9	9	10	11	9	10	12			0.1	0.2
Households ²⁾	-1	10	11	11	10	10	8			0.1	0.1
Non-financial corporations	74	83	73	70	68	66	65			1.0	0.8
Financial corporations	13	-1	58	46	43	10	-6			0.8	-0.1
General government	-77	-83	-132	-117	-112	-75	-54			-1.7	-0.7
Gross fixed capital formation:											
Euro area	2,010	1,763	1,772	1,797	1,812	1,825	1,833	2.9	1.8	23.2	23.4
Households ²⁾	641	556	557	563	567	571	574	2.7	2.4	7.3	7.3
Non-financial corporations	1,077	911	944	963	976	988	996	5.1	3.2	12.4	12.7
Financial corporations	49	45	40	42	44	44	44	5.0	0.5	0.5	0.6
General government	243	251	231	228	226	222	219	-5.7	-4.8	3.0	2.8
Net acquisition of other non-financial assets ⁴⁾:											
Euro area	66	-47	19	39	45	50	40			0.2	0.5
Households ²⁾	4	-3	3	4	5	7	6			0.0	0.1
Non-financial corporations	60	-50	18	37	39	43	39			0.2	0.5
Financial corporations	1	1	1	1	1	1	1			0.0	0.0
General government	1	5	-3	-4	0	0	-6			0.0	-0.1
Net lending (+)/net borrowing (-):											
Euro area	-143	-42	-27	-52	-47	-45	-32			-0.4	-0.4
Households ²⁾	224	383	304	288	287	279	281			4.0	3.6
Non-financial corporations	-274	23	37	-7	-8	-36	-64			0.5	-0.8
Financial corporations	103	122	202	186	171	140	137			2.6	1.8
General government	-197	-570	-570	-519	-498	-428	-386			-7.5	-4.9

Sources: ECB and Eurostat.

1) Annual percentage changes are calculated as $100 \cdot (x(t) - x(t-4)) / x(t-4)$ 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)

Non-financial transactions	four-quarter-cumulated sums							annual percentage changes ²⁾		percentage of HGDI, adjusted ³⁾	
	2008	2009	2010 Q4	2011 Q1	2011 Q2	2011 Q3	2011 Q4	2011 Q3	2011 Q4	2010 Q4	2011 Q4
Compensation of employees	4,468	4,452	4,503	4,530	4,563	4,593	4,618	2.7	2.0	73.3	73.4
Gross operating surplus and mixed income	1,522	1,446	1,454	1,466	1,481	1,491	1,496	2.6	1.5	23.7	23.8
Property income (receivable - payable)	878	803	797	809	818	832	841			13.0	13.4
Net social benefits and contributions (rec. - pay.)	-23	91	113	107	101	94	86			1.8	1.4
Other current transfers (receivable - payable)	70	71	70	68	69	69	69			1.1	1.1
Taxes (on income and wealth) (-)	872	841	848	855	861	872	875	5.3	1.3	13.8	13.9
Gross disposable income (HGDI)	6,043	6,022	6,089	6,125	6,172	6,206	6,234	2.3	1.8	99.1	99.1
+Adj. for change in net worth in pension fund ³⁾	69	61	55	55	56	58	59	15.6	6.5	0.9	0.9
Gross disposable income (HGDI) plus adjustment ³⁾	6,112	6,083	6,144	6,180	6,228	6,264	6,293	2.4	1.8	100.0	100.0
Consumption expenditure	5,241	5,156	5,291	5,335	5,379	5,418	5,439	2.9	1.6	86.1	86.4
Gross saving	871	927	853	846	848	847	854	-0.9	3.6	13.9	13.6
Net capital transfers (receivable - payable)	-1	10	11	11	10	10	8			0.2	0.1
Gross fixed capital formation	641	556	557	563	567	571	574	2.7	2.4	9.1	9.1
Net acquisition of other non-financial assets ⁴⁾	4	-3	3	4	5	7	6			0.0	0.1
Net lending (+)/net borrowing (-)	224	383	304	288	287	279	281			4.9	4.5
Financial transactions	four-quarter-cumulated sums							annual growth rates ⁵⁾		percentage of HGDI, adjusted ³⁾	
	2008	2009	2010 Q4	2011 Q1	2011 Q2	2011 Q3	2011 Q4	2011 Q3	2011 Q4	2010 Q4	2011 Q4
Financial investment	522	512	480	449	425	388	355	2.1	1.9	7.8	5.6
Currency and deposits	408	208	175	180	187	197	168	3.0	2.5	2.9	2.7
Debt securities	44	-77	-39	29	47	46	83	3.3	6.1	-0.6	1.3
Shares and other equity	-101	127	62	-1	-30	-40	-47	-0.9	-1.0	1.0	-0.7
Quoted shares	38	74	21	12	2	6	12	0.8	1.4	0.3	0.2
Unquoted shares and other equity	38	45	81	40	21	21	25	1.0	1.1	1.3	0.4
Mutual fund shares	-177	9	-40	-53	-53	-68	-83	-5.0	-6.0	-0.7	-1.3
Life insurance and pension fund reserves	133	228	231	195	172	145	115	2.7	2.1	3.8	1.8
Other financial assets ⁶⁾	37	25	50	45	48	40	36			0.8	0.6
Financing	267	99	150	124	129	131	109	2.0	1.6	2.4	1.7
Loans	257	103	126	119	136	121	87	2.0	1.4	2.0	1.4
Short-term	9	-9	-18	-22	-5	-5	-10	-1.5	-2.9	-0.3	-0.2
Long-term	248	113	144	141	141	127	97	2.2	1.7	2.3	1.5
Other liabilities ⁷⁾	9	-4	25	4	-7	10	22			0.4	0.4
Net lending (+)/net borrowing (-) (financial accounts)	255	413	330	325	295	257	246	2.1	2.0	5.4	3.9
Changes in financial wealth not due to transactions	-1,434	272	85	9	280	-431	-416			1.4	-6.6
Balance sheet	end-of-period stocks							annual percentage changes ²⁾		percentage of HGDI, adjusted ³⁾	
	2008	2009	2010 Q4	2011 Q1	2011 Q2	2011 Q3	2011 Q4	2011 Q3	2011 Q4	2010 Q4	2011 Q4
Financial assets	17,370	18,184	18,800	18,925	19,009	18,548	18,678	-0.4	-0.6	306.0	296.8
Currency and deposits	6,234	6,446	6,626	6,635	6,706	6,726	6,811	3.3	2.8	107.8	108.2
Debt securities	1,482	1,446	1,359	1,399	1,418	1,380	1,397	-1.3	2.8	22.1	22.2
Shares and other equity	4,122	4,359	4,496	4,528	4,459	3,995	3,992	-9.4	-11.2	73.2	63.4
Quoted shares	548	755	817	838	825	648	655	-17.9	-19.8	13.3	10.4
Unquoted shares and other equity	2,329	2,245	2,290	2,312	2,268	2,086	2,084	-7.2	-9.0	37.3	33.1
Mutual fund shares	1,246	1,359	1,389	1,379	1,367	1,260	1,253	-8.0	-9.8	22.6	19.9
Life insurance and pension fund reserves	4,692	5,092	5,428	5,468	5,496	5,505	5,569	1.9	2.6	88.3	88.5
Other financial assets ⁶⁾	839	841	890	895	930	942	909			14.5	14.4
Liabilities	6,346	6,477	6,678	6,688	6,702	6,728	6,726	1.5	0.7	108.7	106.9
Loans	5,820	5,942	6,102	6,103	6,162	6,180	6,191	2.2	1.5	99.3	98.4
Short-term	376	363	359	354	367	359	356	0.7	-0.6	5.8	5.7
Long-term	5,443	5,579	5,744	5,748	5,794	5,821	5,835	2.3	1.6	93.5	92.7
Other liabilities ⁷⁾	520	528	569	578	533	541	527			9.3	8.4
Non-financial assets	28,018	27,096	27,896	27,932	27,980	28,242	27,820	1.6	-0.3	454.0	442.1
<i>of which: Housing wealth</i>	<i>26,480</i>	<i>25,558</i>	<i>26,325</i>	<i>26,318</i>	<i>26,396</i>	<i>26,625</i>	<i>26,202</i>	<i>1.6</i>	<i>-0.5</i>	<i>428.4</i>	<i>416.4</i>
Net worth	39,041	38,803	40,018	40,168	40,287	40,063	39,773	0.7	-0.6	651.3	632.0

Sources: ECB and Eurostat.

1) Households and non-profit institutions serving households.

2) Annual percentage changes are calculated as $100 \times (x(t) - x(t-4)) / x(t-4)$ 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 (receivable - payable).

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 $100 \times (f(t) + f(t-1) + f(t-2) + f(t-3)) / F(t-4)$ 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 derivative's net liabilities, pension fund reserves and other accounts payable.

Table 3. Non-financial corporations

(EUR billions)

Non-financial transactions	four-quarter-cumulated sums							annual percentage changes ¹⁾		percentage of GVA or (NVA) ²⁾	
	2008	2009	2010 Q4	2011 Q1	2011 Q2	2011 Q3	2011 Q4	2011 Q3	2011 Q4	2010 Q4	2011 Q4
Gross value added (GVA)	4,759	4,497	4,635	4,684	4,730	4,769	4,792	3.3	1.9	100.0	100.0
Net value added (NVA)	3,992	3,714	3,832	3,875	3,915	3,949	3,967	3.5	1.9	82.7	82.8
Net entrepreneurial income	1,329	1,149	1,280	1,295	1,310	1,311	1,292	0.1	-6.3	33.4	32.6
Net disposable income	24	20	124	115	125	110	83			3.2	2.1
Adj. for change in net worth in pension fund	-2	-3	-1	-1	-1	-1	-1			0.0	0.0
Net saving	21	17	123	114	124	109	82			3.2	2.1
Net capital transfers (receivable - payable)	74	83	73	70	68	66	65			1.6	1.3
Consumption of fixed capital	767	784	803	810	816	820	824	2.3	2.0	17.3	17.2
Gross fixed capital formation	1,077	911	944	963	976	988	996	5.1	3.2	20.4	20.8
Net acquisition of other non-financial assets ³⁾	60	-50	18	37	39	43	39			0.4	0.8
Net lending (+)/net borrowing (-)	-274	23	37	-7	-8	-36	-64			0.8	-1.3
Financial transactions	four-quarter-cumulated sums							annual growth rates ⁴⁾		percentage of GVA	
	2008	2009	2010 Q4	2011 Q1	2011 Q2	2011 Q3	2011 Q4	2011 Q3	2011 Q4	2010 Q4	2011 Q4
Financial investment	625	281	558	527	620	661	567	4.0	3.4	12.0	11.8
Currency and deposits	53	86	79	86	88	69	53	3.6	2.7	1.7	1.1
Debt securities	-18	-17	-11	-6	16	13	34	4.0	11.1	-0.2	0.7
Loans	336	114	230	206	204	197	203	6.6	6.7	5.0	4.2
Shares and other equity	364	150	215	221	277	279	231	3.8	3.0	4.6	4.8
Quoted shares	87	3	73	34	49	87	51	6.8	3.8	1.6	1.1
Unquoted shares and other equity	283	121	153	197	224	210	196	3.7	3.3	3.3	4.1
Mutual fund shares	-6	27	-12	-10	4	-18	-17	-4.1	-3.8	-0.2	-0.3
Other financial assets ⁵⁾	-110	-53	45	18	35	103	46			1.0	1.0
Financing	929	288	547	571	636	675	595	2.6	2.3	11.8	12.4
Debt securities	48	88	65	44	43	48	46	5.3	5.2	1.4	1.0
Short-term	12	-39	-5	-5	0	13	10	15.8	12.6	-0.1	0.2
Long-term	36	127	70	49	43	35	37	4.3	4.5	1.5	0.8
Loans	614	-12	114	164	236	213	197	2.6	2.3	2.5	4.1
Short-term	176	-78	62	76	105	93	92	3.9	3.8	1.3	1.9
Long-term	438	66	52	88	131	120	105	2.0	1.7	1.1	2.2
Shares and other equity	315	284	260	272	271	266	232	2.1	1.8	5.6	4.8
Quoted shares	5	58	31	30	28	29	28	0.8	0.7	0.7	0.6
Unquoted shares and other equity	310	227	229	242	242	237	203	2.6	2.2	4.9	4.2
Pension fund reserves	2	3	1	1	1	1	1	0.3	0.2	0.0	0.0
Other liabilities ⁶⁾	-50	-76	107	90	85	147	120			2.3	2.5
Net lending (+)/net borrowing (-) (financial accounts)	-304	-7	11	-44	-16	-14	-28			0.2	-0.6
Financial balance sheet	end-of-period stocks							annual percentage changes ¹⁾		percentage of GVA	
	2008	2009	2010 Q4	2011 Q1	2011 Q2	2011 Q3	2011 Q4	2011 Q3	2011 Q4	2010 Q4	2011 Q4
Financial investment	14,995	15,894	16,531	16,711	16,862	16,196	16,571	-0.8	0.2	356.6	345.8
Currency and deposits	1,793	1,863	1,950	1,905	1,913	1,934	1,982	1.9	1.6	42.1	41.4
Debt securities	330	309	304	326	317	323	358	-0.4	17.7	6.6	7.5
Loans	2,657	2,779	3,024	3,052	3,108	3,184	3,239	7.1	7.1	65.3	67.6
Shares and other equity	6,470	7,289	7,666	7,808	7,877	7,108	7,299	-4.2	-4.8	165.4	152.3
Quoted shares	1,135	1,264	1,372	1,406	1,404	1,200	1,236	-6.2	-9.9	29.6	25.8
Unquoted shares and other equity	4,961	5,591	5,863	5,980	6,063	5,529	5,691	-3.3	-2.9	126.5	118.8
Mutual fund shares	373	435	432	422	410	379	373	-11.2	-13.7	9.3	7.8
Other financial assets ⁵⁾	3,746	3,653	3,586	3,620	3,648	3,648	3,693			77.4	77.1
Financing	24,046	25,379	26,339	26,621	26,794	25,413	25,710	-1.6	-2.4	568.3	536.6
Debt securities	702	824	882	859	878	921	927	2.8	5.1	19.0	19.3
Short-term	120	80	76	81	82	94	86	14.7	13.5	1.6	1.8
Long-term	582	744	806	778	795	827	841	1.6	4.3	17.4	17.5
Loans	8,293	8,266	8,370	8,460	8,548	8,580	8,586	2.8	2.6	180.6	179.2
Short-term	2,458	2,357	2,398	2,444	2,484	2,487	2,484	3.6	3.6	51.7	51.8
Long-term	5,835	5,909	5,972	6,015	6,063	6,093	6,102	2.5	2.2	128.9	127.3
Shares and other equity	11,123	12,436	13,148	13,427	13,417	11,955	12,205	-5.7	-7.2	283.7	254.7
Quoted shares	2,941	3,502	3,813	3,923	3,914	3,142	3,300	-11.3	-13.5	82.3	68.9
Unquoted shares and other equity	8,182	8,934	9,334	9,504	9,503	8,813	8,905	-3.5	-4.6	201.4	185.8
Pension fund reserves	331	333	336	336	336	336	336	0.3	0.2	7.2	7.0
Other liabilities ⁶⁾	3,597	3,521	3,604	3,540	3,616	3,621	3,656			77.8	76.3

Sources: ECB and Eurostat.

 1) Annual percentage changes are calculated as $100 \cdot (x(t) - x(t-4)) / x(t-4)$ 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 $100 \cdot (f(t) + f(t-1) + f(t-2) + f(t-3)) / F(t-4)$ 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 derivative's net liabilities and deposits.

Table 4. General government
(EUR billions)

Non-financial transactions	four-quarter-cumulated sums							annual percentage changes ¹⁾		percentage of GNDI	
	2008	2009	2010 Q4	2011 Q1	2011 Q2	2011 Q3	2011 Q4	2011 Q3	2011 Q4	2010 Q4	2011 Q4
Net disposable income (GNDI)	1,843	1,571	1,611	1,648	1,667	1,698	1,712	8.2	2.9	100.0	100.0
Consumption expenditure	1,899	1,987	2,012	2,018	2,021	2,023	2,027	0.6	0.7	124.9	118.4
Net saving	-56	-416	-401	-370	-353	-325	-315			-24.9	-18.4
Consumption of fixed capital	180	184	191	192	193	194	196	2.3	2.3	11.8	11.4
Net capital transfers (receivable - payable)	-77	-83	-132	-117	-112	-75	-54			-8.2	-3.2
Gross fixed capital formation	243	251	231	228	226	222	219	-5.7	-4.8	14.3	12.8
Net acquisition of other non-financial assets ²⁾	1	5	-3	-4	0	0	-6			-0.2	-0.4
Net lending (+)/net borrowing (-)	-197	-570	-570	-519	-498	-428	-386			-35.4	-22.6
Financial transactions	four-quarter-cumulated sums							annual growth rates ³⁾		percentage of GNDI	
	2008	2009	2010 Q4	2011 Q1	2011 Q2	2011 Q3	2011 Q4	2011 Q3	2011 Q4	2010 Q4	2011 Q4
Net acquisition of financial assets	338	97	240	259	279	217	108	6.1	2.9	14.9	6.3
Financial investment ⁴⁾	318	80	243	248	225	176	41	6.0	1.3	15.1	2.4
Currency and deposits	109	-10	25	54	72	11	28	1.6	4.1	1.5	1.7
Debt securities	82	25	138	122	108	113	-21	29.8	-4.0	8.6	-1.2
Loans	45	26	70	73	57	63	32	13.3	6.3	4.3	1.9
Short-term	33	-2	2	-11	-3	-2	-9	-2.4	-11.9	0.1	-0.5
Long-term	12	28	68	84	61	65	41	16.3	9.5	4.2	2.4
Shares and other equity	81	39	10	0	-13	-11	1	-0.8	0.1	0.6	0.0
Quoted shares	5	13	-5	-10	-11	-9	-2	-3.1	-0.6	-0.3	-0.1
Unquoted shares and other equity	75	12	13	10	1	6	5	0.6	0.5	0.8	0.3
Mutual fund shares	2	14	3	0	-3	-8	-2	-4.9	-1.2	0.2	-0.1
Other financial assets ⁵⁾	19	17	-3	11	54	40	67			-0.2	3.9
Net incurrence of liabilities	534	666	810	778	777	645	494	7.3	5.5	50.3	28.9
Financing ⁴⁾	516	654	783	758	698	610	442	7.3	5.2	48.6	25.8
Currency and deposits	-7	-6	21	25	22	-8	11	-2.9	4.3	1.3	0.6
Debt securities	440	594	461	436	459	382	325	5.8	5.0	28.6	19.0
Short-term	242	139	-56	-43	-12	8	8	1.1	1.2	-3.5	0.5
Long-term	198	455	517	480	471	374	316	6.4	5.5	32.1	18.5
Loans	83	65	301	296	216	235	106	15.6	6.2	18.7	6.2
Short-term	34	-6	172	134	82	101	-40	48.6	-11.4	10.7	-2.3
Long-term	49	71	129	162	134	134	146	10.3	10.8	8.0	8.5
Other liabilities ⁶⁾	19	13	27	20	79	35	52			1.7	3.0
Net lending (+)/net borrowing (-) (financial accounts)	-197	-570	-570	-519	-498	-428	-386			-35.4	-22.6
Financial balance sheet	end-of-period stocks							annual percentage changes ¹⁾		percentage of GNDI	
	2008	2009	2010 Q4	2011 Q1	2011 Q2	2011 Q3	2011 Q4	2011 Q3	2011 Q4	2010 Q4	2011 Q4
Financial assets	3,223	3,436	3,758	3,785	3,916	3,750	3,802	4.9	1.2	233.2	222.1
Financial investment ⁴⁾	2,588	2,780	3,097	3,111	3,187	3,048	3,068	4.4	-0.9	192.2	179.2
Currency and deposits	663	662	686	725	796	712	715	1.5	4.3	42.6	41.8
Debt securities	353	377	507	482	475	481	479	27.0	-5.6	31.5	28.0
Loans	418	442	512	512	538	534	544	13.1	6.2	31.8	31.8
Short-term	78	75	78	62	86	73	64	-2.4	-19.1	4.9	3.7
Long-term	340	367	433	450	453	460	480	16.0	10.8	26.9	28.1
Shares and other equity	1,154	1,300	1,392	1,392	1,377	1,322	1,330	-3.3	-4.5	86.4	77.7
Quoted shares	258	292	265	268	262	215	206	-20.9	-22.1	16.5	12.1
Unquoted shares and other equity	771	855	963	962	953	958	967	2.7	0.5	59.8	56.5
Mutual fund shares	126	153	164	162	162	148	156	-8.1	-5.1	10.2	9.1
Other financial assets ⁵⁾	635	656	661	674	729	702	734			41.0	42.9
Liabilities	7,566	8,301	8,929	9,037	9,239	9,323	9,298	5.2	4.1	554.2	543.1
Financing ⁴⁾	7,144	7,825	8,457	8,526	8,659	8,765	8,761	4.6	3.6	524.9	511.7
Currency and deposits	247	241	262	256	259	262	274	-2.5	4.6	16.2	16.0
Debt securities	5,561	6,185	6,494	6,558	6,688	6,762	6,683	2.4	2.9	403.1	390.4
Short-term	616	761	705	707	717	749	714	1.1	1.4	43.7	41.7
Long-term	4,945	5,424	5,790	5,851	5,971	6,013	5,968	2.6	3.1	359.4	348.6
Loans	1,335	1,399	1,701	1,711	1,712	1,741	1,804	15.4	6.1	105.6	105.4
Short-term	185	179	352	331	308	310	313	49.2	-11.2	21.9	18.3
Long-term	1,150	1,220	1,349	1,380	1,404	1,431	1,491	10.0	10.6	83.7	87.1
Other liabilities ⁶⁾	423	477	472	511	580	558	537			29.3	31.4
Memo: Government debt (at nominal value) ⁷⁾	6,481.7	7,126.8	7,818.0	7,971.9	8,112.5	8,129.9	8,215.4				

Sources: ECB and Eurostat.

1) Annual percentage changes are calculated as $100 \cdot (x(t) - x(t-4)) / x(t-4)$ 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 $100 \cdot (f(t) + f(t-1) + f(t-2) + f(t-3)) / F(t-4)$ 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 financial derivatives, prepayments of insurance premiums and reserves for outstanding claims and other accounts receivable.

5) Other accounts receivable, financial derivatives 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 6. Insurance corporations and pension funds

(EUR billions)

Financial transactions	four-quarter-cumulated sums							annual growth rates ¹⁾	
	2008	2009	2010 Q4	2011 Q1	2011 Q2	2011 Q3	2011 Q4	2011 Q3	2011 Q4
Financial investment	191	237	285	234	232	213	140	3.2	2.1
Currency and deposits	47	-15	-17	-1	-4	22	26	2.7	3.2
Debt securities	75	90	187	153	131	78	26	2.9	1.0
Short-term	1	-13	5	8	3	8	22	18.3	51.8
Long-term	75	103	182	145	129	69	5	2.6	0.2
Loans	25	6	26	19	22	14	4	3.2	0.8
Shares and other equity	44	157	68	51	84	108	95	4.6	3.9
Quoted shares	-10	-57	13	16	16	11	7	2.0	1.2
Unquoted shares and other equity	16	-15	1	4	5	12	-4	4.1	-1.4
Mutual fund shares	37	229	54	32	63	86	92	5.6	5.9
Other financial assets ²⁾	0	-1	23	12	-1	-9	-10		
Financing	152	216	293	250	243	190	141	2.8	2.1
Debt securities	4	5	0	0	2	3	3	11.3	9.7
Loans	32	-2	11	17	13	8	7	2.6	2.4
Short-term	23	-2	11	18	13	10	6	5.3	3.4
Long-term	9	0	0	-1	0	-2	1	-1.8	0.8
Shares and other equity	8	4	7	6	1	1	1	0.3	0.2
Quoted shares	2	0	0	0	0	1	1	0.7	0.7
Unquoted shares and other equity	6	4	6	5	1	1	0	0.2	0.0
Insurance technical reserves	121	234	273	217	180	139	103	2.3	1.7
Other liabilities ³⁾	-13	-25	3	10	46	38	27		
Net lending (+)/net borrowing (-) (financial accounts)	40	21	-7	-16	-11	23	-1		
Financial balance sheet	end-of-period stocks							annual percentage changes ⁴⁾	
	2008	2009	2010 Q4	2011 Q1	2011 Q2	2011 Q3	2011 Q4	2011 Q3	2011 Q4
Financial investment	5,832	6,342	6,716	6,773	6,798	6,715	6,705	-0.1	-0.2
Currency and deposits	823	812	801	806	805	823	810	1.2	1.1
Debt securities	2,332	2,492	2,662	2,680	2,693	2,704	2,661	-0.3	0.0
Short-term	52	37	42	46	46	54	63	17.8	50.0
Long-term	2,281	2,455	2,620	2,634	2,647	2,650	2,598	-0.6	-0.8
Loans	433	437	463	462	467	464	467	2.9	0.9
Shares and other equity	1,884	2,248	2,414	2,439	2,453	2,352	2,397	-0.6	-0.7
Quoted shares	491	523	563	576	570	518	530	-4.4	-5.8
Unquoted shares and other equity	321	301	293	292	290	290	283	2.9	-3.6
Mutual fund shares	1,072	1,424	1,558	1,571	1,592	1,543	1,583	0.1	1.6
Other financial assets ²⁾	359	352	375	386	380	372	370		
Financing	6,000	6,452	6,845	6,919	6,939	6,865	6,910	1.2	1.0
Debt securities	23	31	33	31	33	32	31	8.4	-5.6
Loans	281	273	293	297	300	308	297	1.7	1.6
Short-term	173	163	178	182	183	191	181	3.0	1.2
Long-term	108	109	114	116	117	116	117	-0.5	2.3
Shares and other equity	416	432	429	445	429	382	386	-9.7	-10.1
Quoted shares	131	133	123	130	122	97	97	-18.5	-21.1
Unquoted shares and other equity	284	299	305	314	306	283	287	-6.3	-5.8
Insurance technical reserves	5,156	5,576	5,957	6,013	6,035	6,039	6,100	1.8	2.4
Other liabilities ³⁾	123	140	134	134	141	104	96		

Source: ECB.

 1) 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.

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

3) Other accounts payable and financial derivative's net liabilities.

 4) 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.