

1 June 2007

## **PRESS RELEASE**

# **EURO AREA ECONOMIC AND FINANCIAL DEVELOPMENTS BY INSTITUTIONAL SECTOR: FOURTH QUARTER 2006**

### **Introducing quarterly European sector accounts**

For the first time the European Central Bank (ECB) and the European Commission (Eurostat) are publishing quarterly euro area and European Union (EU) accounts for institutional sectors (the European sector accounts), covering the period from the first quarter of 1999 to the fourth quarter of 2006.<sup>1</sup> This first press release will be followed by regular quarterly press releases on European sector accounts.<sup>2</sup>

The availability of these sector accounts enhances the analysis of macroeconomic developments both for the economy as a whole and by institutional sector (households, non-financial corporations, financial corporations and government). In particular, quarterly statistics on disposable income, saving, capital formation, financial investment, financing and the financial balance sheets of all sectors, as well as the transactions and balance sheet positions of the euro area with the rest of world will now be available.

The quarterly European sector accounts have been compiled jointly by the ECB and by the European Commission (Eurostat), in close cooperation with the national central banks and the national statistical institutes in the EU. The sector accounts for the euro area (euro area sector accounts) encompass integrated non-financial and financial accounts, including financial balance sheets. This publication supersedes the previous quarterly ECB press release on financing and financial investment. Eurostat is also publishing the non-financial accounts for the EU. The European sector accounts follow the methodology of the European System of Accounts 1995 (ESA 95)<sup>3</sup>. They are expressed in current prices so that this press release refers to nominal growth rates. The euro area sector accounts data are not seasonally adjusted and are thus presented as year-on-year changes.

The publication of euro area economic and financial developments in the first quarter of 2007 is scheduled to take place at 10.00 am (CEST) on **1 August 2007**.

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<sup>1</sup> The euro area accounts (financial and non-financial) and a methodological introduction of these statistics are included in a background document made available at <http://www.ecb.int/stats/acc/html/index.en.html> (ECB). The non-financial accounts for the EU are available at <http://ec.europa.eu/eurostat> (Eurostat).

<sup>2</sup> These quarterly accounts supersede the annual sector accounts, published for the first time in spring 2006.

<sup>3</sup> For more details, see <http://forum.europa.eu.int/irc/dsis/nfaccount/info/data/esa95/en/titelen.htm>.

*In the fourth quarter of 2006, the annual growth rate of **net disposable income in the euro area** equalled 5.3%, compared with 4.8% in the third quarter of 2006 (see Annex Table 1). The annual growth of **consumption** was 3.7% in the fourth quarter, which was slightly higher than in the third quarter (3.6%). In the fourth quarter **net saving in the euro area** increased by 25.3% per year, compared with 21.0% in the previous quarter. The annual growth rate of **gross fixed capital formation in the euro area** was 9.4% in the fourth quarter of 2006, compared with 7.8% in the third quarter.*

*The annual growth rate of **households' gross disposable income** equalled 2.8% in the fourth quarter of 2006, compared with 3.3% in the third quarter (see Annex Table 2). Gross **saving of households** declined and their average gross saving rate in the last four quarters decreased to 13.8%, as against 14.3% one year earlier. The annual growth rate of **financing of households** decreased to 8.6% in the fourth quarter, from 9.1% in the previous quarter, and the annual growth rate of their **financial investment** decreased slightly to 4.0%, from 4.2% previously.*

*The annual growth rate of **gross fixed capital formation of non-financial corporations** in the euro area amounted to 8.8% in the fourth quarter of 2006, compared with 7.3% in the third quarter (see Annex Table 3). The annual growth rate of **financing of non-financial corporations** increased to 5.1% in the fourth quarter, from 4.8% in the previous quarter and the annual growth rate of their **financial investment** increased from 5.2% to 5.8%.*

*In the fourth quarter of 2006, the annual growth rate of **euro area net disposable income** equalled 5.3%. This was 0.5 percentage points higher than in the previous quarter. The growth of euro area disposable income accrued mainly to the government and households, although the latter sector benefited somewhat less and the financial corporations sector somewhat more than in the previous quarter (see Annex Chart 1). Net **euro area saving** increased by 25.3% per year. This was 4.3 percentage points higher than in the previous quarter, because of an increase in saving by corporations and the government. The higher annual growth of **gross fixed capital formation** (9.4%) compared to the previous quarter (7.8%) was largely driven by accelerating investments of non-financial corporations and the government (see Annex Chart 2). The growth rate of **total capital formation** in the fourth quarter was considerably lower (6.4%), due to a decrease in inventories. These developments were accompanied by a **current account surplus of the euro area with the rest of the world**, which implies negative foreign saving (see Annex Chart 3).*

*The annual growth rate of **households' gross disposable income** decreased to 2.8% in the fourth quarter of 2006, from 3.3% in the previous quarter. This deceleration was partly related to an increase in the annual growth rate of **households' tax payments** (see Annex Chart 4 and Table 2). The growth rate of **compensation of employees** decreased to*

2.9%, from 4.2%, but this income category continued to contribute most to the households' disposable income growth.

The annual growth rate of households' disposable income was lower than that of their **consumption expenditure** (3.7%). Hence, the households' **gross saving rate** decreased to 13.8%. The net lending of households also declined, because the annual growth rate of households' saving was negative (-1.9%, while it was 2.4% previously) and their **non-financial investment** continued to grow at a high rate. In particular, the growth rate of their gross fixed capital formation increased to 9.2%, from 8.5% previously. This coincided with a slightly lower growth of their financial investment (4.0% per year, as compared to 4.2% previously); see Annex Chart 5.

Turning to the components of **households' financial investments**, the annual growth rate of their holdings of currency and deposits equalled 5.5% in the fourth quarter, compared with 5.3% in the previous quarter (see Annex Table 2). The annual growth rate of their investment in debt securities increased to 8.4%, from 7.8% previously. The growth rate of their investment in shares and other equity fell to -1.0%, from -0.7%, partly because the annual growth rate of their net acquisition of investment funds' shares dropped to -1.9%, from -1.0%. The annual growth rate of their addition to insurance technical reserves decreased to 6.0, from 6.7% previously.

The annual growth rate of **financing of households** (via the incurrence of loans) in the euro area decreased to 8.6% in the fourth quarter, from 9.1% in the previous quarter.

All in all, the annual growth rate of households' **net financial wealth** increased to 6.6%, from 5.1% in the previous quarter. This was predominantly related to larger holding gains on financial assets, in particular quoted shares and investment fund shares (see Annex Chart 6).

**The net entrepreneurial income of non-financial corporations**<sup>4</sup> grew at an annual rate of 9.4% in the fourth quarter of 2007, from 3.6% in the previous quarter (see Chart 7 and Table 3). This higher growth rate coincided with an accelerated growth in their net value added, from 4.7% to 5.6%.

The annual growth rate of **gross fixed capital formation** of non-financial corporations increased to 8.8% in the fourth quarter of 2006, from 7.3% in the third quarter (see Chart 8), whereas the annual growth rate of total **non-financial investment** decreased to 3.6%, from 10.6%, due to a drop in inventories. Since their non-financial investment exceeded their saving ("retained earnings"), the net lending of non-financial corporations was negative (their

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<sup>4</sup> 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).

borrowing from other sectors and the rest-of-the-world exceeded their financial investment).

In the fourth quarter of 2006, the annual growth rate of **financing by non-financial corporations** increased to 5.1%, from 4.8% previously. The growth rate of their loan financing rose to 10.9%, from 10.7%, and the annual growth rate of their issuance of debt securities increased to 5.9%, from 3.6%. The annual growth rate of their issuance of shares and other equity increased to 1.9%, from 1.7% (see Annex Table 3).

As regards the **financial investment of non-financial corporations**, the annual growth rate of investment in currency and deposits remained unchanged, at 11.5%. The growth rate of investment in shares and other equity, which includes their foreign investment, increased to 3.5%, from 3.2%.

The annual growth rate of insurance technical reserves, the major financing instrument of **insurance corporations and pension funds**, decreased to 6.6% in the fourth quarter of 2006, from 7.2% in the third quarter (see Annex Table 6). The annual growth rate of the issuance of quoted shares by this sector decreased to 1.6%, from 3.3%. The annual growth rate of their **financial investment** in debt securities decreased to 5.9%, from 7.2%, and that in shares and other equity decreased to 6.8%, from 7.7%.

Detailed figures for the euro area accounts (financial and non-financial) are available at <http://www.ecb.int/stats/acc/html/index.en.html> (ECB). Non-financial accounts of the European Union are available at <http://ec.europa.eu/eurostat> (Eurostat).

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Annex:

## Euro area

Chart 1 Growth of euro area net disposable income and its allocation to sectors  
(annual percentage changes and percentage point contributions)

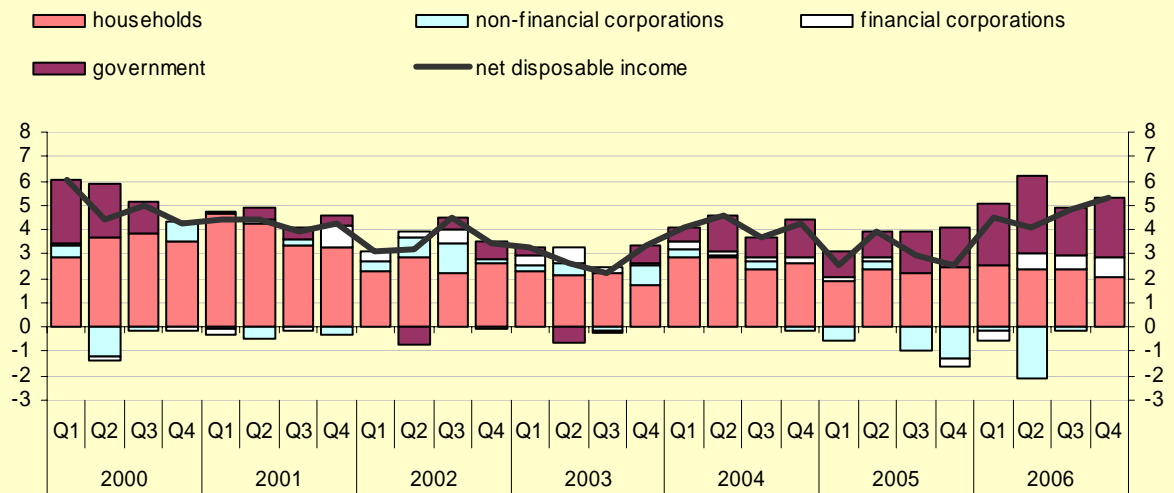


Chart 2 Growth of euro area gross fixed capital formation and contributions by sector  
(annual percentage changes and percentage point contributions)

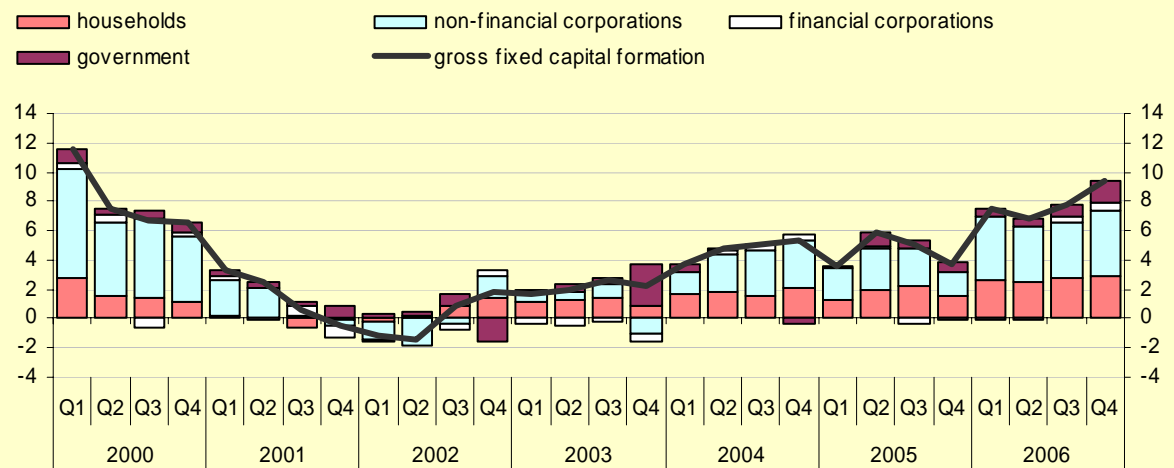
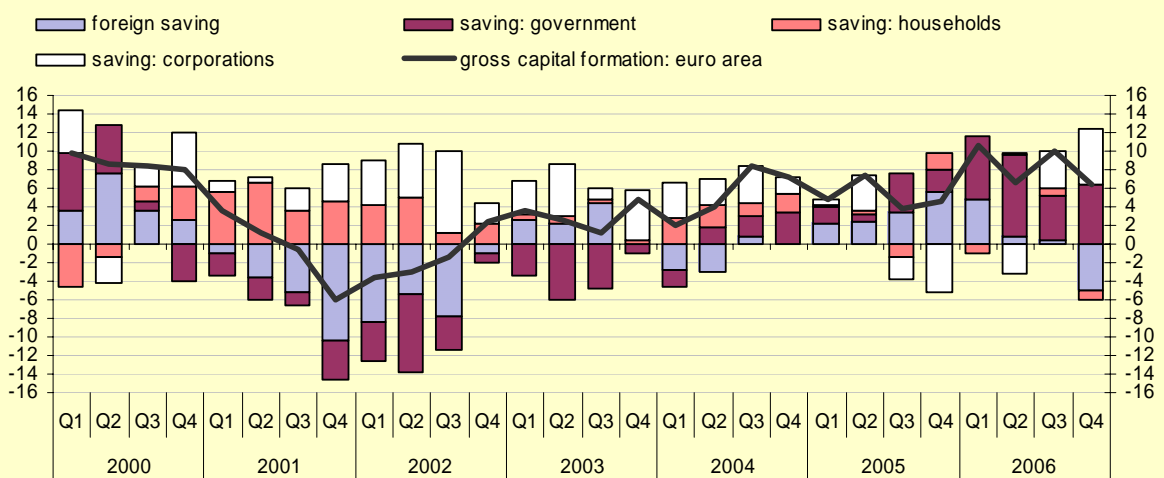


Chart 3 Growth of euro area gross capital formation and its financing by saving by sector  
(annual percentage changes and percentage point contributions)



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)

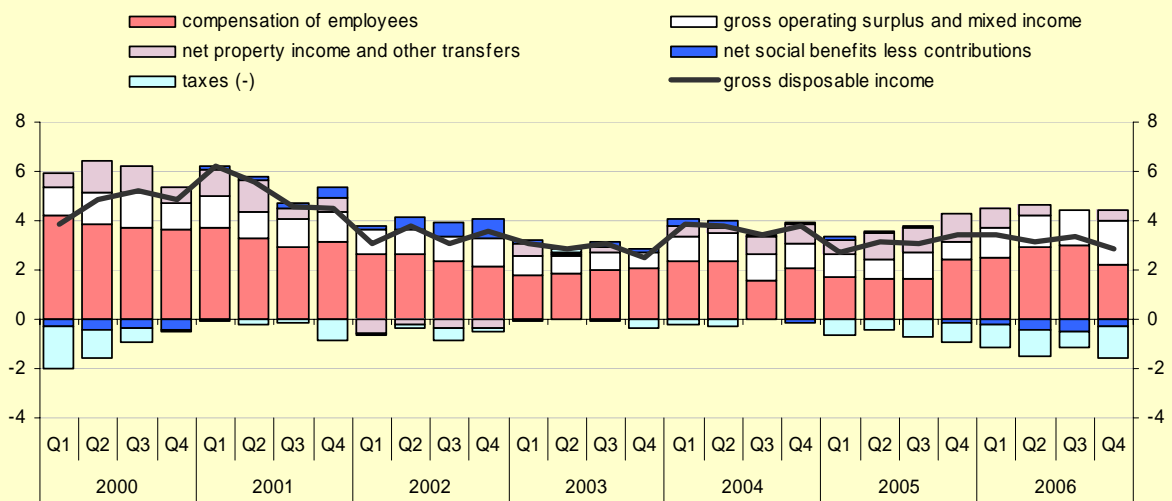


Chart 5 Growth of households' acquisition of non-financial assets and contributions by source of financing  
(annual percentage changes and percentage point contributions)

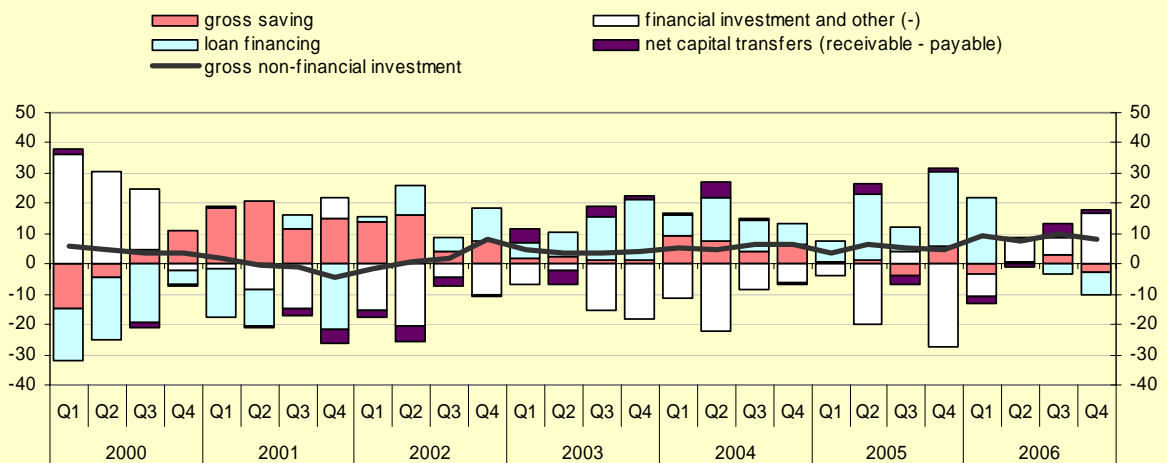
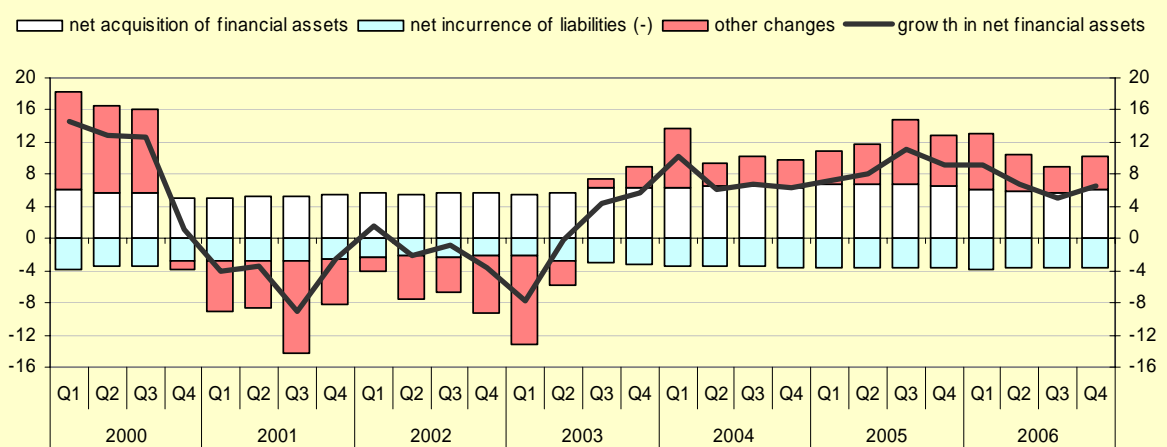


Chart 6 Growth of households' net financial wealth and contributions by type of wealth change  
(annual percentage changes and percentage point contributions)



Sources: ECB and Eurostat

## Euro area non-financial corporations

Chart 7 Growth of entrepreneurial income of non-financial corporations and contributions by component (annual percentage changes and percentage point contributions)

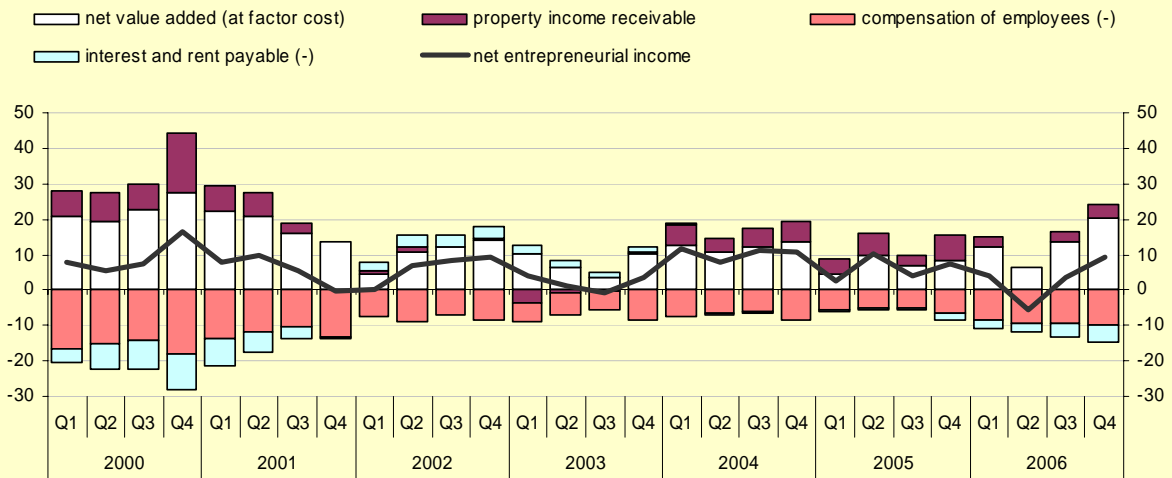
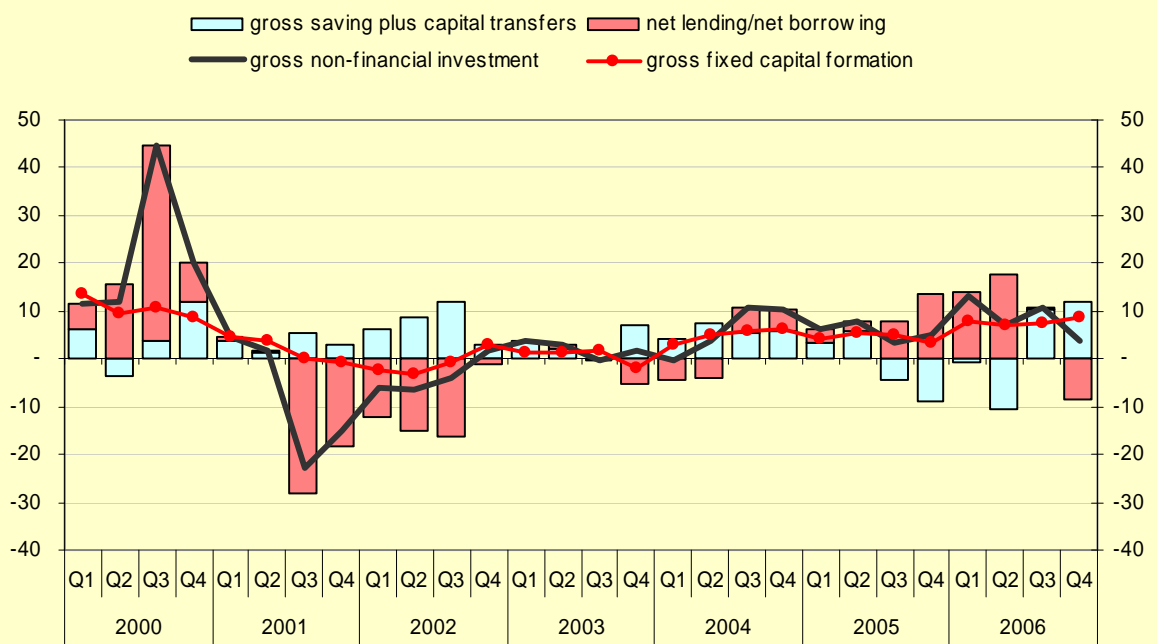


Chart 8 Growth of non-financial investment of non-financial corporations and contributions by financing category (annual percentage changes and percentage point contributions)



Sources: ECB and Eurostat

## 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 reclassifications, revaluations and other 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:

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

- A more detailed set of quarterly data is published in Tables 3.1 - 3.5 “Euro area accounts” in the statistics section of the ECB’s Monthly Bulletin. An explanation of the relationship between several variables in the tables of this press release is provided in the General Notes on that section of the Monthly Bulletin. A complete set of euro area accounts is available in the “Euro area accounts section” of the ECB’s website (<http://www.ecb.int>) and can be downloaded using the ECB’s Statistical Data Warehouse (SDW). A detailed methodological description of the statistics is also available on this website.



Table 1 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 <sup>1)</sup>		percentage of euro area NDI	
	2003	2004	2005Q4	2006Q1	2006Q2	2006Q3	2006Q4	2006Q3	2006Q4	2005Q4	2006Q4
<b>Net disposable income (NDI):</b>											
Euro area	6,297	6,558	6,754	6,827	6,896	6,976	7,070	4.8	5.3	100.0	100.0
Households <sup>2)</sup>	4,704	4,874	5,020	5,061	5,101	5,141	5,178	3.3	2.8	74.3	73.2
Non-financial corporations	69	79	39	37	2	0	0	-5.9	-0.6	0.6	0.0
Financial corporations	126	138	136	129	141	149	165	22.8	58.1	2.0	2.3
General government	1,398	1,467	1,558	1,599	1,652	1,685	1,728	9.3	8.8	23.1	24.4
<b>Consumption expenditure:</b>											
Euro area	5,845	6,055	6,272	6,336	6,397	6,453	6,514	3.6	3.7	92.9	92.1
Households <sup>2)</sup>	4,307	4,462	4,617	4,666	4,709	4,749	4,793	3.5	3.7	68.4	67.8
General government collective consumption	621	643	660	664	670	674	680	2.9	3.3	9.8	9.6
General government: social transfers in kind <sup>3)</sup>	917	950	995	1,007	1,019	1,030	1,041	4.9	4.0	14.7	14.7
<b>Net saving:</b>											
Euro area	452	504	482	491	499	523	556	21.0	25.3	7.1	7.9
Households <sup>2)</sup>	452	470	461	454	452	453	446	0.8	-5.5	6.8	6.3
Non-financial corporations	56	67	29	26	-9	-12	-13			0.4	-0.2
Financial corporations	84	93	89	82	93	101	117			1.3	1.6
General government	-141	-126	-97	-72	-37	-19	7			-1.4	0.1
<b>Consumption of fixed capital:</b>											
Euro area	1,063	1,109	1,158	1,172	1,188	1,204	1,219	5.5	5.2	17.1	17.2
Households <sup>2)</sup>	282	296	310	313	316	319	322	4.0	3.8	4.6	4.6
Non-financial corporations	602	626	653	663	673	684	695	6.7	6.4	9.7	9.8
Financial corporations	40	42	43	43	44	44	44	2.4	0.4	0.6	0.6
General government	139	145	152	153	155	157	159	4.5	4.4	2.2	2.2
<b>Net capital transfers (receivables-payables):</b>											
Euro area	12	17	15	14	13	13	14			0.2	0.2
Households <sup>2)</sup>	13	19	22	19	18	24	26			0.3	0.4
Non-financial corporations	45	54	59	50	51	65	80			0.9	1.1
Financial corporations	-7	-8	-7	-7	-6	-5	-6			-0.1	-0.1
General government	-39	-48	-58	-47	-50	-70	-87			-0.9	-1.2
<b>Gross fixed capital formation:</b>											
Euro area	1,483	1,553	1,624	1,651	1,680	1,711	1,752	7.8	9.4	24.0	24.8
Households <sup>2)</sup>	475	501	528	538	548	559	572	8.5	9.2	7.8	8.1
Non-financial corporations	780	820	856	871	887	902	922	7.3	8.8	12.7	13.0
Financial corporations	37	41	41	40	40	42	44	15.6	22.9	0.6	0.6
General government	190	191	200	202	204	208	214	6.9	9.9	3.0	3.0
<b>Net acquisition of other non-financial assets<sup>4)</sup>:</b>											
Euro area	3	11	22	37	37	47	33			0.3	0.5
Households <sup>2)</sup>	2	4	2	4	4	6	4			0.0	0.1
Non-financial corporations	1	7	19	33	33	40	28			0.3	0.4
Financial corporations	0	0	1	1	1	1	1			0.0	0.0
General government	0	0	1	1	0	0	0			0.0	0.0
<b>Net lending (+) / net borrowing (-):</b>											
Euro area	41	66	9	-12	-17	-19	4			0.1	0.1
Households <sup>2)</sup>	269	280	263	245	234	230	217			3.9	3.1
Non-financial corporations	-78	-79	-134	-166	-205	-206	-188			-2.0	-2.7
Financial corporations	80	85	83	78	90	97	110			1.2	1.6
General government	-230	-220	-203	-168	-136	-141	-135			-3.0	-1.9

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 level of transaction  $x$  in quarter  $t$ , and  $x_{t-4}$  for the level of the same type of 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, acquisition less disposals of valuables and acquisition less disposals of non-produced non-financial assets (e.g. land).

Table 2 Households<sup>1)</sup>

EUR billions

Non-financial transactions	four-quarter-cumulated sums							annual percentage changes <sup>2)</sup>		percentage of HGDI, adjusted <sup>3)</sup>	
	2003	2004	2005Q4	2006Q1	2006Q2	2006Q3	2006Q4	2006Q3	2006Q4	2005Q4	2006Q4
Compensation of employees	3,664	3,768	3,865	3,897	3,937	3,976	4,007	4.2	2.9	71.7	72.1
Gross operating surplus and mixed income	1,231	1,284	1,330	1,345	1,363	1,381	1,406	5.6	7.3	24.7	25.3
Property income (receivable - payable)	716	743	789	799	805	806	809			14.6	14.5
Net social benefits and contributions (rec. - pay.)	12	17	18	15	10	3	-1			0.3	0.0
Other current transfers (rec. - pay.)	65	65	69	70	69	69	72			1.3	1.3
Taxes (on income and wealth)	703	707	740	752	766	774	792	4.6	8.1	13.7	14.2
<b>Gross disposable income (HGDI)</b>	<b>4,986</b>	<b>5,171</b>	<b>5,330</b>	<b>5,374</b>	<b>5,417</b>	<b>5,461</b>	<b>5,500</b>	<b>3.3</b>	<b>2.8</b>	<b>98.9</b>	<b>98.9</b>
+Adj. for change in net worth in pension funds <sup>3)</sup>	55	57	58	59	60	60	61	5.9	4.7	1.1	1.1
<b>Gross disposable income (HGDI) plus adjustment<sup>3)</sup></b>	<b>5,041</b>	<b>5,228</b>	<b>5,388</b>	<b>5,433</b>	<b>5,477</b>	<b>5,521</b>	<b>5,561</b>	<b>3.4</b>	<b>2.9</b>	<b>100.0</b>	<b>100.0</b>
<b>Consumption expenditure</b>	<b>4,307</b>	<b>4,462</b>	<b>4,617</b>	<b>4,666</b>	<b>4,709</b>	<b>4,749</b>	<b>4,793</b>	<b>3.5</b>	<b>3.7</b>	<b>85.7</b>	<b>86.2</b>
<b>Gross saving</b>	<b>734</b>	<b>766</b>	<b>771</b>	<b>767</b>	<b>768</b>	<b>772</b>	<b>768</b>	<b>2.4</b>	<b>-1.9</b>	<b>14.3</b>	<b>13.8</b>
<b>Net capital transfers (receivables-payables)</b>	<b>13</b>	<b>19</b>	<b>22</b>	<b>19</b>	<b>18</b>	<b>24</b>	<b>26</b>			<b>0.4</b>	<b>0.5</b>
<b>Gross fixed capital formation</b>	<b>475</b>	<b>501</b>	<b>528</b>	<b>538</b>	<b>548</b>	<b>559</b>	<b>572</b>	<b>8.5</b>	<b>9.2</b>	<b>9.8</b>	<b>10.3</b>
Net acquisition of other non-financial assets <sup>4)</sup>	2	4	2	4	4	6	4			0.0	0.1
<b>Net lending (+) / net borrowing (-)</b>	<b>269</b>	<b>280</b>	<b>263</b>	<b>245</b>	<b>234</b>	<b>230</b>	<b>217</b>			<b>4.9</b>	<b>3.9</b>
Financial transactions	four-quarter-cumulated sums							annual growth rates <sup>5)</sup>		percentage of HGDI, adjusted <sup>3)</sup>	
	2003	2004	2005Q4	2006Q1	2006Q2	2006Q3	2006Q4	2006Q3	2006Q4	2005Q4	2006Q4
<b>Net acquisition of financial assets</b>	<b>551</b>	<b>598</b>	<b>658</b>	<b>627</b>	<b>602</b>	<b>612</b>	<b>649</b>	<b>3.9</b>	<b>4.1</b>	<b>12.2</b>	<b>11.7</b>
<b>Financial investment</b>	<b>547</b>	<b>579</b>	<b>704</b>	<b>696</b>	<b>639</b>	<b>639</b>	<b>622</b>	<b>4.2</b>	<b>4.0</b>	<b>13.1</b>	<b>11.2</b>
Currency and deposits	220	246	239	246	246	263	276	5.3	5.5	4.4	5.0
Debt securities	-13	78	23	44	52	110	116	7.8	8.4	0.4	2.1
Shares and other equity	95	-15	127	82	31	-33	-48	-0.7	-1.0	2.4	-0.9
Quoted shares	33	-50	9	-25	-26	-38	-17	-3.8	-1.7	0.2	-0.3
Unquoted shares and other equity	-19	38	58	63	33	22	2	1.2	0.1	1.1	0.0
Mutual funds shares	81	-3	60	44	24	-17	-32	-1.0	-1.9	1.1	-0.6
Insurance technical reserves	244	269	315	324	310	300	278	6.7	6.0	5.9	5.0
Other financial assets <sup>6)</sup>	4	18	-46	-68	-36	-27	27	-10.3	12.0	-0.9	0.5
<b>Net incurrence of liabilities</b>	<b>285</b>	<b>333</b>	<b>368</b>	<b>392</b>	<b>382</b>	<b>398</b>	<b>386</b>	<b>8.0</b>	<b>7.6</b>	<b>6.8</b>	<b>6.9</b>
<b>Financing</b>	<b>263</b>	<b>309</b>	<b>388</b>	<b>415</b>	<b>416</b>	<b>411</b>	<b>401</b>	<b>9.1</b>	<b>8.6</b>	<b>7.2</b>	<b>7.2</b>
Loans	263	309	388	415	416	411	401	9.1	8.6	7.2	7.2
short-term	-2	8	15	11	10	11	12	3.5	3.9	0.3	0.2
long-term	265	302	373	404	406	401	389	9.5	9.0	6.9	7.0
Other liabilities <sup>7)</sup>	23	24	-19	-24	-34	-13	-15	-3.1	-3.8	-0.4	-0.3
<b>Changes in financial wealth not due to transactions</b>	<b>237</b>	<b>323</b>	<b>619</b>	<b>705</b>	<b>470</b>	<b>331</b>	<b>449</b>			<b>11.5</b>	<b>8.1</b>
Financial balance sheet	end-of-period stocks							annual percentage changes <sup>2)</sup>		percentage of HGDI, adjusted <sup>3)</sup>	
	2003	2004	2005Q4	2006Q1	2006Q2	2006Q3	2006Q4	2006Q3	2006Q4	2005Q4	2006Q4
<b>Financial assets</b>	<b>13,643</b>	<b>14,579</b>	<b>15,853</b>	<b>16,263</b>	<b>16,252</b>	<b>16,519</b>	<b>16,921</b>	<b>5.8</b>	<b>6.7</b>	<b>294.2</b>	<b>304.3</b>
<b>Financial investment</b>	<b>13,377</b>	<b>14,292</b>	<b>15,625</b>	<b>16,034</b>	<b>16,031</b>	<b>16,284</b>	<b>16,662</b>	<b>6.1</b>	<b>6.6</b>	<b>290.0</b>	<b>299.6</b>
Currency and deposits	4,569	4,807	5,054	5,072	5,162	5,182	5,314	5.2	5.2	93.8	95.6
Debt securities	1,284	1,362	1,383	1,431	1,436	1,473	1,488	4.8	7.6	25.7	26.8
Shares and other equity	3,688	3,943	4,558	4,800	4,661	4,771	4,917	6.0	7.9	84.6	88.4
Quoted shares	794	844	1,032	1,127	1,057	1,134	1,213	11.4	17.6	19.1	21.8
Unquoted shares and other equity	1,402	1,597	1,877	1,994	1,979	2,015	2,067	9.2	10.1	34.8	37.2
Mutual funds shares	1,493	1,502	1,650	1,679	1,625	1,621	1,637	-1.0	-0.8	30.6	29.4
Insurance technical reserves	3,806	4,153	4,604	4,706	4,748	4,835	4,920	7.7	6.9	85.4	88.5
Other financial assets <sup>6)</sup>	266	287	228	229	222	235	258	-10.8	13.2	4.2	4.6
<b>Liabilities</b>	<b>4,341</b>	<b>4,689</b>	<b>5,055</b>	<b>5,148</b>	<b>5,222</b>	<b>5,318</b>	<b>5,409</b>	<b>7.3</b>	<b>7.0</b>	<b>93.8</b>	<b>97.3</b>
<b>Financing</b>	<b>3,968</b>	<b>4,282</b>	<b>4,656</b>	<b>4,737</b>	<b>4,842</b>	<b>4,920</b>	<b>5,022</b>	<b>8.4</b>	<b>7.9</b>	<b>86.4</b>	<b>90.3</b>
Loans	3,968	4,282	4,656	4,737	4,842	4,920	5,022	8.4	7.9	86.4	90.3
short-term	289	296	309	303	312	308	312	1.7	1.1	5.7	5.6
long-term	3,679	3,985	4,347	4,434	4,530	4,612	4,709	8.8	8.3	80.7	84.7
Other liabilities <sup>7)</sup>	372	407	399	410	380	398	388	-3.9	-2.8	7.4	7.0
<b>Net financial wealth</b>	<b>9,303</b>	<b>9,890</b>	<b>10,799</b>	<b>11,115</b>	<b>11,031</b>	<b>11,200</b>	<b>11,511</b>	<b>5.1</b>	<b>6.6</b>	<b>200.4</b>	<b>207.0</b>

Sources: ECB and Eurostat

1) Households and non-profit institutions serving households.

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

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

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

5) 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.

6) Other accounts receivable/payable and loans granted.

7) Other accounts payable etc.

Table 3 Non-financial corporations

EUR billions

Non-financial transactions	four-quarter-cumulated sums							annual percentage changes <sup>1)</sup>		percentage of GVA or (NVA) <sup>2)</sup>	
	2003	2004	2005Q4	2006Q1	2006Q2	2006Q3	2006Q4	2006Q3	2006Q4	2005Q4	2006Q4
<b>Gross value added (GVA)</b>	3,781	3,923	4,029	4,072	4,104	4,154	4,214	5.0	5.7	100.0	100.0
Net value added (NVA)	3,179	3,297	3,376	3,409	3,431	3,470	3,519	4.7	5.6	83.8	83.5
<b>Net entrepreneurial income</b>	906	999	1,058	1,069	1,054	1,064	1,086	3.6	9.4	31.4	30.9
Net disposable income	69	79	39	37	2	0	0	-5.9	0.6	1.2	0.0
Adj. for change in net worth in pension funds	-13	-12	-11	-11	-12	-12	-13	16.2	15.2	-0.3	-0.4
<b>Net saving</b>	56	67	29	26	-9	-12	-13			0.8	-0.4
<b>Net capital transfers (receivable-payable)</b>	45	54	59	50	51	65	80			1.7	1.9
Consumption of fixed capital	602	626	653	663	673	684	695	6.7	6.4	16.2	16.5
<b>Gross fixed capital formation</b>	780	820	856	871	887	902	922	7.3	8.8	21.2	21.9
Net acquisitions of other non-financial assets <sup>3)</sup>	1	7	19	33	33	40	28			0.5	0.7
<b>Net lending (+) / net borrowing (-)</b>	-78	-79	-134	-166	-205	-206	-188			-3.3	-4.5
Financial transactions	four-quarter-cumulated sums							annual growth rates <sup>4)</sup>		percentage of GVA	
	2003	2004	2005Q4	2006Q1	2006Q2	2006Q3	2006Q4	2006Q3	2006Q4	2005Q4	2006Q4
<b>Net acquisition of financial assets</b>	436	372	505	588	693	685	733	5.9	6.2	12.5	17.4
<b>Financial investment</b>	406	260	417	423	525	479	552	5.2	5.8	10.4	13.1
Currency and deposits	113	81	149	147	154	156	163	11.5	11.5	20.9	21.1
Debt securities	-30	-57	-23	-4	9	-1	17	-0.2	6.0	-0.6	0.4
Loans	142	58	131	99	121	128	154	8.5	10.1	3.3	3.6
Shares and other equity	182	179	161	181	242	196	217	3.2	3.5	4.0	5.2
Quoted shares	5	90	31	33	76	98	44	6.9	2.9	0.8	1.0
Unquoted shares and other equity	141	66	111	138	164	102	181	2.4	4.1	2.7	4.3
Mutual funds shares	36	22	19	10	2	-4	-7	-1.1	-1.7	0.5	-0.2
Other financial assets <sup>5)</sup>	30	112	87	165	167	206	181	8.7	7.4	2.2	4.3
<b>Net incurrence of liabilities</b>	510	436	665	745	884	874	967	4.7	5.1	16.5	22.9
<b>Financing</b>	480	399	575	672	817	794	867	4.8	5.1	14.3	20.6
Debt securities	63	7	-4	-7	7	24	39	3.6	5.9	-0.1	0.9
Loans	217	188	384	461	556	590	614	10.7	10.9	9.5	14.6
short-term	52	26	159	175	199	206	196	11.3	10.4	3.9	4.6
long-term	165	163	226	286	356	384	418	10.3	11.1	5.6	9.9
Shares and other equity	185	190	183	205	242	168	201	1.7	1.9	4.5	4.8
Quoted shares	19	12	101	96	113	39	32	1.1	0.9	2.5	0.8
Unquoted shares and other equity	166	178	81	109	129	129	169	2.0	2.5	2.0	4.0
Pension fund reserves	15	13	13	13	12	12	12	3.9	3.9	0.3	0.3
Other liabilities <sup>6)</sup>	30	37	90	73	67	80	100	3.8	4.7	2.2	2.4
Financial balance sheet	end-of-period stocks							annual percentage changes <sup>1)</sup>		percentage of GVA	
	2003	2004	2005Q4	2006Q1	2006Q2	2006Q3	2006Q4	2006Q3	2006Q4	2005Q4	2006Q4
<b>Financial assets</b>	9,997	10,669	11,909	12,435	12,499	12,880	13,403	11.0	12.5	295.6	318.1
<b>Financial investment</b>	7,819	8,356	9,490	9,985	10,009	10,352	10,819	11.7	14.0	235.6	256.7
Currency and deposits	1,203	1,268	1,419	1,422	1,464	1,506	1,569	10.9	10.6	35.2	37.2
Debt securities	405	320	293	308	315	306	313	-0.1	6.8	7.3	7.4
Loans	1,345	1,394	1,520	1,538	1,588	1,619	1,684	7.8	10.8	37.7	40.0
Shares and other equity	4,867	5,375	6,259	6,717	6,642	6,921	7,253	13.5	15.9	155.4	172.1
Quoted shares	1,174	1,267	1,491	1,639	1,646	1,660	1,769	17.0	18.6	37.0	42.0
Unquoted shares and other equity	3,351	3,738	4,359	4,659	4,594	4,846	5,072	13.6	16.4	108.2	120.4
Mutual funds shares	341	370	409	419	402	415	412	-0.1	0.7	10.2	9.8
Other financial assets <sup>5)</sup>	2,229	2,356	2,456	2,485	2,524	2,560	2,616	7.9	6.5	61.0	62.1
<b>Liabilities</b>	16,004	17,189	19,139	20,041	20,058	20,572	21,506	9.4	12.4	475.1	510.4
<b>Financing</b>	14,075	15,179	17,018	17,909	17,935	18,398	19,256	10.0	13.1	422.4	457.0
Debt securities	629	668	666	671	687	689	689	0.5	3.4	16.5	16.3
Loans	5,159	5,269	5,658	5,804	5,982	6,094	6,246	10.2	10.4	140.4	148.2
short-term	1,711	1,707	1,876	1,901	1,972	1,996	2,048	10.1	9.1	46.6	48.6
long-term	3,448	3,562	3,782	3,903	4,010	4,097	4,199	10.3	11.0	93.9	99.6
Shares and other equity	7,998	8,941	10,380	11,118	10,946	11,292	11,995	10.8	15.6	257.6	284.6
Quoted shares	2,733	2,988	3,682	4,088	3,949	4,093	4,459	14.2	21.1	91.4	105.8
Unquoted shares and other equity	5,266	5,953	6,698	7,029	6,997	7,199	7,535	8.9	12.5	166.3	178.8
Pension fund reserves	288	301	314	317	320	323	326	3.9	3.9	7.8	7.7
Other liabilities <sup>6)</sup>	1,929	2,010	2,121	2,132	2,123	2,174	2,250	4.7	6.1	52.6	53.4

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 level of transaction or end-of-quarter stock  $x$  in quarter  $t$ , and  $x_{t-4}$  for the level of the same type of 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, acquisition less disposals of valuables and acquisition 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 insurance technical reserves.

6) Other accounts payable and financial derivatives.

Table 4 General government

EUR billions

Non-financial transactions	four-quarter-cumulated sums							annual percentage changes <sup>1)</sup>		percentage of GNDI	
	2003	2004	2005Q4	2006Q1	2006Q2	2006Q3	2006Q4	2006Q3	2006Q4	2005Q4	2006Q4
<b>Net disposable income (GNDI)</b>	1,398	1,467	1,558	1,599	1,652	1,685	1,728	9.3	8.8	100.0	100.0
<b>Consumption expenditure</b>	1,538	1,593	1,655	1,671	1,688	1,704	1,721	4.1	3.7	106.2	99.6
<b>Net saving</b>	-141	-126	-97	-72	-37	-19	7			-6.2	0.4
Consumption of fixed capital	139	145	152	153	155	157	159	4.5	4.4	9.7	9.2
<b>Net capital transfers (receivable-payable)</b>	-39	-48	-58	-47	-50	-70	-87			-3.7	-5.0
<b>Gross fixed capital formation</b>	190	191	200	202	204	208	214	6.9	9.9	12.8	12.4
Net acquisition of other non-financial assets <sup>2)</sup>	0	0	1	1	0	0	0			0.0	0.0
<b>Net lending (+) / net borrowing (-)</b>	-230	-220	-203	-168	-136	-141	-135			-13.0	-7.8
Financial transactions	four-quarter-cumulated sums							annual growth rates <sup>3)</sup>		percentage of GNDI	
	2003	2004	2005Q4	2006Q1	2006Q2	2006Q3	2006Q4	2006Q3	2006Q4	2005Q4	2006Q4
<b>Net acquisition of financial assets</b>	38	44	82	91	70	123	44	5.0	1.8	5.2	2.6
<b>Financial investment</b>	6	47	67	39	27	62	33	3.1	1.7	4.3	1.9
Currency and deposits	-4	18	31	27	29	60	33	12.8	6.8	2.0	1.9
Debt securities	4	17	20	25	19	13	26	6.3	12.7	1.3	1.5
Loans	-2	9	5	-3	-7	-4	-15	-1.2	-4.0	0.4	-0.9
short-term	1	0	2	-1	-4	0	0	-0.8	-1.0	0.1	0.0
long-term	-3	10	3	-2	-2	-4	-15	-1.2	-4.4	0.2	-0.8
Shares and other equity	8	2	10	-9	-14	-7	-10	-0.8	-1.0	0.7	-0.6
Quoted shares	-8	-20	-12	-24	-30	-23	-20	-8.0	-6.5	-0.8	-1.2
Unquoted shares and other equity	8	11	12	2	-1	-2	-6	-0.3	-1.1	0.7	-0.3
Mutual funds shares	8	11	11	13	17	17	16	16.4	14.3	0.7	0.9
Other financial assets <sup>4)</sup>	32	-3	15	53	43	61	11	12.3	2.1	0.9	0.6
<b>Net incurrence of liabilities</b>	268	263	285	259	206	263	180	3.9	2.7	18.3	10.4
Currency and deposits	3	25	26	38	22	20	13	6.2	3.9	1.6	0.7
Debt securities	220	234	215	165	110	122	102	2.4	2.1	13.8	5.9
short-term	51	11	-8	-12	-23	-25	-32	-4.2	-5.4	-0.5	-1.8
long-term	169	223	223	177	133	148	134	3.3	3.0	14.3	7.7
Loans	23	13	22	16	22	23	6	2.2	0.6	1.4	0.4
short-term	22	-3	5	13	21	28	4	21.2	3.4	0.3	0.3
long-term	2	16	17	3	2	-5	2	-0.6	0.2	1.1	0.1
Other liabilities <sup>5)</sup>	22	-9	22	40	52	98	58	33.2	16.3	1.4	3.4
Financial balance sheet	end-of-period stocks							annual percentage changes <sup>1)</sup>		percentage of GNDI	
	2003	2004	2005Q4	2006Q1	2006Q2	2006Q3	2006Q4	2006Q3	2006Q4	2005Q4	2006Q4
<b>Financial assets</b>	2,193	2,327	2,534	2,622	2,647	2,670	2,675	8.3	5.6	162.6	154.8
<b>Financial investment</b>	1,680	1,811	2,000	2,063	2,094	2,103	2,130	6.7	6.5	128.3	123.2
Currency and deposits	426	447	476	488	542	526	508	12.7	6.7	30.5	29.4
Debt securities	164	183	204	209	213	218	226	4.4	10.8	13.1	13.1
Loans	365	368	376	371	370	366	361	-1.1	-4.0	24.1	20.9
short-term	44	43	45	40	39	39	44	-1.8	-1.3	2.9	2.6
long-term	321	325	331	331	331	328	317	-1.0	-4.4	21.2	18.3
Shares and other equity	725	813	944	995	969	992	1,035	7.3	9.6	60.6	59.9
Quoted shares	214	223	316	350	331	342	376	22.1	19.2	20.2	21.8
Unquoted shares and other equity	439	504	516	525	518	523	526	-3.3	2.0	33.1	30.4
Mutual funds shares	72	87	113	121	120	127	132	22.6	17.3	7.2	7.7
Other financial assets <sup>4)</sup>	513	516	534	559	553	567	546	14.6	2.3	34.2	31.6
<b>Liabilities</b>	6,005	6,391	6,735	6,717	6,705	6,815	6,732	1.5	0.0	432.2	389.5
Currency and deposits	283	309	333	337	336	337	346	6.2	3.9	21.4	20.0
Debt securities	4,398	4,724	4,972	4,959	4,942	5,012	4,928	-0.7	-0.9	319.0	285.2
short-term	552	582	581	591	603	590	560	-3.0	-3.6	37.3	32.4
long-term	3,845	4,142	4,390	4,368	4,339	4,422	4,367	-0.4	-0.5	281.7	252.7
Loans	1,032	1,047	1,069	1,069	1,068	1,078	1,075	2.2	0.6	68.6	62.2
short-term	125	123	128	137	148	161	131	20.1	2.4	8.2	7.6
long-term	907	924	941	932	921	916	944	-0.5	0.3	60.4	54.6
Other liabilities <sup>5)</sup>	289	308	357	349	354	384	378	30.0	5.9	22.9	21.9
<i>Memo: Government debt (at nominal value)<sup>6)</sup></i>	5,178	5,419	5,669	5,769	5,838	5,861	5,794				

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 level of transaction or end-of-quarter stock  $x$  in quarter  $t$ , and  $x_{t-4}$  for the level of the same type of transaction or stock four quarters earlier.

2) Changes in inventories, acquisition less disposals of valuables and acquisition 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) Other accounts receivable/payable, insurance technical reserves and financial derivatives.

5) Other accounts payable, insurance technical reserves and financial derivatives.

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

Table 5 Financial corporations

EUR billions

Non-financial transactions	four-quarter-cumulated sums							annual percentage changes <sup>1)</sup>		percentage of GVA or (NVA) <sup>2)</sup>	
	2003	2004	2005Q4	2006Q1	2006Q2	2006Q3	2006Q4	2006Q3	2006Q4	2005Q4	2006Q4
<b>Gross value added (GVA)</b>	330	346	355	357	358	359	360	1.9	0.5	100.0	100.0
Net value added (NVA)	290	305	313	313	314	315	316	1.9	0.5	88.0	87.8
<b>Net entrepreneurial income</b>	286	316	350	351	374	379	397			111.8	125.7
Net disposable income	84	93	89	82	93	101	117			28.5	36.9
Adj. for change in net equity of HH in PF reserves <sup>2)</sup>	-41	-45	-47	-47	-47	-48	-48			-15.0	-15.3
<b>Net saving</b>	84	93	89	82	93	101	117			28.5	36.9
<b>Net capital transfers (receivable-payable)</b>	-7	-8	-7	-7	-6	-5	-6			-2.1	-1.6
Consumption of fixed capital	40	42	43	43	44	44	44	2.4	0.4	12.0	12.2
<b>Gross fixed capital formation</b>	37	41	41	40	40	42	44	15.6	22.9	11.4	12.3
Net acquisition of other non-financial assets <sup>3)</sup>	0	0	1	1	1	1	1			0.1	0.2
<b>Net lending (+) / net borrowing (-)</b>	80	85	83	78	90	97	110			23.4	30.6
Financial transactions	four-quarter-cumulated sums							annual growth rates <sup>4)</sup>		percentage of GVA	
	2003	2004	2005Q4	2006Q1	2006Q2	2006Q3	2006Q4	2006Q3	2006Q4	2005Q4	2006Q4
<b>Net acquisition of financial assets</b>	1,606	1,926	3,019	3,339	3,081	3,305	3,461	10.9	11.1	849.7	962.3
Currency and deposits	222	329	435	494	453	484	722	14.7	21.1	122.3	200.8
Debt securities	510	450	688	678	645	643	551	9.2	7.7	193.7	153.2
short-term	72	101	24	10	20	64	87	13.9	18.3	6.8	24.1
long-term	438	350	664	668	626	579	465	8.8	6.9	186.9	129.2
Loans	528	604	878	1,023	1,095	1,163	1,154	10.5	10.1	247.2	320.8
short-term	80	87	173	247	262	307	323	11.5	11.9	48.7	89.9
long-term	448	517	705	777	833	856	830	10.1	9.5	198.4	230.9
Shares and other equity	330	408	684	866	784	808	789	11.7	10.9	192.5	219.3
Other financial assets <sup>5)</sup>	17	134	334	277	103	208	245	11.1	12.3	94.1	68.1
<b>Net incurrence of liabilities</b>	1,526	1,841	2,936	3,261	2,991	3,208	3,351	10.6	10.6	826.2	931.7
Currency and deposits	561	711	988	1,054	1,032	1,126	1,232	10.4	11.0	278.2	342.6
Debt securities	246	298	434	502	507	548	625	15.7	17.2	122.3	173.7
short-term	4	30	42	46	54	69	81	22.7	24.9	11.8	22.5
long-term	243	268	392	456	453	479	544	15.0	16.5	110.4	151.2
Loans	84	80	139	159	140	158	146	12.9	11.5	39.2	40.6
short-term	30	15	56	31	25	51	50	7.6	7.3	15.7	13.8
long-term	54	65	83	127	115	107	96	19.2	16.3	23.5	26.8
Shares and other equity	404	349	732	881	832	807	796	9.6	9.1	206.0	221.3
Quoted shares	20	28	21	26	22	43	41	3.5	3.0	5.8	11.5
Unquoted shares and other equity	41	3	3	29	128	157	179	8.0	8.7	0.8	49.7
Mutual funds shares	344	318	709	827	682	606	576	11.6	10.7	199.4	160.1
Insurance technical reserves	239	266	332	341	330	327	308	7.2	6.6	93.4	85.6
Other liabilities <sup>6)</sup>	-8	136	310	324	149	243	245	13.0	12.3	87.2	68.0
Financial balance sheet	end-of-period stocks							annual percentage changes <sup>1)</sup>			
	2003	2004	2005Q4	2006Q1	2006Q2	2006Q3	2006Q4	2006Q3	2006Q4		
<b>Financial assets</b>	24,833	27,118	31,271	32,566	32,865	33,991	35,052	12.6	12.1		
Currency and deposits	2,456	2,748	3,428	3,657	3,740	3,884	4,103	18.0	19.7		
Debt securities	5,770	6,371	7,193	7,333	7,396	7,579	7,599	7.9	5.6		
short-term	240	441	474	480	506	525	562	15.1	18.5		
long-term	5,530	5,930	6,719	6,853	6,890	7,054	7,037	7.4	4.7		
Loans	9,981	10,489	11,415	11,663	11,937	12,193	12,478	9.7	9.3		
short-term	2,469	2,493	2,715	2,805	2,876	2,938	2,992	9.8	10.2		
long-term	7,512	7,996	8,701	8,858	9,060	9,255	9,487	9.7	9.0		
Shares and other equity	5,254	5,957	7,251	7,836	7,707	8,115	8,563	17.9	18.1		
Other financial assets <sup>5)</sup>	1,372	1,553	1,984	2,077	2,085	2,221	2,309	17.9	16.4		
<b>Liabilities</b>	25,178	27,292	31,557	32,985	33,197	34,385	35,439	13.3	12.3		
Currency and deposits	9,287	9,924	11,231	11,562	11,752	12,024	12,352	11.0	10.0		
Debt securities	2,840	3,134	3,623	3,789	3,905	3,992	4,181	14.5	15.4		
short-term	227	268	324	354	353	372	397	21.7	22.3		
long-term	2,612	2,866	3,299	3,435	3,551	3,619	3,785	13.8	14.7		
Loans	1,091	1,132	1,275	1,314	1,318	1,372	1,412	11.9	10.7		
short-term	644	627	683	688	686	712	727	6.5	6.4		
long-term	447	505	592	626	632	660	685	18.3	15.8		
Shares and other equity	6,672	7,305	8,784	9,479	9,290	9,854	10,192	17.3	16.0		
Quoted shares	936	1,039	1,360	1,523	1,417	1,581	1,676	28.6	23.2		
Unquoted shares and other equity	1,716	1,815	2,063	2,256	2,245	2,380	2,420	20.9	17.3		
Mutual funds shares	4,020	4,450	5,360	5,700	5,629	5,893	6,096	13.2	13.7		
Insurance technical reserves	3,836	4,186	4,663	4,770	4,823	4,923	4,997	8.4	7.2		
Other liabilities <sup>6)</sup>	1,452	1,611	1,981	2,072	2,109	2,222	2,304	18.9	16.3		

Sources: ECB and Eurostat

1) Annual percentage changes are calculated as  $100 \times (x_t - x_{t-4}) / x_{t-4}$  where  $x_t$  stands for the level of transaction or end-of-quarter stock  $x$  in quarter  $t$ , and  $x_{t-4}$  for the level of the same type of 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, acquisition less disposals of valuables and acquisition less disposals of non-produced non-financial assets (e.g. land).

4) 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.

5) Monetary gold and SDRs, other accounts receivable, insurance technical reserves and financial derivatives.

6) Other accounts payable and financial derivatives.

Table 6 Insurance corporations and pension funds

EUR billions

Financial transactions	four-quarter-cumulated sums							annual growth rates <sup>1)</sup>	
	2003	2004	2005Q4	2006Q1	2006Q2	2006Q3	2006Q4	2006Q3	2006Q4
<b>Net lending (+) / net borrowing (-)</b>	-15	-9	-17	-25	-15	-10	-13		
<b>Net acquisition of financial assets</b>	263	267	356	356	361	379	352	7.1	6.4
Currency and deposits	30	50	27	15	31	42	59	6.4	9.0
Debt securities	152	162	171	164	150	146	121	7.2	5.9
short-term	11	30	21	23	15	12	2	5.5	1.1
long-term	141	133	149	141	135	134	118	7.4	6.5
Loans	12	6	-8	8	15	18	14	5.0	3.8
Shares and other equity	60	46	123	139	141	150	137	7.7	6.8
Quoted shares	10	14	22	10	11	10	13	1.5	1.9
Unquoted shares and other equity	5	-1	16	21	27	32	29	8.7	7.2
Mutual funds shares	44	34	85	108	103	107	95	12.0	10.4
Insurance technical reserves	-1	5	2	4	4	5	14	3.7	10.4
Other accounts receivable	12	-3	40	27	20	18	7	7.2	2.6
<b>Net incurrence of liabilities</b>	279	276	373	381	377	389	365	7.2	6.5
Currency and deposits	0	0	0	0	0	0	0	-4.5	-4.5
Debt securities	5	-2	0	0	0	0	4	-1.1	18.5
Loans	12	5	10	22	24	32	28	25.2	21.7
short-term	7	7	4	11	12	20	14	29.1	21.3
long-term	5	-3	6	11	12	13	14	21.0	22.0
Shares and other equity	11	13	10	11	10	13	9	2.5	1.4
Quoted shares	8	3	6	6	5	8	4	3.3	1.6
Unquoted shares and other equity	3	10	5	5	5	5	4	1.9	1.3
Insurance technical reserves	237	261	331	339	328	325	305	7.2	6.6
Other liabilities <sup>2)</sup>	13	-1	22	9	15	18	19	7.3	8.3
Financial balance sheet	end-of-period stocks							annual percentage changes <sup>3)</sup>	
	2003	2004	2005Q4	2006Q1	2006Q2	2006Q3	2006Q4	2006Q3	2006Q4
<b>Financial assets</b>	4,347	4,893	5,469	5,636	5,637	5,829	5,947	8.6	8.8
Currency and deposits	580	631	661	669	678	698	721	6.6	9.1
Debt securities	1,557	1,865	2,041	2,061	2,072	2,130	2,113	5.5	3.5
short-term	69	206	213	221	219	218	212	1.6	-0.2
long-term	1,488	1,660	1,828	1,840	1,853	1,913	1,901	6.0	4.0
Loans	364	360	357	369	371	371	361	3.0	1.3
Shares and other equity	1,531	1,686	2,010	2,130	2,104	2,212	2,328	13.7	15.8
Quoted shares	526	574	697	734	706	755	825	10.6	18.3
Unquoted shares and other equity	307	337	400	425	425	439	462	17.6	15.7
Mutual funds shares	698	775	913	971	973	1,019	1,041	14.5	14.0
Insurance technical reserves	128	133	134	137	139	142	144	1.6	7.5
Other accounts receivable	186	218	266	269	273	276	280	12.0	5.1
<b>Liabilities</b>	4,589	4,977	5,590	5,750	5,777	5,945	6,041	9.5	8.1
Currency and deposits	4	4	4	4	4	4	4	-4.5	-4.5
Debt securities	23	22	22	22	22	23	26	-0.8	19.5
Loans	126	119	128	147	152	161	156	25.7	22.0
short-term	67	63	65	80	83	84	76	23.9	16.6
long-term	59	56	62	67	69	78	80	27.8	27.6
Shares and other equity	429	463	591	620	585	635	655	19.6	10.8
Quoted shares	191	207	286	300	275	310	321	23.4	12.2
Unquoted shares and other equity	239	255	305	319	310	325	334	16.2	9.5
Insurance technical reserves	3,789	4,136	4,612	4,718	4,771	4,871	4,943	8.5	7.2
Other liabilities <sup>2)</sup>	218	234	233	238	243	251	257	-0.5	10.2

Source: ECB

1) 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.

2) Other accounts payable and financial derivatives.

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