

3 May 2011

PRESS RELEASE

EURO AREA ECONOMIC AND FINANCIAL DEVELOPMENTS BY INSTITUTIONAL SECTOR - FOURTH QUARTER 2010

In the fourth quarter of 2010, the annual growth rate¹ of **net disposable income in the euro area** remained broadly unchanged at 3.1%, compared with 3.0% in the third quarter of 2010 (see Annex, Table 1). The annual growth rate of **final consumption** in the euro area decreased to 2.5% in the fourth quarter (2010q3: 2.7%). **Gross fixed capital formation** increased by 2.8% in the fourth quarter of 2010, compared with 2.1% in the previous quarter.

The annual growth rate of **households' gross disposable income** was broadly unchanged at 1.8% in the fourth quarter of 2010, after 1.9% in the previous quarter (see Table 2). The annual growth rate of households' **consumption expenditure** was 3.3% in the fourth quarter compared with 3.2% in the previous quarter. The annual growth rate of households' **gross saving** was -7.0% in the fourth quarter compared with -7.8% previously. The households' gross saving rate² stood at 13.8%, compared with 15.2% in the fourth quarter of 2009. The annual growth rate of **financing** of households remained broadly unchanged at 2.8% in the fourth quarter of 2010 (2010q3: 2.9%), and the annual growth rate of their **financial investment** was 2.7% in the fourth quarter of 2010, compared with 2.8% in the previous quarter. Households' **net worth**³ increased by 4.0% in the fourth quarter, compared with 3.8% in the previous quarter (see Chart 6).

The annual growth rate of **gross fixed capital formation of non-financial corporations** in the euro area increased to 6.3% in the fourth quarter of 2010, from 4.0% in the previous quarter (see Table 3). The annual growth rate of **net entrepreneurial income** of non-financial corporations was 12.8% in the fourth quarter, after 8.3% in the previous quarter. The annual growth rate of **financing** of non-financial corporations was 2.4% in the fourth quarter, compared with 2.3% the previous quarter, and the annual

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 gross disposable income (adjusted for the change in net equity of households in pension fund reserves, receivable minus payable).

³ 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.

growth rate of their **financial investment** remained broadly unchanged at 3.8% in the fourth quarter of 2010 (2010Q3 :3.9%).

Total euro area economy

The annual growth rate of euro area net disposable income remained broadly unchanged at 3.1% in the fourth quarter of 2010 (2010q3: 3.0%) (see Chart 1). Euro area **gross fixed capital formation** increased by 2.8% annually (2010q3: 2.1%), due to higher growth by corporations and households (see Chart 2). The growth rate of **gross capital formation**⁴ decreased slightly to 5.7% in the fourth quarter (2010q3: 5.9%) (see Chart 3).

Investment growth and the growth of **gross saving** were broadly unchanged in the fourth quarter of 2010 from the previous quarter. An increase in the growth of government gross saving was largely compensated by the continued decline in households' gross saving as well as a drop in the annual growth of foreign savings (see Chart 3).

Households

The annual growth rate of households' **gross disposable income** remained broadly unchanged at 1.8% in the fourth quarter of 2010 (after 1.9% previously). The slight decrease occurred despite an increase in the growth rate of **compensation of employees**, and was partly due to increasing tax payments and declining net social transfers (see Chart 4).

The annual growth rate of households' **consumption expenditure** (3.3%) exceeded the annual growth rate of households' gross disposable income which implied a continued decline in gross saving (-7.0% after -7.8% previously). The annual rate of change of gross fixed capital formation of households increased to 3.1% in the fourth quarter, compared with 0.8% in the previous quarter. The four-quarter moving average households' **gross saving rate** was 13.8% (compared with 15.2% in the fourth quarter of 2009).

The annual growth rate of **financing** of households remained broadly unchanged at 2.8% in the fourth quarter of 2010 (2010q3: 2.9%). The annual growth rate of households' **gross non-financial investment** was 3.4%, up from 1.9% in the previous quarter (see Chart 5) whilst that of **financial investment** was 2.7% compared with 2.8% previously.

⁴ This also includes changes in inventories and net acquisitions of non-produced, non-financial assets.

Turning to the components of **households' financial investment**, the annual growth rate of their holdings of currency and deposits remained unchanged at 2.8% in the fourth quarter of 2010 (2010q3: 2.8%). The annual growth rate of their investment in debt securities was -1.6% in the fourth quarter (2010q3: -2.3%), while the investment in shares and other equity was 0.7% in the fourth quarter (2010q3: 0.8%). The annual growth rate of households' additions to life insurance and pension fund reserves decreased to 4.6% in the fourth quarter (2010q3: 4.9%).

Developments in **households' balance sheets** were dominated by valuation changes of their non-financial assets. Growth of households' **net worth** was 4.0% in the fourth quarter of 2010 (2010q3: 3.8%, see Chart 6). The annual growth rate of **housing wealth** was 4.0% (2010q3: 3.7%), whereas the growth rate of the market value of households' holdings of shares and other equity was 4.9% in the fourth quarter of 2010 (2010q3: 2.0%, see Table 2).

Non-financial corporations

The annual growth rate of **net entrepreneurial income** of non-financial corporations⁵ was 12.8% in the fourth quarter of 2010, up from 8.3% in the previous quarter (see Table 3). The annual growth rate of net value added was 4.3% (2010q3: 3.5%, see Chart 7 and Table 3). **Gross fixed capital formation** of non-financial corporations increased with an annual growth rate of 6.3% in the fourth quarter of 2010, after 4.0% in the previous quarter. The annual growth rate of **total gross non-financial investment**, which also includes inventories, was 13.2%, up from 11.1% in the previous quarter (see Chart 8).

In the fourth quarter of 2010, the annual growth rate of **financing** of non-financial corporations remained broadly unchanged at 2.4% (2010q3: 2.3%). The growth rate of their loan financing amounted to 2.0%, down from 2.2% in the previous quarter. The annual growth rate of their issuance of debt securities was 7.7% (2010q3: 8.6%). The annual growth rate of their equity financing, via the issuance of quoted and unquoted shares and other equity, increased to 2.0% (2010q3: 1.7%).

Financial investment of non-financial corporations increased at an annual rate of 3.8% in the fourth quarter (2010q3: 3.9%). The annual growth rate of investment in currency and deposits increased to 3.0%, after 2.5% previously. The growth rate of loans granted decreased to 9.2% in the fourth quarter of 2010 (2010q3: 9.5%). The growth rate of their investment in shares and other equity increased to 2.2% (2010q3: 1.2%).

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 4.4% in the fourth quarter of 2010, compared to 5.0% in the third quarter (see Table 6). The annual growth rate of their **financial**

⁵ 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).

investment decreased to 3.5% from 4.3% in the previous quarter. The growth rate of their investment in debt securities remained broadly unchanged at 6.2% (2010q3: 6.1%), whilst that of their investment in shares and other equity decreased to 2.0%, from 4.7% in the previous quarter.

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.⁶ The European sector accounts follow the methodology of the European System of Accounts 1995 (ESA 95).⁷ 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 2010 and for previous quarters.
- A comprehensive set of tables is made available at <http://www.ecb.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.
- The publication of euro area economic and financial developments in the first quarter of 2011 is scheduled to take place on **Friday, 29 July 2011** at 10 a.m. CET.

⁶ See <http://ec.europa.eu/eurostat/sectoraccounts> (Eurostat) for the non-financial accounts of the EU.

⁷ 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)

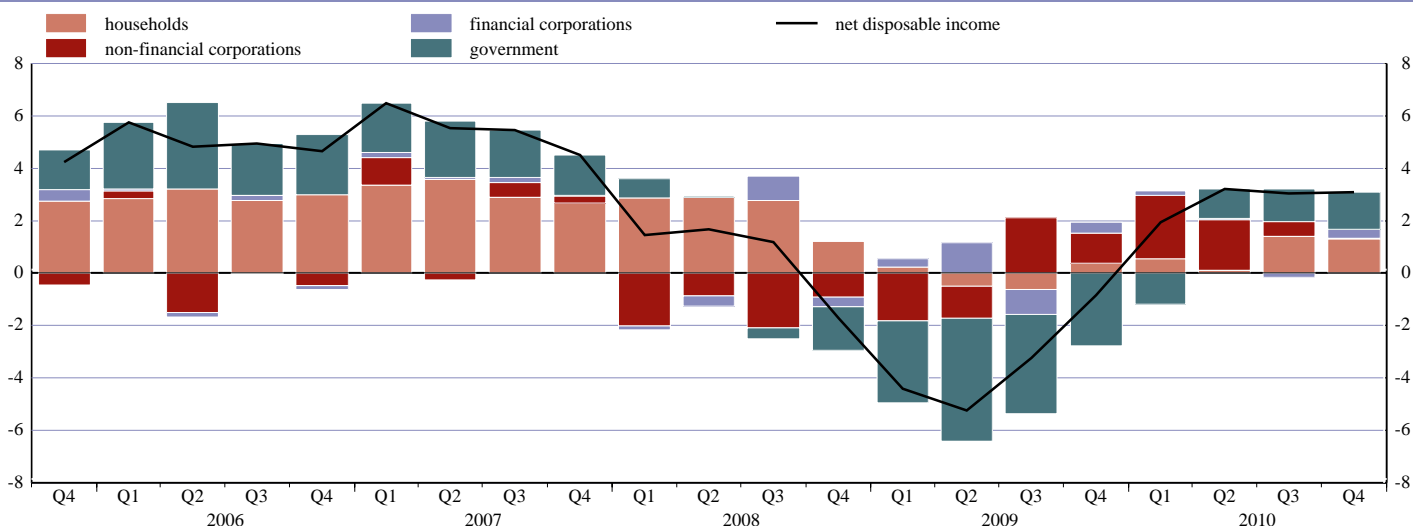


Chart 2. Growth of euro area gross fixed capital formation and contributions by sector

(annual percentage changes and percentage point contributions)

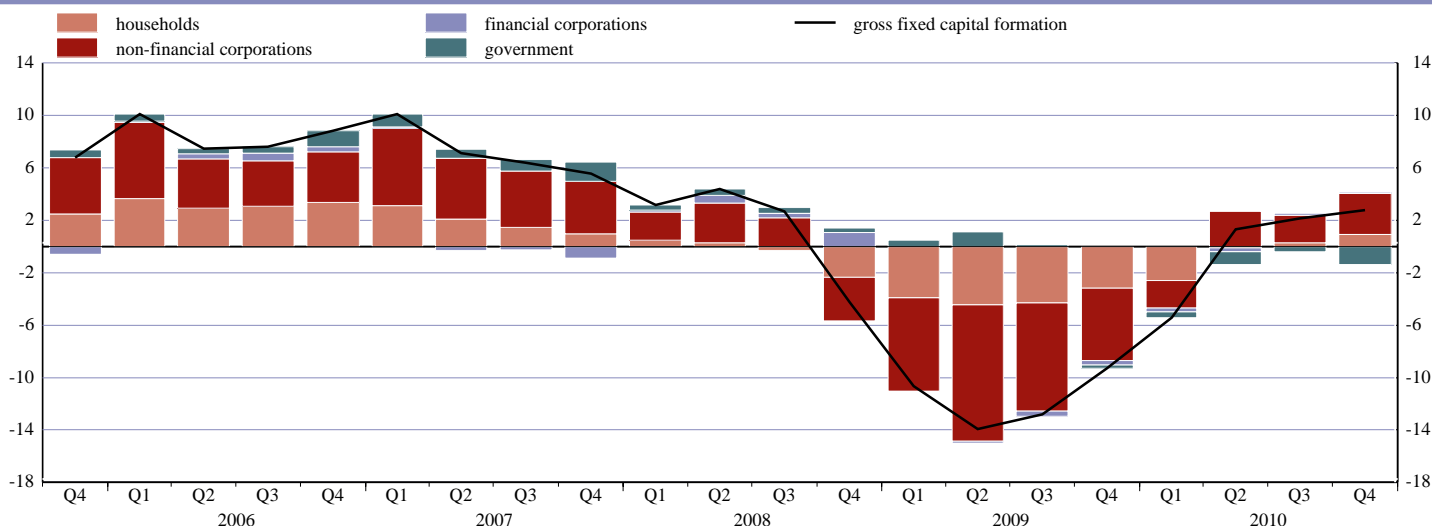
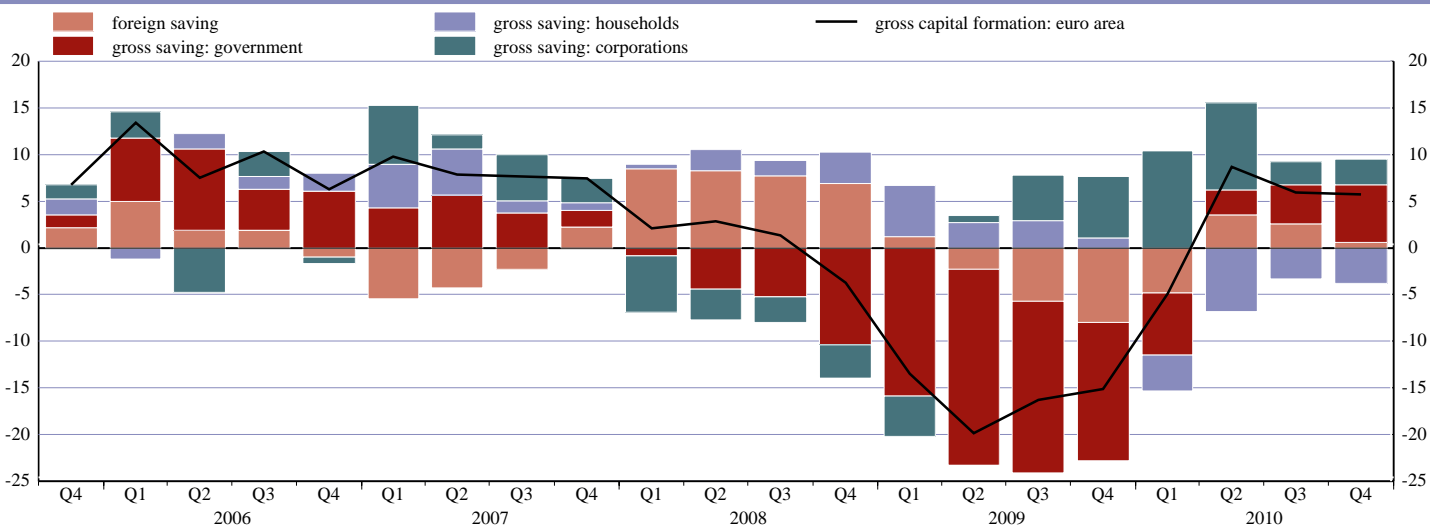


Chart 3. Growth of euro area gross capital formation and its financing by sectoral (gross) saving

(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)

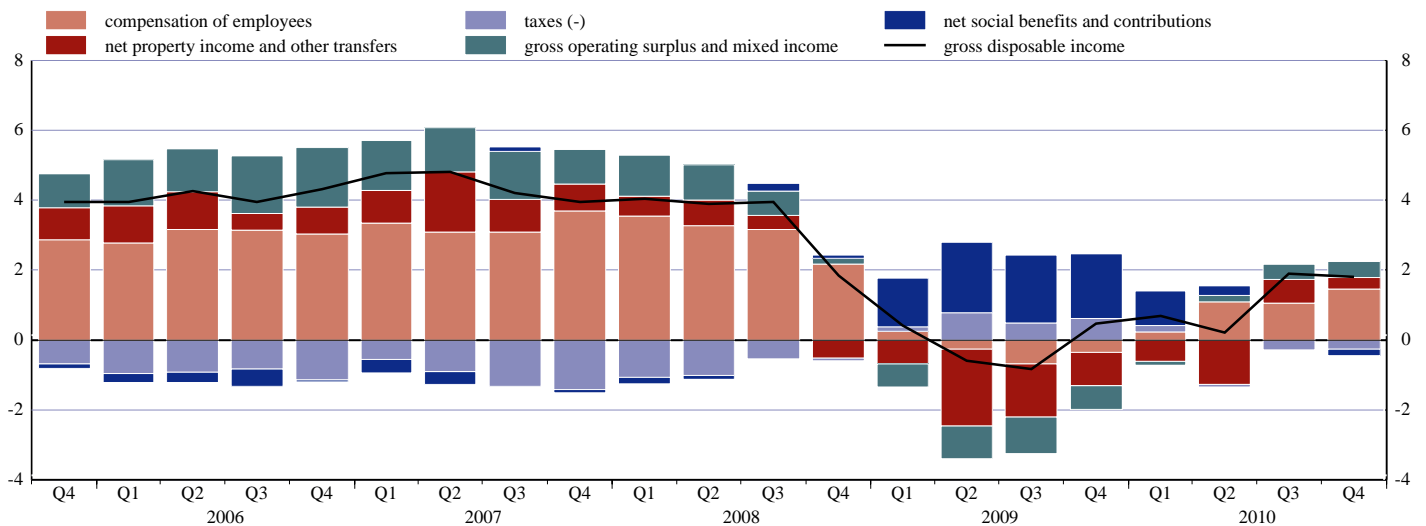


Chart 5. Growth of households' non-financial investment and contributions by source of internal and external financing

(annual percentage changes and percentage point contributions)

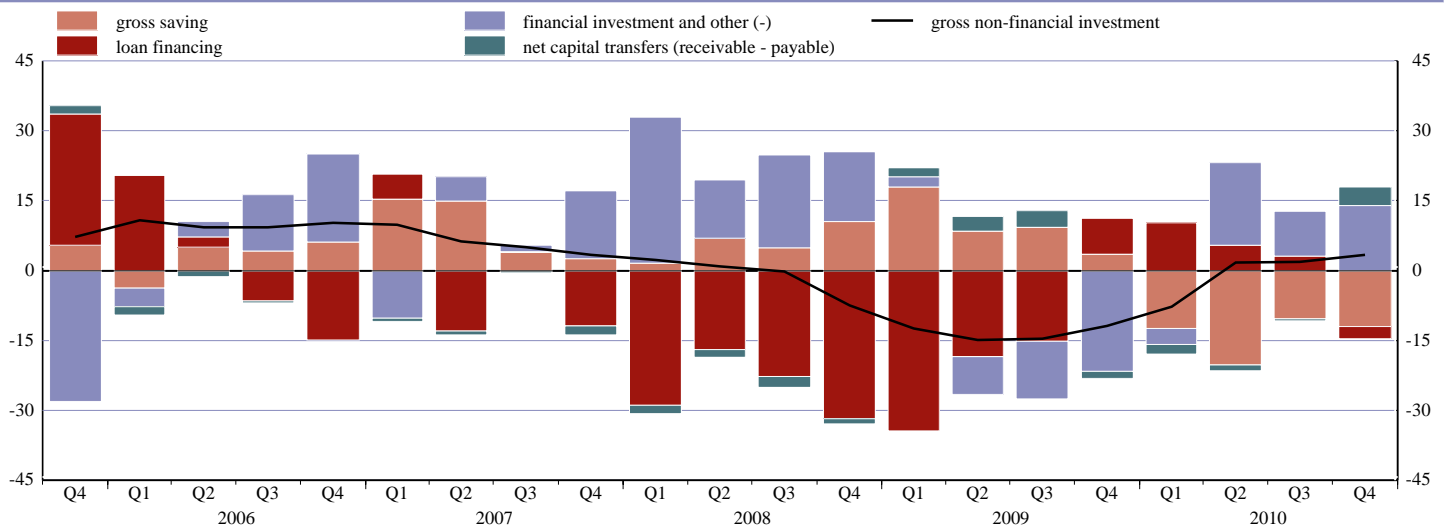
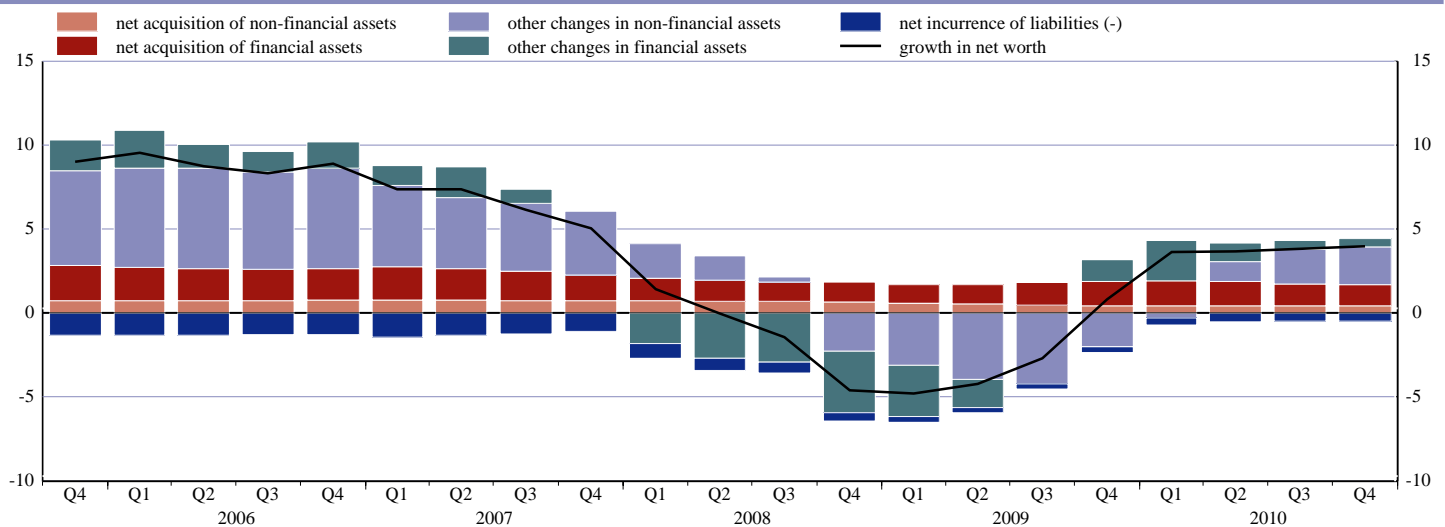


Chart 6. Growth of households' net worth and contributions by type of asset change

(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)

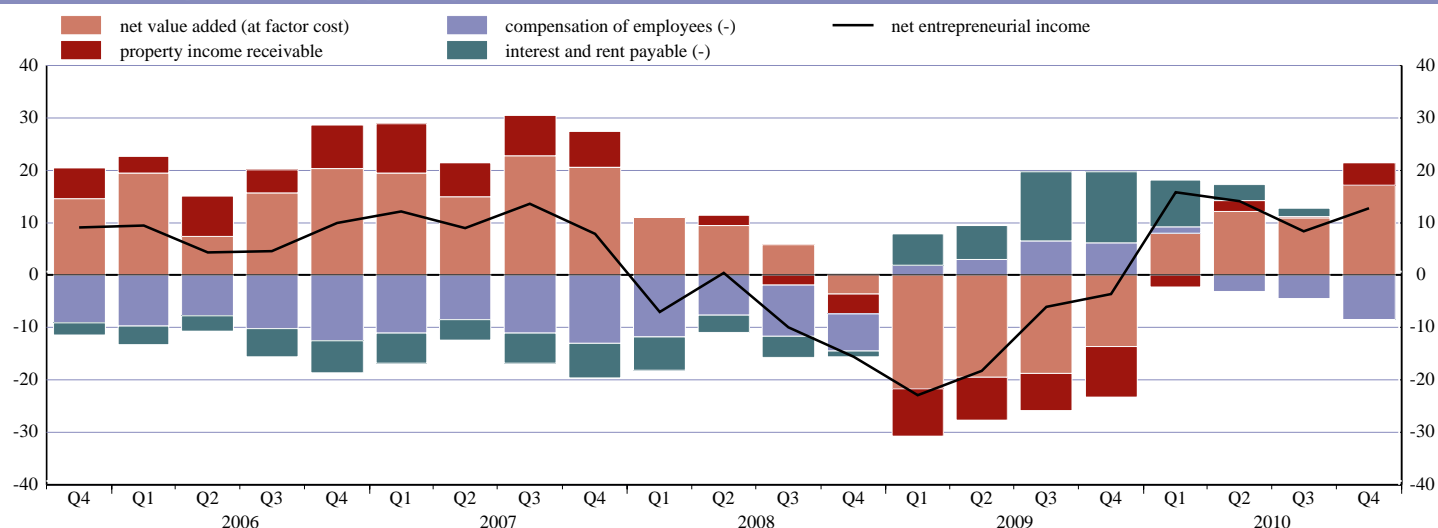
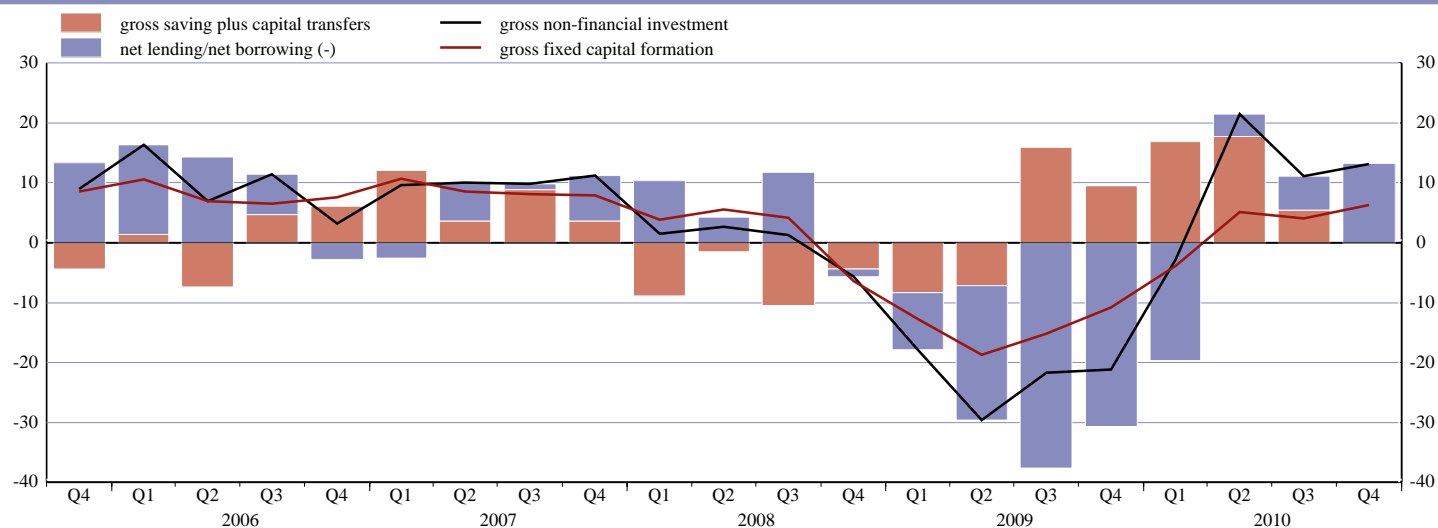


Chart 8. Growth of non-financial investment of non-financial corp. and contributions by source of internal and external financing
(annual percentage changes and percentage point contributions)



Sources: ECB and Eurostat.

Table 3. Non-financial corporations
(EUR billions)

Non-financial transactions	four-quarter-cumulated sums							annual percentage changes ¹⁾		percentage of GVA or (NVA) ²⁾	
	2007	2008	2009 Q4	2010 Q1	2010 Q2	2010 Q3	2010 Q4	2010 Q3	2010 Q4	2009 Q4	2010 Q4
Gross value added (GVA)	4,647	4,762	4,525	4,537	4,578	4,613	4,658	3.1	3.9	100.0	100.0
Net value added (NVA)	3,907	3,985	3,738	3,751	3,792	3,824	3,867	3.5	4.3	82.6	83.0
Net entrepreneurial income	1,351	1,253	1,083	1,118	1,167	1,190	1,221	8.3	12.8	29.0	31.6
Net disposable income	97	-14	-8	35	71	81	82			-0.2	2.1
Adj. for change in net worth in pension fund	-1	-2	-3	-3	-3	-3	-3			-0.1	-0.1
Net saving	96	-16	-11	33	68	79	79			-0.3	2.0
Net capital transfers (receivable - payable)	69	74	81	80	80	79	75			1.8	1.6
Consumption of fixed capital	740	777	787	786	786	789	792	1.1	1.7	17.4	17.0
Gross fixed capital formation	1,076	1,094	936	927	939	948	963	4.0	6.3	20.7	20.7
Net acquisition of other non-financial assets ³⁾	40	22	-72	-69	-38	-23	-11			-1.6	-0.2
Net lending (+)/net borrowing (-)	-211	-282	-7	41	33	21	-5			-0.2	-0.1
Financial transactions	four-quarter-cumulated sums							annual growth rates ⁴⁾		percentage of GVA	
	2007	2008	2009 Q4	2010 Q1	2010 Q2	2010 Q3	2010 Q4	2010 Q3	2010 Q4	2009 Q4	2010 Q4
Financial investment	1,229	661	357	476	506	622	623	3.9	3.8	7.9	13.4
Currency and deposits	128	41	90	88	49	42	53	2.5	3.0	2.0	1.1
Debt securities	35	-27	-68	-40	36	58	43	17.9	12.3	-1.5	0.9
Loans	303	341	183	188	246	281	277	9.5	9.2	4.1	5.9
Shares and other equity	439	367	155	103	48	83	158	1.2	2.2	3.4	3.4
Quoted shares	135	143	76	64	22	2	29	0.1	2.1	1.7	0.6
Unquoted shares and other equity	346	217	100	84	84	123	148	2.3	2.7	2.2	3.2
Mutual fund shares	-42	7	-21	-45	-58	-42	-19	-10.2	-5.0	-0.5	-0.4
Other financial assets ⁵⁾	324	-60	-5	137	126	157	93			-0.1	2.0
Financing	1,406	982	385	451	477	579	615	2.3	2.4	8.5	13.2
Debt securities	33	52	84	103	83	69	63	8.6	7.7	1.9	1.4
Short-term	16	12	-45	-22	-12	-11	-5	-12.4	-7.2	-1.0	-0.1
Long-term	17	40	129	125	96	80	69	11.1	9.2	2.9	1.5
Loans	848	654	78	75	91	183	171	2.2	2.0	1.7	3.7
Short-term	231	215	-65	-17	7	66	76	2.6	3.0	-1.4	1.6
Long-term	617	439	143	92	84	117	95	2.0	1.6	3.2	2.0
Shares and other equity	392	278	240	241	204	207	239	1.7	2.0	5.3	5.1
Quoted shares	55	6	67	67	47	37	31	1.1	0.9	1.5	0.7
Unquoted shares and other equity	338	271	173	173	157	169	208	2.0	2.4	3.8	4.5
Pension fund reserves	1	2	3	3	3	3	7	0.9	2.0	0.1	0.1
Other liabilities ⁶⁾	132	-4	-20	29	95	117	135			-0.4	2.9
Net lending (+)/net borrowing (-) (financial accounts)	-177	-320	-29	25	29	43	8			-0.6	0.2
Financial balance sheet	end-of-period stocks							annual percentage changes ¹⁾		percentage of GVA	
	2007	2008	2009 Q4	2010 Q1	2010 Q2	2010 Q3	2010 Q4	2010 Q3	2010 Q4	2009 Q4	2010 Q4
Financial investment	16,566	15,179	16,287	16,644	16,631	17,015	17,298	6.5	6.2	359.9	371.3
Currency and deposits	1,612	1,664	1,743	1,715	1,725	1,744	1,794	2.7	2.9	38.5	38.5
Debt securities	438	422	350	372	400	397	401	22.0	14.5	7.7	8.6
Loans	2,451	2,803	3,008	3,105	3,224	3,266	3,316	10.4	10.2	66.5	71.2
Shares and other equity	8,255	6,311	7,239	7,447	7,206	7,533	7,857	6.1	8.5	160.0	168.7
Quoted shares	1,941	1,146	1,398	1,452	1,366	1,454	1,596	10.0	14.2	30.9	34.3
Unquoted shares and other equity	5,906	4,817	5,462	5,615	5,479	5,712	5,904	6.4	8.1	120.7	126.7
Mutual fund shares	408	348	379	380	362	367	357	-10.6	-6.0	8.4	7.7
Other financial assets ⁵⁾	3,809	3,978	3,947	4,005	4,075	4,076	3,930			87.2	84.4
Financing	26,601	23,923	25,508	25,842	25,488	26,163	26,655	4.1	4.5	563.7	572.2
Debt securities	654	710	821	871	880	896	879	10.6	7.0	18.2	18.9
Short-term	110	121	75	81	79	77	70	-11.6	-7.1	1.7	1.5
Long-term	544	589	746	790	801	819	809	13.3	8.5	16.5	17.4
Loans	7,726	8,400	8,472	8,509	8,585	8,612	8,625	1.9	1.8	187.2	185.2
Short-term	2,393	2,622	2,536	2,563	2,579	2,592	2,596	1.7	2.4	56.0	55.7
Long-term	5,333	5,779	5,936	5,946	6,007	6,020	6,029	2.0	1.6	131.2	129.4
Shares and other equity	14,336	10,791	12,215	12,445	11,910	12,554	13,024	5.2	6.6	270.0	279.6
Quoted shares	5,056	2,933	3,515	3,590	3,316	3,542	3,813	4.8	8.5	77.7	81.9
Unquoted shares and other equity	9,281	7,858	8,700	8,855	8,595	9,012	9,211	5.4	5.9	192.3	197.7
Pension fund reserves	329	330	333	335	336	337	338	1.2	1.5	7.4	7.3
Other liabilities ⁶⁾	3,556	3,691	3,667	3,681	3,777	3,764	3,788			81.0	81.3

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	
	2007	2008	2009 Q4	2010 Q1	2010 Q2	2010 Q3	2010 Q4	2010 Q3	2010 Q4	2009 Q4	2010 Q4
Net disposable income (GNDI)	1,871	1,844	1,568	1,547	1,568	1,591	1,618	6.5	6.0	100.0	100.0
Consumption expenditure	1,806	1,896	1,982	1,991	2,002	2,009	2,012	1.4	0.5	126.4	124.3
Net saving	65	-51	-414	-444	-434	-418	-393			-26.4	-24.3
Consumption of fixed capital	171	180	184	185	186	187	189	3.2	3.1	11.7	11.7
Net capital transfers (receivable - payable)	-66	-78	-85	-91	-92	-106	-113			-5.4	-7.0
Gross fixed capital formation	232	240	247	246	241	239	233	-3.1	-7.8	15.8	14.4
Net acquisition of other non-financial assets ²⁾	0	1	5	5	0	0	-1			0.3	-0.1
Net lending (+)/net borrowing (-)	-62	-189	-568	-601	-582	-576	-549			-36.2	-33.9
Financial transactions	four-quarter-cumulated sums							annual growth rates ³⁾		percentage of GNDI	
	2007	2008	2009 Q4	2010 Q1	2010 Q2	2010 Q3	2010 Q4	2010 Q3	2010 Q4	2009 Q4	2010 Q4
Net acquisition of financial assets	107	347	98	-26	-14	0	297	0.0	8.6	6.3	18.4
Financial investment ⁴⁾	84	319	87	-37	-23	4	298	0.2	10.6	5.5	18.4
Currency and deposits	26	109	-13	-103	-76	-24	45	-3.4	6.9	-0.8	2.8
Debt securities	37	83	29	8	-4	-11	165	-2.7	43.6	1.9	10.2
Loans	8	46	26	22	38	14	70	2.9	15.6	1.6	4.3
Short-term	6	32	-2	-3	0	-21	1	-21.1	0.9	-0.1	0.0
Long-term	3	14	28	26	38	35	70	9.4	18.8	1.8	4.3
Shares and other equity	12	81	45	36	19	26	18	2.0	1.3	2.8	1.1
Quoted shares	-12	5	12	14	6	4	-5	1.4	-1.8	0.8	-0.3
Unquoted shares and other equity	5	74	15	3	-8	8	14	0.9	1.7	1.0	0.9
Mutual fund shares	19	2	17	19	21	14	9	7.8	4.5	1.1	0.5
Other financial assets ⁵⁾	23	28	11	11	9	-5	-1			0.7	-0.1
Net incurrence of liabilities	169	536	666	575	567	575	846	7.0	10.2	42.5	52.3
Financing ⁴⁾	133	512	648	553	529	528	809	6.8	10.4	41.3	50.0
Currency and deposits	-16	-7	-10	-8	-3	34	15	14.7	6.3	-0.6	0.9
Debt securities	132	439	595	500	430	386	470	6.2	7.6	38.0	29.0
Short-term	36	241	130	34	-37	-75	-43	-9.3	-5.7	8.3	-2.6
Long-term	97	198	465	466	467	461	512	8.6	9.4	29.7	31.7
Loans	16	80	63	61	102	108	324	7.8	23.4	4.0	20.0
Short-term	21	35	-6	6	12	-3	177	-1.6	96.7	-0.4	10.9
Long-term	-5	45	69	55	90	111	147	9.5	12.2	4.4	9.1
Other liabilities ⁶⁾	36	24	18	22	39	48	37			1.1	2.3
Net lending (+)/net borrowing (-) (financial accounts)	-62	-189	-568	-601	-582	-576	-549			-36.2	-33.9
Financial balance sheet	end-of-period stocks							annual percentage changes ¹⁾		percentage of GNDI	
	2007	2008	2009 Q4	2010 Q1	2010 Q2	2010 Q3	2010 Q4	2010 Q3	2010 Q4	2009 Q4	2010 Q4
Financial assets	3,109	3,261	3,461	3,471	3,555	3,541	3,777	0.9	9.1	220.7	233.4
Financial investment ⁴⁾	2,488	2,613	2,807	2,826	2,904	2,893	3,116	0.9	11.0	179.0	192.5
Currency and deposits	559	664	652	663	717	688	700	-3.1	7.3	41.6	43.3
Debt securities	267	350	379	372	375	381	544	-2.2	43.5	24.2	33.6
Loans	378	424	451	448	491	482	521	3.2	15.7	28.7	32.2
Short-term	52	83	80	77	92	78	81	-21.7	1.3	5.1	5.0
Long-term	326	341	371	370	400	404	440	10.0	18.8	23.6	27.2
Shares and other equity	1,284	1,174	1,324	1,343	1,322	1,341	1,350	3.1	1.9	84.4	83.4
Quoted shares	430	253	286	287	252	267	262	-4.4	-8.3	18.2	16.2
Unquoted shares and other equity	663	768	849	860	873	873	879	4.3	3.5	54.1	54.3
Mutual fund shares	191	154	190	196	196	202	209	8.6	10.3	12.1	12.9
Other financial assets ⁵⁾	621	648	654	645	651	648	661			41.7	40.8
Liabilities	6,905	7,575	8,259	8,480	8,646	8,824	8,957	7.3	8.4	526.6	553.4
Financing ⁴⁾	6,482	7,139	7,813	8,029	8,204	8,372	8,476	7.3	8.5	498.1	523.7
Currency and deposits	256	248	238	227	234	262	253	14.7	6.3	15.2	15.7
Debt securities	4,979	5,563	6,187	6,389	6,477	6,611	6,502	6.9	5.1	394.5	401.8
Short-term	375	617	746	732	708	735	703	-9.2	-5.7	47.5	43.4
Long-term	4,604	4,946	5,441	5,657	5,769	5,876	5,799	9.3	6.6	346.9	358.3
Loans	1,248	1,327	1,388	1,412	1,493	1,499	1,720	8.3	24.0	88.5	106.3
Short-term	154	189	183	199	227	210	361	-1.4	97.0	11.7	22.3
Long-term	1,094	1,138	1,205	1,213	1,266	1,289	1,360	10.0	12.9	76.8	84.0
Other liabilities ⁶⁾	422	436	447	452	442	452	481			28.5	29.7
<i>Memo: Government debt (at nominal value) ⁷⁾</i>	5,986.1	6,472.1	7,116.1	7,297.2	7,487.1	7,561.8	7,856.4				

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 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 $100 \times (f(t) + f(t-1) + f(t-2) + f(t-3)) / F(t-4)$ where $f(t)$ stands for the transactions in quarter t , and $F(t-4)$ for the end-of-quarter stock value four quarters earlier.

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 5. Financial corporations
(EUR billions)

Non-financial transactions	four-quarter-cumulated sums							annual percentage changes ¹⁾		percentage of GVA or (NVA) ²⁾	
	2007	2008	2009 Q4	2010 Q1	2010 Q2	2010 Q3	2010 Q4	2010 Q3	2010 Q4	2009 Q4	2010 Q4
Gross value added (GVA)	390	390	420	423	423	422	420	-0.7	-2.6	100.0	100.0
Net value added (NVA)	347	345	375	378	378	376	373	-1.3	-3.4	89.3	88.9
Net entrepreneurial income	510	465	379	382	378	381	393	3.1	15.9	101.2	105.3
Net disposable income	164	163	182	185	186	183	189			48.6	50.8
Adj. for change in net worth in pension fund	-63	-68	-63	-62	-60	-59	-59			-16.7	-15.7
Net saving	101	95	119	123	126	123	131			31.8	35.1
Net capital transfers (receivable - payable)	-1	11	-1	10	12	27	34			-0.2	8.1
Consumption of fixed capital	44	45	45	45	46	46	46	4.2	3.8	10.7	11.1
Gross fixed capital formation	40	51	46	44	43	44	44	6.3	2.9	10.9	10.5
Net acquisition of other non-financial assets ³⁾	-1	1	0	0	0	0	0			0.0	0.0
Net lending (+)/net borrowing (-)	104	100	118	134	140	153	167			28.0	39.8
Financial transactions	four-quarter-cumulated sums							annual growth rates ⁴⁾		percentage of GVA	
	2007	2008	2009 Q4	2010 Q1	2010 Q2	2010 Q3	2010 Q4	2010 Q3	2010 Q4	2009 Q4	2010 Q4
Financial investment	5,571	3,168	330	998	1,290	1,237	1,010	2.4	1.9	78.7	240.7
Currency and deposits	2,130	1,429	-1,079	-385	177	136	77	1.1	0.6	-257.3	18.4
Debt securities	949	684	825	674	254	237	105	2.0	0.9	196.7	25.0
Short-term	185	92	-45	-77	-58	-59	-55	-5.7	-5.7	-10.6	-13.1
Long-term	764	592	870	750	312	296	160	2.7	1.5	207.4	38.1
Loans	1,757	1,033	107	152	298	388	577	2.3	3.4	25.4	137.5
Short-term	464	257	-156	-73	-47	13	209	0.3	5.3	-37.1	49.8
Long-term	1,292	776	262	225	345	375	368	3.0	2.9	62.5	87.6
Shares and other equity	647	-54	550	570	378	295	133	3.2	1.4	131.1	31.7
Other financial assets ⁵⁾	89	75	-73	-13	182	181	118			-17.3	28.1
Financing	5,467	3,068	213	864	1,150	1,084	843	2.1	1.6	50.7	200.9
Currency and deposits	2,857	2,223	-961	-313	243	266	310	1.2	1.4	-229.0	73.9
Debt securities	970	563	284	161	-86	-105	-166	-1.3	-2.1	67.6	-39.6
Short-term	238	2	-160	-74	-38	8	-58	1.0	-7.6	-38.2	-13.8
Long-term	732	562	444	234	-48	-113	-108	-1.6	-1.5	105.8	-25.8
Loans	607	349	0	-55	111	106	134	3.1	3.9	-0.1	32.0
Short-term	249	176	34	-10	39	45	67	2.8	4.2	8.1	15.9
Long-term	358	173	-34	-45	72	61	68	3.3	3.6	-8.2	16.2
Shares and other equity	658	-109	667	680	423	330	233	3.2	2.2	159.0	55.5
Quoted shares	8	38	57	56	40	34	26	3.6	2.8	13.6	6.1
Unquoted shares and other equity	382	117	228	161	42	56	-33	1.6	-0.9	54.4	-7.8
Mutual fund shares	268	-265	382	462	341	240	240	4.1	4.0	90.9	57.2
Insurance technical reserves	260	117	255	293	282	274	249	4.9	4.4	60.8	59.4
Other liabilities ⁶⁾	115	-75	-32	99	178	214	82			-7.7	19.6
Net lending (+)/net borrowing (-) (financial accounts)	104	100	118	134	140	153	167			28.0	39.8
Financial balance sheet	end-of-period stocks							annual percentage changes ¹⁾			
	2007	2008	2009 Q4	2010 Q1	2010 Q2	2010 Q3	2010 Q4	2010 Q3	2010 Q4		
Financial investment	50,078	50,783	52,317	53,270	54,778	54,205	54,107	4.7	3.4		
Currency and deposits	12,000	13,441	12,365	12,424	13,437	12,684	12,483	3.5	1.0		
Debt securities	10,214	10,830	11,862	12,137	12,279	12,335	12,041	4.4	1.5		
Short-term	956	1,051	973	994	996	967	923	-6.1	-5.2		
Long-term	9,258	9,779	10,888	11,143	11,283	11,368	11,118	5.4	2.1		
Loans	15,670	16,695	16,762	16,912	17,250	17,197	17,428	3.0	4.0		
Short-term	3,872	4,131	3,963	4,029	4,156	4,096	4,233	2.1	6.8		
Long-term	11,798	12,564	12,799	12,883	13,093	13,101	13,194	3.2	3.1		
Shares and other equity	10,535	8,073	9,512	9,854	9,673	9,897	10,157	7.3	6.8		
Other financial assets ⁵⁾	1,659	1,744	1,817	1,943	2,139	2,092	1,998				
Financing	49,450	49,977	51,375	52,292	53,704	52,990	52,869	4.0	2.9		
Currency and deposits	20,753	23,016	22,041	22,211	23,402	22,543	22,439	2.7	1.8		
Debt securities	7,063	7,664	8,051	8,164	8,227	8,157	8,017	1.5	-0.4		
Short-term	904	917	763	800	783	765	709	1.3	-7.1		
Long-term	6,159	6,747	7,288	7,364	7,444	7,392	7,307	1.5	0.3		
Loans	3,076	3,455	3,459	3,475	3,652	3,609	3,668	4.8	6.1		
Short-term	1,405	1,576	1,596	1,599	1,689	1,686	1,685	6.0	5.6		
Long-term	1,671	1,878	1,864	1,877	1,962	1,923	1,983	3.8	6.4		
Shares and other equity	11,787	9,078	10,597	10,982	10,810	10,951	11,217	5.2	5.8		
Quoted shares	1,616	661	925	923	774	821	803	-13.8	-13.2		
Unquoted shares and other equity	3,675	3,297	3,646	3,732	3,713	3,660	3,750	1.5	2.9		
Mutual fund shares	6,495	5,120	6,026	6,327	6,323	6,469	6,663	10.6	10.6		
Insurance technical reserves	5,360	5,228	5,666	5,818	5,861	5,960	5,997	7.1	5.8		
Other liabilities ⁶⁾	1,411	1,537	1,560	1,642	1,752	1,770	1,532				

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

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

Table 6. Insurance corporations and pension funds
(EUR billions)

Financial transactions	four-quarter-cumulated sums							annual growth rates ¹⁾	
	2007	2008	2009 Q4	2010 Q1	2010 Q2	2010 Q3	2010 Q4	2010 Q3	2010 Q4
Financial investment	240	191	259	280	271	270	221	4.3	3.5
Currency and deposits	53	47	-14	-19	-4	0	-18	-0.1	-2.1
Debt securities	109	57	76	79	112	147	149	6.1	6.2
Short-term	3	3	-15	-26	-13	-2	1	-4.5	2.5
Long-term	105	53	91	105	126	149	148	6.4	6.3
Loans	-14	38	14	15	15	15	29	3.3	6.3
Shares and other equity	82	42	173	194	138	101	45	4.7	2.0
Quoted shares	0	3	-68	-75	-73	3	0	0.7	0.1
Unquoted shares and other equity	17	17	-2	2	4	3	5	0.6	1.3
Mutual fund shares	65	22	243	267	207	96	40	7.2	2.8
Other financial assets ²⁾	11	6	10	12	10	8	15		
Financing	272	128	236	269	276	283	265	4.4	4.1
Debt securities	4	6	5	3	4	1	0	3.4	0.3
Loans	-2	24	-26	-17	-9	11	7	4.0	2.9
Short-term	-1	16	-19	-11	-5	12	4	7.2	2.7
Long-term	0	9	-7	-6	-4	-1	3	-1.2	3.2
Shares and other equity	3	6	3	2	3	3	3	0.6	0.6
Quoted shares	2	2	1	1	1	1	1	0.8	0.6
Unquoted shares and other equity	1	3	2	2	2	2	2	0.5	0.6
Insurance technical reserves	259	112	252	292	282	274	249	5.0	4.4
Other liabilities ³⁾	7	-21	2	-11	-3	-6	6		

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