

# Note on the flow of funds in South Africa's national financial account for the year 2014

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1 The views expressed are those of the authors and do not necessarily reflect the views of the South African Reserve Bank (the Bank).

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## Introduction

The movement of funds across the real, financial, fiscal and external accounts of the economy, collectively called the national financial account, is comprehensively captured in the flow-of-funds framework in South Africa. This systematic macroeconomic analysis of financial interlinkages among the major sectors is accomplished by collecting all applicable balance-sheet data, processing their transaction data, and consolidating and matching them on a sector-to-sector basis.

This note presents flows among economic sectors in 2014, as influenced by their financing and investment needs against the backdrop of domestic and global economic conditions. The applicable quarterly accounts for the 2014 flow of funds are appended to this note and the annual summary is published on pages S–46 to S–47 of this issue of the *Quarterly Bulletin*.

## Sectoral financing balances

The financing balances in Table 1 show that flows from the foreign sector played a crucial role in 2014. Non-residents injected funds which were sufficient to close a collective domestic deficit of R206 billion in 2014. This deficit widened by 1 per cent from R204 billion presented in 2013, mainly on account of broader public-sector expenditure. The general government sector incurred a financing shortfall of R155 billion, while non-financial public corporate business enterprises also registered a large financing deficit of R103 billion in 2014 from the R99 billion reported in 2013. The public sector's large deficit position stemmed from countercyclical fiscal policies to support economic activity as well as critical infrastructure spending. During the same period, non-financial private corporate business enterprises were net borrowers of R4,9 billion – about half the shortfall recorded in 2013 – having spent R406 billion worth of gross capital formation. A deficit of R47 billion by households was also added to the domestic financing shortfall in 2014.

Table 1 Financing balances,<sup>1,2</sup> 2013 and 2014

R millions Surplus units (+)/deficit units (-)

	2013			2014		
	Gross saving	Gross capital formation	Net lending (+)/net borrowing (-)	Gross saving	Gross capital formation	Net lending (+)/net borrowing (-)
Foreign sector <sup>3</sup> .....	203 531	–	203 531	206 408	–	206 408
Financial intermediaries.....	84 831	16 512	68 319	120 201	17 252	102 949
General government.....	-5 862	109 964	-115 826	-25 190	129 426	-154 616
Non-financial business enterprises						
Public .....	44 903	143 699	-98 796	47 281	149 986	-102 705
Private .....	364 401	374 671	-10 270	401 317	406 216	-4 899
Households <sup>4</sup> .....	19 340	66 298	-46 958	22 791	69 928	-47 137
<b>Total .....</b>	<b>711 144</b>	<b>711 144</b>	<b>0</b>	<b>772 808</b>	<b>772 808</b>	<b>0</b>

1. Gross saving plus net capital transfers less gross capital formation. Gross capital formation consists of fixed capital formation and changes in inventories, before providing for consumption (depreciation) of fixed capital.

2. A positive amount reflects a net lending position and, by implication, the net acquisition of financial assets, whereas a negative amount reflects a net borrowing position and, by implication, the net incurrence of financial liabilities.

3. A positive amount reflects a surplus for the rest of the world and is therefore a deficit on South Africa's current account. A negative amount would represent a deficit for the rest of the world and a surplus on South Africa's current account.

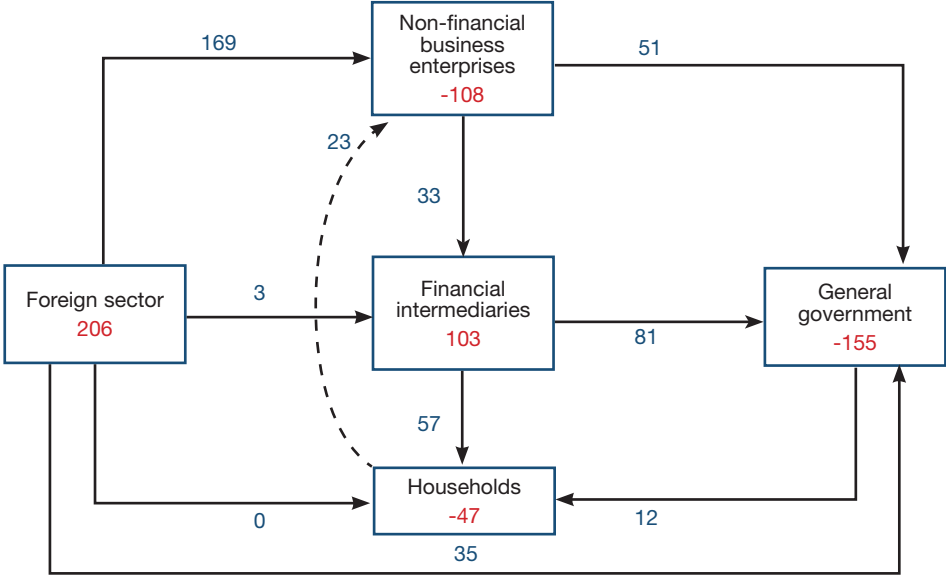
4. Including unincorporated business enterprises and non-profit institutions serving households.



The diagram in Figure 1 summarises financial interrelations of economic agents in the economy, as aggregated into five broad sectors. It is evident that the domestic saving-investment gap remained large in 2014, as mirrored by the foreign sector’s net lending position of R206 billion. The bulk of non-residents’ funds went to non-financial business enterprises, along with their large net borrowing position of R108 billion. The general government sector sourced R35 billion from the foreign sector, R51 billion from non-financial business enterprises and R81 billion from financial intermediaries. In turn, general government transferred R12 billion to households.

Figure 1 Net inter-sectoral flows of funds, 2014

R billions



Note: Numbers may not balance perfectly due to rounding. The numbers inside the boxes represent the net lending (+) or borrowing (-) positions of the sectors, and those outside the boxes illustrate inter-sectoral flow of funds and the direction of flows. To calculate the net lending or borrowing position of each sector, inflows are treated as negatives and outflows as positives

Table 2 shows the aggregated usage of selected financial instruments by borrowers and investors in 2014. As a share of total flows, the use of cash and deposits declined from 18 per cent in 2013 to 16 per cent in 2014, while fixed-interest securities’ share was unchanged at 14 per cent. Over the same period, credit extension increased from 17 per cent to 19 per cent as domestic demand edged up hesitantly in 2014. Similarly, the share of ordinary shares increased from 12 per cent in 2013 to 15 per cent in 2014, against the backdrop of a robust performance by some sectors of the equity market.

Table 2 Flow of funds: usage of main financial instruments\*

	Percentage of total flows	
	2013	2014
Cash and deposits .....	18	16
Credit extension.....	17	19
Fixed-interest securities .....	14	14
Ordinary shares .....	12	15

\* Do not sum up to 100 as the table does not cover all instruments

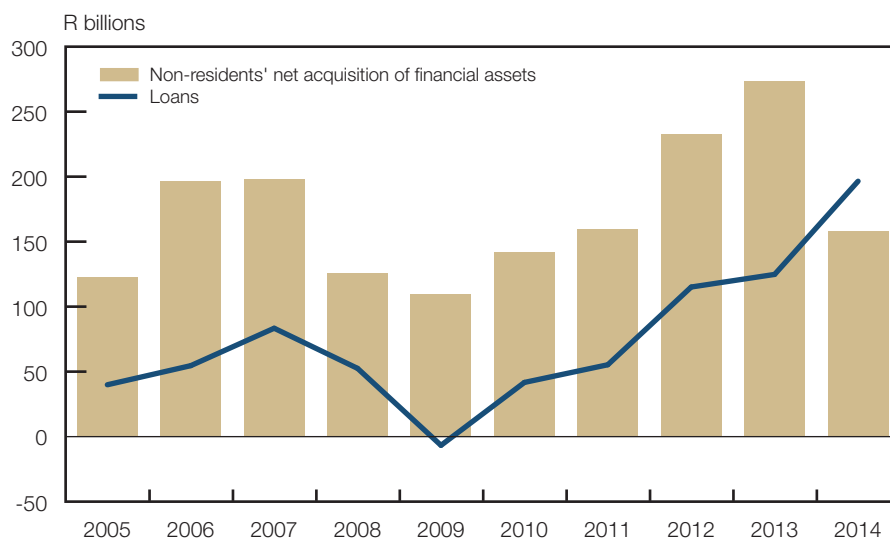
## Sectoral analysis

Surplus economic units lend their excess funds by acquiring financial assets and thereby increase their expected income level. Correspondingly, the deficit units incur financial liabilities to finance their shortfall, and such liabilities reduce their future spending capacity. The choice of financial instruments used during intermediation in 2014 was guided by, among other things, the relevant regulatory environment, macroeconomic conditions, available financing and investment choices, and the risk-return profile of financial instruments. Against this background, each sector is analysed below to reveal the choice of financial instruments in 2014.

### Foreign sector

After the interruption in 2009, non-residents' net acquisition of financial assets increased successively until 2013, comfortably meeting the saving-investment gap in the domestic economy. However, in 2014 the foreign sector's total flows declined to R158 billion, or 42 per cent less than the R274 billion documented in 2013, as volatility in emerging-market securities resurfaced due to the uncertainty around the timing and speed of the United States Federal Reserve's policy normalisation phase, and policy divergence in the global economy. During 2014 the local economy benefited from R44 billion worth of investment inflows from non-residents through long-term government bonds, R41 billion in equity, and a staggering R197 billion in loans. The foreign sector's lower total flows recorded in 2014 were generally in line with trends in other emerging-market economies.

Non-resident funding to South Africa



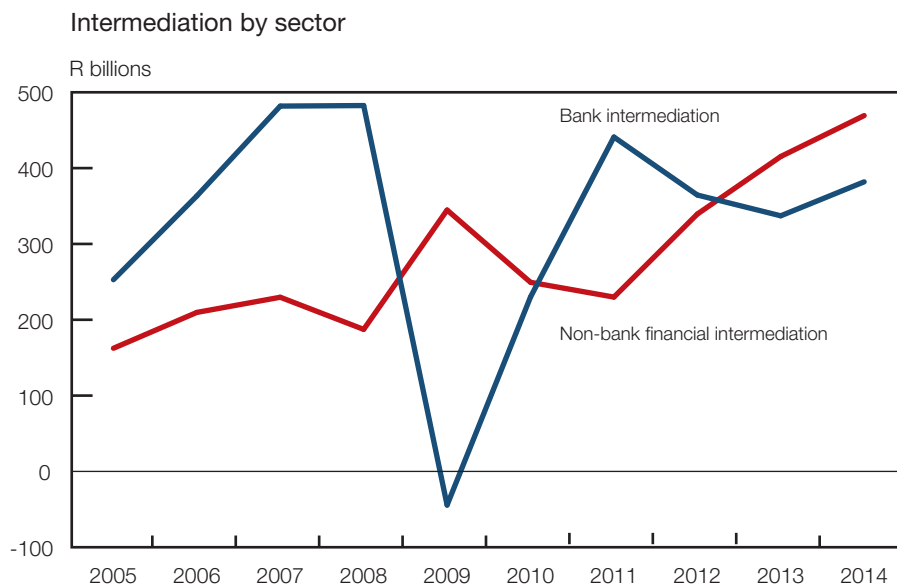
### Financial intermediaries

Financial intermediation<sup>2</sup>, which ebbed during the height of the global financial crisis, surpassed the pre-crisis record amount of R711 billion in 2007 as it continued to grow. In 2014 total financial intermediary flows amounted to R851 billion, along with the steady recovery in the key intermediation instruments. Although intermediation occurred through all the major financial instruments, the contribution made by equities and credit extension transactions was more noticeable. Bank loans and advances amounted to R170 billion and mortgage lending recovered to R85 billion in 2014, steered by higher corporate demand. This led to total intermediation by monetary authorities and other monetary institutions of R382 billion in the review period, which was 45 per cent of total financial intermediation.

<sup>2</sup> Including monetary authorities, other monetary institutions, insurers and retirement funds, and other financial institutions.

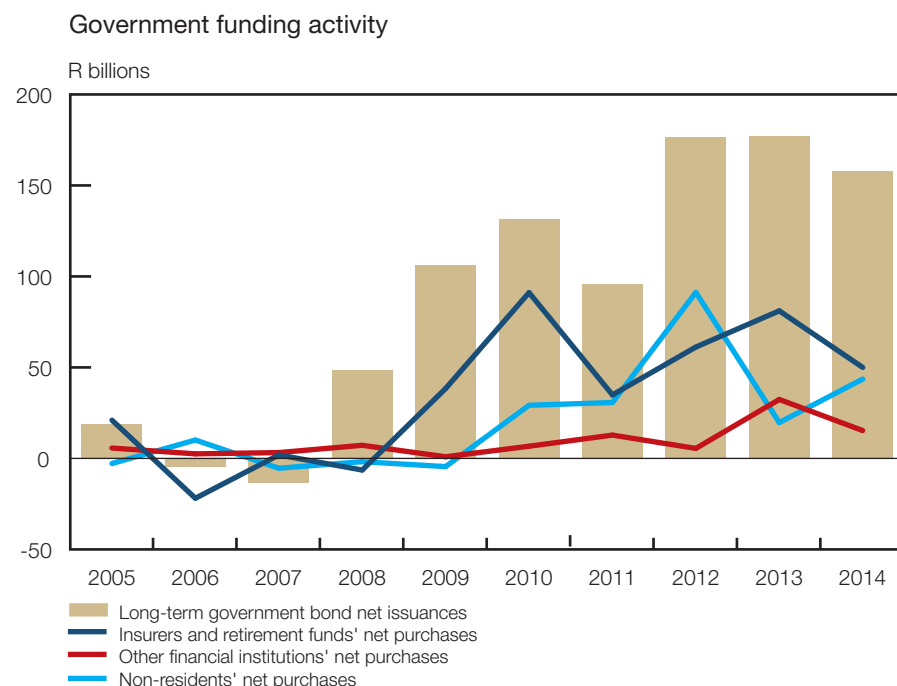
Meanwhile, non-bank financial intermediation<sup>3</sup> amounted to R469 billion during 2014 as flows through the purchases of bonds and equities continued at a brisk pace. Non-bank financial intermediaries' funds were distributed through the acquisition of bonds and equities worth R55 billion and R266 billion respectively, along with increased public-sector funding needs and non-financial private corporate business enterprises' appetite for raising equity capital.

3 Comprising insurers and retirement funds, and other financial institutions.



## General government

In 2014 the general government sector's financial trends continued to reflect a countercyclical policy stance in support of an economic recovery. A total amount of R85 billion was raised in the domestic market through long-term bond issuances and Treasury bills. An additional R44 billion was generated from non-residents, including R6 billion worth of proceeds from a Sukuk bond (an Islamic bond compliant with Sharia law) issued in the international markets during the second part of 2014 – the first issuance of its kind by National Treasury. These and other sources of funds enabled the general government to finance a wider deficit of R155 billion during 2014 – 33 per cent higher than in 2013. The deficit was necessitated by an acceleration in capital spending.

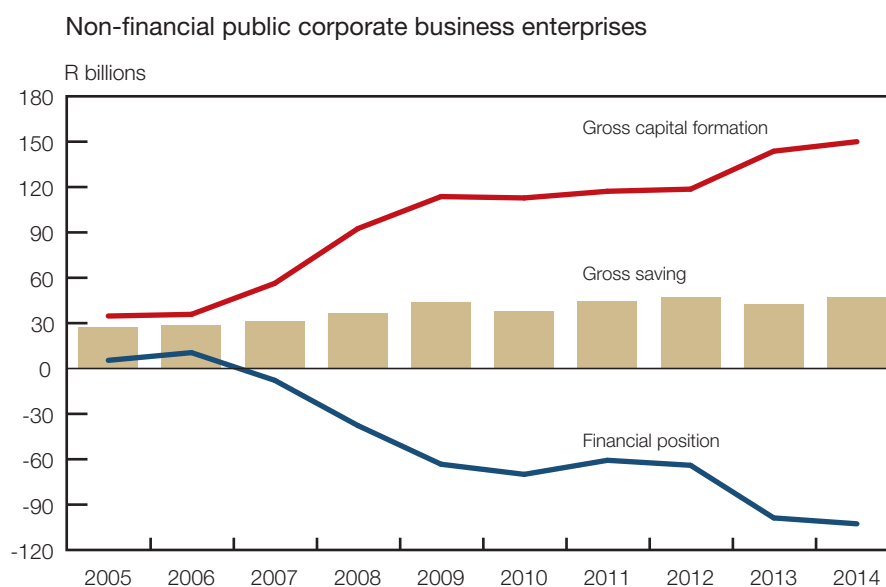


Sectors that contributed the most to the general government's funding activities were insurers and retirement funds, non-residents and other financial institutions. Insurers and retirement funds purchased long-term government bonds amounting to R50 billion in 2014, while non-residents and other financial institutions jointly acquired bonds worth R59 billion in an environment characterised by elevated global market uncertainty.

## Corporate business enterprises

Activity in the non-financial corporate business enterprises sector remained firm in 2014, as their total flows were higher than in 2013. The inflows were mainly sourced through the incurrence of loans and the issuances of equity and debt securities. Funding through equity issuances amounted to R322 billion in 2014 from the R208 billion recorded a year earlier. Higher equity funding was a sensible initiative, given the height of equity prices observed during the review period. The equity-sourced funds were augmented by the proceeds of corporate debt issuances, amounting to R88 billion in 2014.

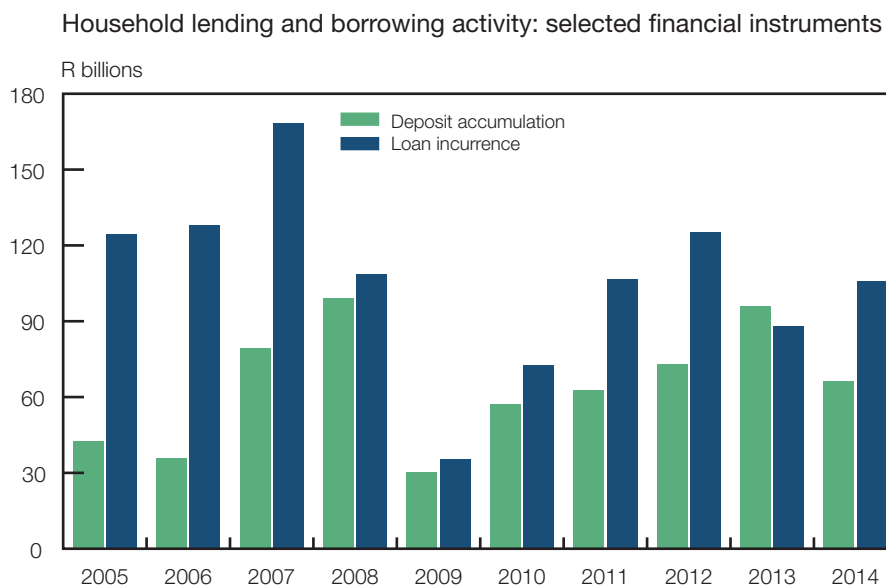
Flows generated from financial markets and other internally sourced funds enabled corporate business enterprises to keep their capital spending sturdy in 2014. With gross capital formation of R406 billion, the non-financial private corporate business enterprises contributed 53 per cent of the economy's total gross capital formation of R773 billion. This and other transactions led to a small shortfall of R4,9 billion by the non-financial private corporate businesses in 2014. Meanwhile, non-financial public corporate business enterprises incurred a noticeable shortfall of R103 billion in 2014, which reflected that state-owned enterprises relied heavily on external funding for capital formation. The total non-financial corporate business enterprises' gross capital formation amounted to R556 billion in 2014, representing 47 per cent of this sector's total flows. The medium-term sustainability of this magnitude of capital spending will probably depend on economic recovery and higher profit realisation, in the midst of increasingly adverse borrowing conditions faced by emerging-market economies.



## Households

At R47 billion in 2014, the households' deficit was equivalent to the amount recorded in 2013. Households incurred loans of R106 billion, of which bank loans and advances amounted to R33 billion and mortgage loans totalled R20 billion. This latter category of borrowing continued to fluctuate firmly below bank loans and advances as its lending criteria is yet to be eased. Over

the same period, households accumulated deposits of R66 billion, and interest in retirement and life funds of R57 billion. Consequently, the households' net incurrence of financial liabilities corroborated the sector's balance-sheet fragility.



## Summary and conclusion

Despite weaker economic activity, lower confidence levels, and uncertain and divergent global economic prospects, the South African flow of funds continued to grow in 2014. The flow of funds was mostly driven by gross capital formation activity, equity capital raised, and credit extension. An analysis of the 2014 flow of funds highlights the following:

- The foreign sector continued to be a crucial supplier of funds to the domestic economy, mostly through the extension of long-term loans and the acquisition of equity securities.
- Although bank intermediation improved in 2014, mortgage lending was still below bank loans and advances, reflecting stringent lending criteria in this category and subdued demand.
- The general government continued to play a countercyclical role in an effort to boost a generally fragile economy.
- The non-financial corporate business enterprises sector sustained its capital formation activity, in spite of low confidence levels and uncertain economic prospects.
- Households registered a deficit position, amid a slower pace of accumulating deposits and interest in retirement and life funds.

## Bibliography

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## National financial account

### Flow of funds for the first quarter 2014<sup>1</sup>

R millions

Transaction items	Foreign sector		Financial intermediaries									
			Monetary authority		Other monetary institutions <sup>2</sup>		Public Investment Corporation <sup>3</sup>		Insurers and retirement funds		Other financial institutions	
	S	U	S	U	S	U	S	U	S	U	S	U
1. Net saving <sup>4</sup> .....	50 136		-188		7 720				7 561		2 150	
2. Consumption of fixed capital <sup>4</sup> .....			13		2 763			457		658		
3. Capital transfers.....	43	<b>106</b>										
4. Gross capital formation <sup>4</sup> .....				<b>45</b>	<b>2 770</b>				<b>2 293</b>		<b>172</b>	
5. Net lending (+)/net borrowing (-) (S).....	50 073		-220		7 713			5 725		2 636		
6. Net financial investment (+) or (-) (U).....		<b>50 073</b>		<b>-220</b>	<b>7 713</b>			<b>5 725</b>		<b>2 636</b>		
7. Net incurrence of financial liabilities (Total S 9 – 32).....	-12 839		-756		64 972		25 202	58 897		60 530		
8. Net acquisition of financial assets (Total U 9 – 32).....		<b>37 234</b>		<b>-976</b>	<b>72 685</b>		<b>25 202</b>	<b>64 622</b>		<b>63 166</b>		
9. Gold and other foreign reserves.....	-4 688			<b>-4 688</b>								
10. Cash and demand monetary deposits <sup>5</sup> .....		<b>4 333</b>	-13 664	<b>-6 120</b>	24 889	<b>-11 048</b>		<b>739</b>		<b>5 302</b>	<b>10 670</b>	
11. Short/Medium-term monetary deposits <sup>5</sup> .....		<b>4 656</b>	200	<b>1 770</b>	18 555			<b>-9 064</b>		<b>983</b>	<b>7 243</b>	
12. Long-term monetary deposits <sup>5</sup> .....		<b>35</b>	1 506	<b>2 299</b>	22 147			<b>3 920</b>		<b>4 161</b>	<b>8 082</b>	
13. Deposits with other financial institutions.....	627	<b>-115</b>				<b>3 696</b>		<b>-2 487</b>		<b>2 379</b>	13 334	
14. Deposits with other institutions.....	20 248					<b>21 554</b>	25 202	<b>-2 272</b>	-2 272	<b>24 557</b>	<b>2 488</b>	
15. Treasury bills.....	-2 016			<b>61</b>		<b>-1 917</b>				<b>673</b>	<b>-293</b>	
16. Other bills.....	60 477			<b>65 778</b>	792	<b>-586</b>		<b>115</b>		<b>143</b>	4 946	
17. Bank loans and advances.....	-3 499		171	<b>-11 048</b>	-3 606	<b>70 941</b>			5		21 671	
18. Trade credit and short-term loans.....	-14 954	<b>46 485</b>	400	<b>-8 305</b>	47 725	<b>-6 183</b>			-299	<b>-4 933</b>	753	
19. Short-term government bonds.....				<b>-180</b>		<b>542</b>		<b>-5</b>		<b>2 701</b>	<b>1 444</b>	
20. Long-term government bonds.....	-25	<b>2 662</b>		<b>632</b>		<b>-11 934</b>		<b>13 581</b>		<b>13 071</b>	<b>47</b>	
21. Non-marketable government bonds <sup>6</sup> .....		<b>-574</b>		<b>-7 648</b>								
22. Securities of local governments.....						<b>-2</b>				<b>1 106</b>	<b>687</b>	
23. Securities of public enterprises.....	-450	<b>-82</b>	2 065			<b>2 935</b>		<b>2 018</b>		<b>-761</b>	75	
24. Other loan stock and preference shares.....	-1 237	<b>2 115</b>			2 433	<b>3 829</b>		<b>1 384</b>	-111	<b>2 860</b>	94	
25. Ordinary shares.....	15 480	<b>12 093</b>		<b>1 123</b>	504	<b>6 930</b>		<b>12 310</b>	523	<b>57 927</b>	<b>33 678</b>	
26. Foreign branch/head office balances.....												
27. Long-term loans.....	3 491	<b>17 589</b>	6 927		1 633				147	<b>-2 543</b>	7 412	
28. Mortgage loans.....	89					<b>18 273</b>			31	<b>13</b>	534	
29. Interest in retirement and life funds <sup>7</sup> .....		<b>-67</b>				<b>48</b>			25 270			
30. Amounts receivable/payable.....	-57 028	<b>-39 230</b>	44	<b>-7 989</b>	-40 922	<b>-38 635</b>			26 601	<b>-36 439</b>	11 989	
31. Other assets/liabilities.....	-29 354	<b>-12 666</b>	1 595	<b>-26 661</b>	-8 883	<b>14 182</b>		<b>4 963</b>	8 751	<b>-6 433</b>	-209	
32. Balancing item.....					-295	<b>60</b>			251	<b>-145</b>	-69	

**S = Sources**, i.e., net increase in liabilities at transaction value.

**U = Uses**, i.e., net increase in assets at transaction value.

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- A negative amount reflects a decrease in that item. In the case of liabilities (sources) it denotes a reduction in the available sources of funds and in the case of assets (uses) it indicates an additional source of funds.
- Including mutual banks and the Postbank.
- Before April 2005 the Public Investment Commissioners.
- As taken from the national income (and production) accounts.
- Namely deposits with the South African Reserve Bank (including coin liabilities), Corporation for Public Deposits, banks, the Land Bank, mutual banks and the Postbank.
- Non-marketable bonds and other Treasury bills.
- Members' interest in the reserves of retirement and all insurance funds.



## National financial account (continued)

Flow of funds for the first quarter 2014<sup>1</sup>

R millions

General government				Corporate business enterprises				Households, etc.		Total		Sectors Transaction items	
Central and provincial governments		Local governments		Public sector		Private sector							
S	U	S	U	S	U	S	U	S	U	S	U		
4 971		-10 379		-3 343		42 040		-47 925		52 743			1. Net saving <sup>4</sup>
13 432		4 754		15 090		74 392		14 391		125 950			2. Consumption of fixed capital <sup>4</sup>
	<b>16 420</b>	11 212		-332		959	<b>15</b>	4 687	<b>28</b>	16 569	<b>16 569</b>		3. Capital transfers
	<b>18 981</b>		<b>12 534</b>		<b>38 904</b>		<b>85 781</b>		<b>17 213</b>		<b>178 693</b>		4. Gross capital formation <sup>4</sup>
-16 998		-6 947		-27 489		31 595		-46 088		-			5. Net lending (+)/net borrowing (-) (S)
	<b>-16 998</b>		<b>-6 947</b>		<b>-27 489</b>		<b>31 595</b>		<b>-46 088</b>				6. Net financial investment (+) or (-) (U)
238		2 455		69 067		118 035		73 667		459 468			7. Net incurrence of financial liabilities (Total S 9 – 32)
	<b>-16 760</b>		<b>-4 492</b>		<b>41 578</b>		<b>149 630</b>		<b>27 579</b>		<b>459 468</b>		8. Net acquisition of financial assets (Total U 9 – 32)
	<b>-61 187</b>		<b>6 806</b>		<b>741</b>		<b>51 644</b>		<b>9 345</b>	-4 688	<b>-4 688</b>		9. Gold and other foreign reserves
	<b>39 112</b>		<b>4 485</b>		<b>2 580</b>		<b>-44 930</b>		<b>11 920</b>	11 225	<b>11 225</b>		10. Cash and demand monetary deposits <sup>5</sup>
	<b>935</b>		<b>607</b>		<b>-303</b>		<b>494</b>		<b>3 423</b>	18 755	<b>18 755</b>		11. Short/Medium-term monetary deposits <sup>5</sup>
			<b>557</b>	2 962	<b>716</b>		<b>17 666</b>		<b>-6 116</b>	23 653	<b>23 653</b>		12. Long-term monetary deposits <sup>5</sup>
	<b>3 258</b>					2 722	<b>-4 003</b>		<b>318</b>	16 923	<b>16 923</b>		13. Deposits with other financial institutions
4 855							<b>4 315</b>			45 900	<b>45 900</b>		14. Deposits with other institutions
	<b>-469</b>			28	<b>673</b>	9 559	<b>10 497</b>			2 839	<b>2 839</b>		15. Treasury bills
-7 862		-672		3 487		36 795		13 403		75 802	<b>75 802</b>		16. Other bills
118	<b>-64</b>	-656	<b>-15 208</b>	27 967	<b>1 420</b>	-55 963	<b>-6 277</b>	17 299	<b>1 607</b>	59 893	<b>59 893</b>		17. Bank loans and advances
3 796					<b>-706</b>					22 390	<b>22 390</b>		18. Trade credit and short-term loans
16 593					<b>-1 491</b>					3 796	<b>3 796</b>		19. Short-term government bonds
-8 512										16 568	<b>16 568</b>		20. Long-term government bonds
										-8 512	<b>-8 512</b>		21. Non-marketable government bonds <sup>6</sup>
		-443					<b>-2 234</b>			-443	<b>-443</b>		22. Securities of local governments
	<b>387</b>			6 090						7 780	<b>7 780</b>		23. Securities of public enterprises
	<b>-6</b>	-96	<b>-11</b>	-176	<b>2 881</b>	4 227	<b>-8 468</b>			5 134	<b>5 134</b>		24. Other loan stock and preference shares
	<b>1 330</b>			4 320	<b>-1 916</b>	120 378	<b>17 730</b>			141 205	<b>141 205</b>		25. Ordinary shares
-718	<b>13 989</b>	-113	<b>-185</b>	7 005	<b>-176</b>	5 618	<b>374</b>	178	<b>65</b>	31 580	<b>31 580</b>		26. Foreign branch/head office balances
			<b>-3</b>	-8		11 535		6 456		18 637	<b>18 637</b>		27. Long-term loans
	<b>2 728</b>				<b>4 026</b>		<b>6 355</b>		<b>12 180</b>	25 270	<b>25 270</b>		28. Mortgage loans
4 450	<b>-16 773</b>	541	<b>-15 818</b>	5 418	<b>38 507</b>	-15 051	<b>88 213</b>	16 351	<b>-4 873</b>	-47 607	<b>-47 607</b>		29. Interest in retirement and life funds <sup>7</sup>
-12 361		3 671	<b>13 959</b>	11 730	<b>-5 280</b>	-1 652	<b>18 021</b>	19 980		-6 732	<b>-6 732</b>		30. Amounts receivable/payable
-121		223	<b>319</b>	244	<b>-94</b>	-133	<b>233</b>			100	<b>100</b>		31. Other assets/liabilities
													32. Balancing item

**S = Sources**, i.e., net increase in liabilities at transaction value.

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- Non-marketable bonds and other Treasury bills.
- Members' interest in the reserves of retirement and all insurance funds.



## National financial account

### Flow of funds for the second quarter 2014<sup>1</sup>

R millions

Transaction items	Foreign sector		Financial intermediaries									
			Monetary authority		Other monetary institutions <sup>2</sup>		Public Investment Corporation <sup>3</sup>		Insurers and retirement funds		Other financial institutions	
	S	U	S	U	S	U	S	U	S	U	S	U
1. Net saving <sup>4</sup> .....	51 213		337		13 026				7 099		6 716	
2. Consumption of fixed capital <sup>4</sup> .....			14		2 879				410		670	
3. Capital transfers.....	45	<b>101</b>										
4. Gross capital formation <sup>4</sup> .....				<b>47</b>		<b>3 138</b>				<b>122</b>		<b>116</b>
5. Net lending (+)/net borrowing (-) (S).....	51 157		304		12 767				7 387		7 270	
6. Net financial investment (+) or (-) (U).....		<b>51 157</b>		<b>304</b>		<b>12 767</b>				<b>7 387</b>		<b>7 270</b>
7. Net incurrence of financial liabilities (Total S 9 – 32).....	-35 599		167		32 964		34 076		79 973		60 157	
8. Net acquisition of financial assets (Total U 9 – 32).....		<b>15 558</b>		<b>471</b>		<b>45 731</b>		<b>34 076</b>		<b>87 360</b>		<b>67 427</b>
9. Gold and other foreign reserves .....	-9 993			<b>-9 993</b>								
10. Cash and demand monetary deposits <sup>5</sup> .....		<b>8 535</b>	2 350	<b>3 301</b>	-2 875	<b>139</b>		<b>4 045</b>		<b>-5 820</b>		<b>-2 643</b>
11. Short/Medium-term monetary deposits <sup>5</sup> .....		<b>7 425</b>	-36	<b>4 831</b>	35 407			<b>4 607</b>		<b>2 572</b>		<b>17 372</b>
12. Long-term monetary deposits <sup>5</sup> .....		<b>4 583</b>	19	<b>5 256</b>	38 979			<b>3 525</b>		<b>2 793</b>		<b>23 735</b>
13. Deposits with other financial institutions .....	-2 883	<b>109</b>				<b>-4 285</b>		<b>4 798</b>		<b>-307</b>	22 351	<b>-2 883</b>
14. Deposits with other institutions.....	9 988					<b>9 839</b>	34 076	<b>71</b>	71	<b>28 193</b>		<b>15 573</b>
15. Treasury bills .....	-1 530			<b>274</b>		<b>8 167</b>		<b>-114</b>		<b>1 072</b>		<b>638</b>
16. Other bills.....	12 890			<b>7 883</b>	1 338	<b>1 328</b>		<b>7 262</b>		<b>60</b>	-2 107	<b>6 347</b>
17. Bank loans and advances .....	11 099		106	<b>1 738</b>	4 427	<b>36 968</b>			2		-6 223	
18. Trade credit and short-term loans.....	-15 098	<b>-28 848</b>	63	<b>487</b>	6 594	<b>-5 019</b>			4 712	<b>-61</b>	9 561	<b>-8 833</b>
19. Short-term government bonds.....				<b>-13</b>		<b>9 709</b>		<b>-1 678</b>				<b>-10 259</b>
20. Long-term government bonds .....	1 109	<b>27 382</b>				<b>-16 782</b>		<b>10 904</b>		<b>16 353</b>		<b>5 295</b>
21. Non-marketable government bonds <sup>6</sup> .....		<b>-1 723</b>		<b>335</b>								
22. Securities of local governments.....						<b>888</b>		<b>146</b>		<b>1 755</b>		<b>-654</b>
23. Securities of public enterprises.....	313	<b>-834</b>	161			<b>1 606</b>		<b>2 583</b>		<b>-3 096</b>	-2 507	<b>811</b>
24. Other loan stock and preference shares.....	-6 967	<b>-10 208</b>			4 437	<b>18 899</b>		<b>3 420</b>	39	<b>4 271</b>	182	<b>1 765</b>
25. Ordinary shares.....	19 844	<b>21 937</b>		<b>-1 123</b>	1 850	<b>1 121</b>		<b>2 966</b>	179	<b>63 611</b>		<b>44 920</b>
26. Foreign branch/head office balances.....												
27. Long-term loans.....	2 115	<b>24 474</b>	2 170		4 946				41	<b>7 052</b>	-15 492	<b>-611</b>
28. Mortgage loans.....	2 082					<b>22 808</b>			-15	<b>-238</b>	240	<b>851</b>
29. Interest in retirement and life funds <sup>7</sup> .....		<b>311</b>				<b>1 201</b>			28 050			
30. Amounts receivable/payable .....	-42 068	<b>-20 065</b>	-1 890	<b>-1 033</b>	-45 895	<b>-28 810</b>			21 560	<b>-19 674</b>	36 054	<b>-16 865</b>
31. Other assets/liabilities.....	-16 500	<b>-17 520</b>	-2 776	<b>-11 472</b>	-16 183	<b>-12 034</b>		<b>-8 459</b>	25 250	<b>-10 882</b>	18 073	<b>-6 849</b>
32. Balancing item .....					-61	<b>-12</b>			84	<b>-294</b>	25	<b>-283</b>

**S = Sources**, i.e., net increase in liabilities at transaction value.

**U = Uses**, i.e., net increase in assets at transaction value.

KB230

1. A negative amount reflects a decrease in that item. In the case of liabilities (sources) it denotes a reduction in the available sources of funds and in the case of assets (uses) it indicates an additional source of funds.
2. Including mutual banks and the Postbank.
3. Before April 2005 the Public Investment Commissioners.
4. As taken from the national income (and production) accounts.
5. Namely deposits with the South African Reserve Bank (including coin liabilities), Corporation for Public Deposits, banks, the Land Bank, mutual banks and the Postbank.
6. Non-marketable bonds and other Treasury bills.
7. Members' interest in the reserves of retirement and all insurance funds.



## National financial account (continued)

### Flow of funds for the second quarter 2014<sup>1</sup>

R millions

General government				Corporate business enterprises				Households, etc.		Total		Sectors	
Central and provincial governments		Local governments		Public sector		Private sector							
S	U	S	U	S	U	S	U	S	U	S	U	Transaction items	
-21 729		-12 996		-2 019		13 857		29 759		85 263			1. Net saving <sup>4</sup>
13 674		4 871		15 672		76 874		14 647		129 711			2. Consumption of fixed capital <sup>4</sup>
	<b>4 059</b>	17		40		413	<b>16</b>	3 690	<b>29</b>	4 205	<b>4 205</b>		3. Capital transfers
	<b>18 597</b>	<b>12 702</b>		<b>39 012</b>		<b>124 136</b>		<b>17 104</b>		<b>214 974</b>			4. Gross capital formation <sup>4</sup>
-30 711		-20 810		-25 319		-33 008		30 963		-			5. Net lending (+)/net borrowing (-) (S)
	<b>-30 711</b>	<b>-20 810</b>		<b>-25 319</b>		<b>-33 008</b>		<b>30 963</b>					6. Net financial investment (+) or (-) (U)
82 799		23 226		-14 111		145 736		2 287		411 675			7. Net incurrence of financial liabilities (Total S 9 – 32)
	<b>52 088</b>	<b>2 416</b>		<b>-39 430</b>		<b>112 728</b>		<b>33 250</b>		<b>411 675</b>			8. Net acquisition of financial assets (Total U 9 – 32)
	<b>2 863</b>	<b>-7 460</b>		<b>1 614</b>		<b>-10 570</b>		<b>5 471</b>		-9 993	<b>-9 993</b>		9. Gold and other foreign reserves
	<b>-1 014</b>	<b>-10 048</b>		<b>-8 933</b>		<b>8 921</b>		<b>9 638</b>		-525	<b>-525</b>		10. Cash and demand monetary deposits <sup>5</sup>
	<b>-3 920</b>	<b>54</b>		<b>2 592</b>		<b>-2 024</b>		<b>2 404</b>		35 371	<b>35 371</b>		11. Short/Medium-term monetary deposits <sup>5</sup>
	<b>6 786</b>	<b>-33</b>	-2 815	<b>-167</b>		<b>14 156</b>		<b>5 265</b>		38 998	<b>38 998</b>		12. Long-term monetary deposits <sup>5</sup>
					-1 626	<b>-17 997</b>		<b>44</b>		16 653	<b>16 653</b>		13. Deposits with other financial institutions
10 429										42 509	<b>42 509</b>		14. Deposits with other institutions
	<b>219</b>									8 899	<b>8 899</b>		15. Treasury bills
				-81	<b>-652</b>	13 090	<b>2 683</b>			25 130	<b>25 130</b>		16. Other bills
-3 114		-886		-1 436		31 554		3 177		38 706	<b>38 706</b>		17. Bank loans and advances
-118	<b>-1</b>	14 901	<b>8 113</b>	-40 907	<b>-1 642</b>	-14 583	<b>1 618</b>	8 348	<b>7 659</b>	-26 527	<b>-26 527</b>		18. Trade credit and short-term loans
-2 196					<b>45</b>					-2 196	<b>-2 196</b>		19. Short-term government bonds
42 104					<b>63</b>				<b>-2</b>	43 213	<b>43 213</b>		20. Long-term government bonds
-1 515									<b>-127</b>	-1 515	<b>-1 515</b>		21. Non-marketable government bonds <sup>6</sup>
		1 494					<b>-641</b>			1 494	<b>1 494</b>		22. Securities of local governments
	<b>-5 556</b>	<b>-78</b>	1 355		<b>3 919</b>		<b>-33</b>		<b>-33</b>	-678	<b>-678</b>		23. Securities of public enterprises
	<b>117</b>	859	<b>118</b>	156	<b>-2 137</b>	-493	<b>-18 027</b>		<b>-5</b>	-1 787	<b>-1 787</b>		24. Other loan stock and preference shares
	<b>-1 330</b>		-4 344	<b>1 610</b>	106 013	<b>-10 170</b>				123 542	<b>123 542</b>		25. Ordinary shares
													26. Foreign branch/head office balances
-1 493	<b>1 340</b>	7 869	<b>-26</b>	6 356	<b>194</b>	16 613	<b>-9 001</b>	440	<b>143</b>	23 565	<b>23 565</b>		27. Long-term loans
		-5	<b>-15</b>	-337		14 732		6 709		23 406	<b>23 406</b>		28. Mortgage loans
	<b>-347</b>		<b>10 021</b>		<b>8 643</b>		<b>8 221</b>		<b>8 221</b>	28 050	<b>28 050</b>		29. Interest in retirement and life funds <sup>7</sup>
38 702	<b>52 929</b>	-478	<b>11 741</b>	-276	<b>-47 062</b>	-2 584	<b>71 197</b>	-6 195	<b>-5 428</b>	-3 070	<b>-3 070</b>		30. Amounts receivable/payable
	<b>1</b>	-396	<b>38</b>	27 914	<b>4 768</b>	-16 660	<b>70 939</b>	-10 192		8 530	<b>8 530</b>		31. Other assets/liabilities
	<b>1</b>	-132	<b>12</b>	304	<b>256</b>	-320	<b>220</b>			-100	<b>-100</b>		32. Balancing item

**S = Sources**, i.e., net increase in liabilities at transaction value.

**U = Uses**, i.e., net increase in assets at transaction value.

KB231

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- Namely deposits with the South African Reserve Bank (including coin liabilities), Corporation for Public Deposits, banks, the Land Bank, mutual banks and the Postbank.
- Non-marketable bonds and other Treasury bills.
- Members' interest in the reserves of retirement and all insurance funds.

## National financial account

### Flow of funds for the third quarter 2014<sup>1</sup>

R millions

Transaction items	Foreign sector		Financial intermediaries									
			Monetary authority		Other monetary institutions <sup>2</sup>		Public Investment Corporation <sup>3</sup>		Insurers and retirement funds		Other financial institutions	
	S	U	S	U	S	U	S	U	S	U	S	U
1. Net saving <sup>4</sup> .....	63 780		96		15 128				6 852		4 623	
2. Consumption of fixed capital <sup>4</sup> .....			14		3 015				413		684	
3. Capital transfers.....	42	<b>104</b>										
4. Gross capital formation <sup>4</sup> .....				<b>53</b>		<b>3 714</b>				<b>222</b>		<b>72</b>
5. Net lending (+)/net borrowing (-) (S).....	63 718		57		14 429				7 043		5 235	
6. Net financial investment (+) or (-) (U).....		<b>63 718</b>		<b>57</b>		<b>14 429</b>				<b>7 043</b>		<b>5 235</b>
7. Net incurrence of financial liabilities (Total S 9 – 32).....	12 812		55 468		77 987		7 295		27 873		-19 086	
8. Net acquisition of financial assets (Total U 9 – 32).....		<b>76 530</b>		<b>55 525</b>		<b>92 416</b>		<b>7 295</b>		<b>34 916</b>		<b>-13 851</b>
9. Gold and other foreign reserves.....	23 356			<b>23 356</b>								
10. Cash and demand monetary deposits <sup>5</sup> .....		<b>3 948</b>	45 273	<b>7 860</b>	14 397	<b>9 731</b>		<b>-7 997</b>		<b>4 913</b>		<b>-135</b>
11. Short/Medium-term monetary deposits <sup>5</sup> .....		<b>263</b>	-68	<b>-797</b>	57 134			<b>-1 880</b>		<b>4 684</b>		<b>4 445</b>
12. Long-term monetary deposits <sup>5</sup> .....		<b>399</b>	26	<b>-7 756</b>	-31 170			<b>-11 006</b>		<b>-2 867</b>		<b>-17 845</b>
13. Deposits with other financial institutions.....	972	<b>-48</b>				<b>324</b>		<b>3 885</b>		<b>304</b>	-5 221	<b>972</b>
14. Deposits with other institutions.....	-22 985					<b>-21 688</b>	7 295	<b>-23 333</b>	-23 333	<b>20 320</b>		<b>8 291</b>
15. Treasury bills.....	22			<b>54</b>		<b>8 678</b>				<b>225</b>		<b>-2 217</b>
16. Other bills.....	14 660			<b>13 270</b>	-2 843	<b>-407</b>		<b>287</b>		<b>-744</b>	-2 902	<b>-9 433</b>
17. Bank loans and advances.....	-1 648		-2 459	<b>20 031</b>	15 421	<b>33 717</b>			-3		1 792	
18. Trade credit and short-term loans.....	10 252	<b>63 835</b>	751	<b>-126</b>	40 895	<b>-518</b>			2 982	<b>-217</b>	-451	<b>5 536</b>
19. Short-term government bonds.....				<b>-62</b>		<b>2 209</b>		<b>-178</b>		<b>2 823</b>		<b>-3 463</b>
20. Long-term government bonds.....	-696	<b>16 640</b>				<b>6 198</b>		<b>23 154</b>		<b>10 044</b>		<b>-6 095</b>
21. Non-marketable government bonds <sup>6</sup> .....		<b>-584</b>		<b>-310</b>								
22. Securities of local governments.....						<b>39</b>				<b>-771</b>		<b>-836</b>
23. Securities of public enterprises.....	443	<b>-308</b>	1 319			<b>8 187</b>		<b>4 939</b>		<b>-1 985</b>	-3 715	<b>-1 026</b>
24. Other loan stock and preference shares.....	7 183	<b>692</b>			825	<b>7 320</b>		<b>2 283</b>	-7	<b>8 590</b>	-39	<b>-2 229</b>
25. Ordinary shares.....	32 295	<b>18 074</b>			-52	<b>1 485</b>		<b>4 238</b>	179	<b>-13 698</b>		<b>-180</b>
26. Foreign branch/head office balances.....												
27. Long-term loans.....	3 057	<b>1 783</b>	12 535		524				-150	<b>2 800</b>	8 802	<b>5 524</b>
28. Mortgage loans.....	1 638					<b>18 708</b>			11	<b>77</b>	1 002	<b>1 478</b>
29. Interest in retirement and life funds <sup>7</sup> .....		<b>929</b>				<b>44</b>			30 269			
30. Amounts receivable/payable.....	-49 462	<b>-28 337</b>	-14	<b>12</b>	-51 070	<b>16 703</b>			16 607	<b>-4 308</b>	-17 188	<b>2 344</b>
31. Other assets/liabilities.....	-6 275	<b>-756</b>	-1 895	<b>-7</b>	33 695	<b>1 515</b>		<b>12 903</b>	1 239	<b>4 544</b>	-874	<b>764</b>
32. Balancing item.....					231	<b>171</b>			79	<b>182</b>	-292	<b>254</b>

**S = Sources**, i.e., net increase in liabilities at transaction value.

**U = Uses**, i.e., net increase in assets at transaction value.

KB230

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- Namely deposits with the South African Reserve Bank (including coin liabilities), Corporation for Public Deposits, banks, the Land Bank, mutual banks and the Postbank.
- Non-marketable bonds and other Treasury bills.
- Members' interest in the reserves of retirement and all insurance funds.



## National financial account (continued)

### Flow of funds for the third quarter 2014<sup>1</sup>

R millions

General government				Corporate business enterprises				Households, etc.		Total		Sectors Transaction items	
Central and provincial governments		Local governments		Public sector		Private sector							
S	U	S	U	S	U	S	U	S	U	S	U		
-40 369		-5 017		-4 013		22 357		8 197		71 634		1.	Net saving <sup>4</sup>
13 876		4 889		16 257		78 089		14 775		132 012		2.	Consumption of fixed capital <sup>4</sup>
	<b>13 576</b>	8 570		44		422	<b>15</b>	4 644	<b>27</b>	13 722	<b>13 722</b>	3.	Capital transfers
	<b>18 545</b>		<b>14 388</b>		<b>36 634</b>		<b>111 896</b>		<b>18 122</b>		<b>203 646</b>	4.	Gross capital formation <sup>4</sup>
-58 614		-5 946		-24 346		-11 043		9 467		-		5.	Net lending (+)/net borrowing (-) (S)
	<b>-58 614</b>		<b>-5 946</b>		<b>-24 346</b>		<b>-11 043</b>		<b>9 467</b>			6.	Net financial investment (+) or (-) (U)
71 137		-3 295		31 348		202 516		13 913		477 968		7.	Net incurrence of financial liabilities (Total S 9 – 32)
	<b>12 523</b>		<b>-9 241</b>		<b>7 002</b>		<b>191 473</b>		<b>23 380</b>		<b>477 968</b>	8.	Net acquisition of financial assets (Total U 9 – 32)
	<b>-23 031</b>		<b>143</b>		<b>-490</b>		<b>55 387</b>		<b>9 341</b>		23 356	9.	Gold and other foreign reserves
	<b>19 368</b>		<b>-1 088</b>		<b>7 473</b>		<b>8 237</b>		<b>16 361</b>		59 670	10.	Cash and demand monetary deposits <sup>5</sup>
	<b>5 164</b>		<b>196</b>		<b>-236</b>		<b>3 198</b>		<b>-391</b>		57 066	11.	Short/Medium-term monetary deposits <sup>5</sup>
	<b>6 739</b>		<b>-1</b>	-71	<b>-749</b>		<b>14 353</b>		<b>-23 360</b>		-31 144	12.	Long-term monetary deposits <sup>5</sup>
						21 793	<b>-7 682</b>		<b>123</b>		-4 320	13.	Deposits with other financial institutions
8 270							<b>1 552</b>				-17 230	14.	Deposits with other institutions
	<b>170</b>			-426	<b>-104</b>	-7 444	<b>-1 973</b>	21			8 292	15.	Treasury bills
12 439		1 144		3 862		18 622		4 578		1 066	1 066	16.	Other bills
	<b>346</b>	-3 787	<b>3 607</b>	1 078	<b>-114</b>	29 357	<b>7 482</b>	579	<b>1 825</b>	81 656	<b>81 656</b>	17.	Bank loans and advances
112							<b>-1 217</b>			112	<b>112</b>	18.	Trade credit and short-term loans
47 321							<b>-3 316</b>			46 625	<b>46 625</b>	19.	Short-term government bonds
-1 083									<b>-189</b>	-1 083	<b>-1 083</b>	20.	Long-term government bonds
		-130								-130	<b>-130</b>	21.	Non-marketable government bonds <sup>6</sup>
	<b>1</b>		<b>5</b>	7 636			<b>-4 133</b>		<b>3</b>	5 683	<b>5 683</b>	22.	Securities of local governments
	<b>-203</b>	-955	<b>3</b>	1 992	<b>-26</b>	13 229	<b>5 798</b>			22 228	<b>22 228</b>	23.	Securities of public enterprises
	<b>700</b>			701	<b>147</b>	17 349	<b>39 706</b>			50 472	<b>50 472</b>	24.	Other loan stock and preference shares
-655	<b>10 852</b>	497		2 265	<b>180</b>	10 830	<b>16 935</b>	460	<b>91</b>	38 165	<b>38 165</b>	25.	Ordinary shares
				132		13 647		3 833		20 263	<b>20 263</b>	26.	Foreign branch/head office balances
	<b>-411</b>				<b>130</b>		<b>18 181</b>		<b>11 396</b>	30 269	<b>30 269</b>	27.	Long-term loans
4 733	<b>-7 171</b>		<b>76</b>	6 919	<b>6 546</b>	72 976	<b>-6 106</b>	4 438	<b>8 180</b>	-12 061	<b>-12 061</b>	28.	Mortgage loans
	<b>-1</b>	-95	<b>-12 137</b>	6 945	<b>-1 167</b>	11 650	<b>38 736</b>	4		44 394	<b>44 394</b>	29.	Interest in retirement and life funds <sup>7</sup>
		31	<b>-45</b>	315	<b>-55</b>	507	<b>364</b>			871	<b>871</b>	30.	Amounts receivable/payable
												31.	Other assets/liabilities
												32.	Balancing item

**S = Sources**, i.e., net increase in liabilities at transaction value.

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KB231

1. A negative amount reflects a decrease in that item. In the case of liabilities (sources) it denotes a reduction in the available sources of funds and in the case of assets (uses) it indicates an additional source of funds.
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4. As taken from the national income (and production) accounts.
5. Namely deposits with the South African Reserve Bank (including coin liabilities), Corporation for Public Deposits, banks, the Land Bank, mutual banks and the Postbank.
6. Non-marketable bonds and other Treasury bills.
7. Members' interest in the reserves of retirement and all insurance funds.

## National financial account

### Flow of funds for the fourth quarter 2014<sup>1</sup>

R millions

Transaction items	Foreign sector		Financial intermediaries									
			Monetary authority		Other monetary institutions <sup>2</sup>		Public Investment Corporation <sup>3</sup>		Insurers and retirement funds		Other financial institutions	
	S	U	S	U	S	U	S	U	S	U	S	U
1. Net saving <sup>4</sup> .....	41 515		-90		14 106				9 746		9 076	
2. Consumption of fixed capital <sup>4</sup> .....			15		3 231				311		696	
3. Capital transfers.....	50	<b>105</b>										
4. Gross capital formation <sup>4</sup> .....				<b>48</b>		<b>4 308</b>				<b>112</b>		<b>20</b>
5. Net lending (+)/net borrowing (-) (S).....	41 460		-123		13 029				9 945		9 752	
6. Net financial investment (+) or (-) (U).....		<b>41 460</b>		<b>-123</b>		<b>13 029</b>				<b>9 945</b>		<b>9 752</b>
7. Net incurrence of financial liabilities (Total S 9 – 32).....	-12 714		9 123		79 884		56 055		92 441		50 366	
8. Net acquisition of financial assets (Total U 9 – 32).....		<b>28 746</b>		<b>9 000</b>		<b>92 913</b>		<b>56 055</b>		<b>102 386</b>		<b>60 118</b>
9. Gold and other foreign reserves.....	7 927			<b>7 927</b>								
10. Cash and demand monetary deposits <sup>5</sup> .....		<b>-1 541</b>	4 427	<b>-7 517</b>	39 585	<b>9 505</b>		<b>-26 687</b>		<b>-2 461</b>		<b>496</b>
11. Short/Medium-term monetary deposits <sup>5</sup> .....		<b>10 296</b>	126	<b>-8 034</b>	10 139			<b>-7 923</b>		<b>-2 916</b>		<b>-1 253</b>
12. Long-term monetary deposits <sup>5</sup> .....		<b>5 429</b>	25		-14 919			<b>-3 092</b>		<b>-1 801</b>		<b>-19 313</b>
13. Deposits with other financial institutions.....	-2 884	<b>529</b>				<b>-175</b>		<b>-4 437</b>		<b>1 527</b>	11 526	<b>-2 884</b>
14. Deposits with other institutions.....	22 753					<b>22 755</b>	56 055	<b>44 025</b>	44 025	<b>8 143</b>		<b>6 969</b>
15. Treasury bills.....	-856			<b>-262</b>		<b>10 760</b>				<b>-2 537</b>		<b>802</b>
16. Other bills.....	3 200			<b>-1 117</b>	-950	<b>2 062</b>		<b>20</b>		<b>-67</b>	-2 259	<b>-952</b>
17. Bank loans and advances.....	428		-1 336	<b>11 615</b>	5 564	<b>6 068</b>			-1		834	
18. Trade credit and short-term loans.....	-11 078	<b>33 912</b>	73	<b>-210</b>	25 058	<b>-29 910</b>			-6 762	<b>7 988</b>	8 846	<b>17 954</b>
19. Short-term government bonds.....				<b>148</b>		<b>-1 782</b>				<b>-11 053</b>		<b>2 969</b>
20. Long-term government bonds.....	177	<b>-3 121</b>				<b>17 803</b>		<b>10 954</b>		<b>10 558</b>		<b>16 088</b>
21. Non-marketable government bonds <sup>6</sup> .....		<b>-1 642</b>		<b>6 094</b>								
22. Securities of local governments.....						<b>9</b>				<b>706</b>		<b>38</b>
23. Securities of public enterprises.....	486	<b>517</b>	-1 052			<b>5 136</b>		<b>7 663</b>		<b>4 634</b>	157	<b>531</b>
24. Other loan stock and preference shares.....	-2 312	<b>147</b>			-307	<b>11 796</b>		<b>1 530</b>	124	<b>18 294</b>	-415	<b>406</b>
25. Ordinary shares.....	17 819	<b>-11 513</b>			2 022	<b>-2 898</b>		<b>22 969</b>	208	<b>45 631</b>		<b>33 955</b>
26. Foreign branch/head office balances.....												
27. Long-term loans.....	549	<b>37 304</b>	2 984	<b>-5</b>	1 430				1 542	<b>1 518</b>	6 773	<b>2 098</b>
28. Mortgage loans.....	848					<b>24 035</b>			70	<b>-223</b>	2 491	<b>-971</b>
29. Interest in retirement and life funds <sup>7</sup> .....		<b>425</b>				<b>294</b>			29 910			
30. Amounts receivable/payable.....	-45 721	<b>-35 445</b>	173	<b>1</b>	13 100	<b>35 989</b>			13 755	<b>15 375</b>	16 191	<b>1 677</b>
31. Other assets/liabilities.....	-4 050	<b>-6 551</b>	3 703	<b>360</b>	-628	<b>-18 400</b>		<b>11 033</b>	9 427	<b>8 802</b>	6 167	<b>1 381</b>
32. Balancing item.....					-210	<b>-134</b>			143	<b>268</b>	55	<b>127</b>

**S = Sources**, i.e., net increase in liabilities at transaction value.

**U = Uses**, i.e., net increase in assets at transaction value.

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1. A negative amount reflects a decrease in that item. In the case of liabilities (sources) it denotes a reduction in the available sources of funds and in the case of assets (uses) it indicates an additional source of funds.
2. Including mutual banks and the Postbank.
3. Before April 2005 the Public Investment Commissioners.
4. As taken from the national income (and production) accounts.
5. Namely deposits with the South African Reserve Bank (including coin liabilities), Corporation for Public Deposits, banks, the Land Bank, mutual banks and the Postbank.
6. Non-marketable bonds and other Treasury bills.
7. Members' interest in the reserves of retirement and all insurance funds.



## National financial account (continued)

### Flow of funds for the fourth quarter 2014<sup>1</sup>

R millions

General government				Corporate business enterprises				Households, etc.		Total		Sectors	
Central and provincial governments		Local governments		Public sector		Private sector							
S	U	S	U	S	U	S	U	S	U	S	U	Transaction items	
14 222		-8 815		-7 048		12 476		-44 136		41 052			1. Net saving <sup>4</sup>
13 918		4 996		16 873		79 278		15 125		134 443			2. Consumption of fixed capital <sup>4</sup>
	<b>14 423</b>	9 191		60		224	<b>18</b>	5 053	<b>32</b>	14 578	<b>14 578</b>		3. Capital transfers
	<b>19 177</b>		<b>14 502</b>		<b>35 436</b>		<b>84 403</b>		<b>17 489</b>		<b>175 495</b>		4. Gross capital formation <sup>4</sup>
-5 460		-9 130		-25 551		7 557		-41 479		-			5. Net lending (+)/net borrowing (-) (S)
	<b>-5 460</b>		<b>-9 130</b>		<b>-25 551</b>		<b>7 557</b>		<b>-41 479</b>				6. Net financial investment (+) or (-) (U)
49 948		216		21 668		157 572		66 479		571 038			7. Net incurrence of financial liabilities (Total S 9 – 32)
	<b>44 488</b>		<b>-8 914</b>		<b>-3 883</b>		<b>165 129</b>		<b>25 000</b>		<b>571 038</b>		8. Net acquisition of financial assets (Total U 9 – 32)
	<b>63 079</b>		<b>2 173</b>		<b>559</b>		<b>-1 800</b>		<b>8 206</b>	7 927	<b>7 927</b>		9. Gold and other foreign reserves
	<b>-23 983</b>		<b>1 497</b>		<b>908</b>		<b>28 475</b>		<b>13 198</b>	44 012	<b>44 012</b>		10. Cash and demand monetary deposits <sup>5</sup>
	<b>-609</b>		<b>-520</b>		<b>-430</b>		<b>3 050</b>		<b>2 392</b>	10 265	<b>10 265</b>		11. Short/Medium-term monetary deposits <sup>5</sup>
	<b>3 042</b>		<b>22</b>		<b>8 807</b>		<b>6 885</b>		<b>-1 632</b>	-14 894	<b>-14 894</b>		12. Long-term monetary deposits <sup>5</sup>
						-44 901	<b>-7 165</b>		<b>163</b>	8 642	<b>8 642</b>		13. Deposits with other financial institutions
9 243							<b>-376</b>			77 932	<b>77 932</b>		14. Deposits with other institutions
	<b>-367</b>			-597	<b>-21</b>	1 574	<b>1 425</b>	15		8 387	<b>8 387</b>		15. Treasury bills
6 055		-532		5 159		-10 696		12 208		983	<b>983</b>		16. Other bills
	<b>-401</b>	-844	<b>-784</b>	1 728	<b>212</b>	9 713	<b>20 176</b>	25 322	<b>3 119</b>	17 683	<b>17 683</b>		17. Bank loans and advances
-10 125									<b>-2</b>	52 056	<b>52 056</b>		18. Trade credit and short-term loans
51 751										-10 125	<b>-10 125</b>		19. Short-term government bonds
4 356										51 928	<b>51 928</b>		20. Long-term government bonds
		1 459					<b>706</b>			-96	<b>4 356</b>		21. Non-marketable government bonds <sup>6</sup>
	<b>9</b>		<b>-376</b>	12 306			<b>-6 276</b>		<b>59</b>	1 459	<b>1 459</b>		22. Securities of local governments
	<b>19</b>	-55	<b>-1</b>	690	<b>-31</b>	41 389	<b>6 954</b>			11 897	<b>11 897</b>		23. Securities of public enterprises
				4	<b>-29</b>	77 730	<b>9 735</b>		<b>-67</b>	39 114	<b>39 114</b>		24. Other loan stock and preference shares
-1 398	<b>1 628</b>	-513	<b>-2</b>	6 191	<b>-107</b>	17 213	<b>-8 746</b>	-199	<b>884</b>	97 783	<b>97 783</b>		25. Ordinary shares
			<b>-7</b>	109									26. Foreign branch/head office balances
	<b>-411</b>				<b>-35</b>		<b>4 852</b>		<b>24 785</b>	34 572	<b>34 572</b>		27. Long-term loans
-9 934	<b>2 482</b>	-251		-2 772	<b>-12 797</b>	57 090	<b>86 546</b>	26 188	<b>-26 009</b>	22 834	<b>22 834</b>		28. Mortgage loans
		714	<b>-10 687</b>	-862	<b>-120</b>	-7 855	<b>20 750</b>	-48		29 910	<b>29 910</b>		29. Interest in retirement and life funds <sup>7</sup>
		238	<b>-229</b>	-288	<b>-40</b>	-8	<b>-62</b>			67 819	<b>67 819</b>		30. Amounts receivable/payable
										6 568	<b>6 568</b>		31. Other assets/liabilities
										-70	<b>-70</b>		32. Balancing item

**S = Sources**, i.e., net increase in liabilities at transaction value.

**U = Uses**, i.e., net increase in assets at transaction value.

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- As taken from the national income (and production) accounts.
- Namely deposits with the South African Reserve Bank (including coin liabilities), Corporation for Public Deposits, banks, the Land Bank, mutual banks and the Postbank.
- Non-marketable bonds and other Treasury bills.
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