Note on the flow of funds in South Africa's national financial account for the year 2015

by C Monyela[1]

1 The views expressed are those of the author and do not necessarily reflect the views of the South African Reserve Bank (the Bank). The Bank wishes to express its sincere appreciation to all the reporting organisations – government departments, financial market institutions, and other public- and private-sector institutions – for their cooperation in providing the data used for the compilation of South Africa's financial accounts.

Introduction

Trends in South Africa's national financial account during 2015 were underpinned by an environment of elevated risk in the global financial landscape, deterioration in sovereign and currency risk, low business and consumer confidence levels, and subdued economic activity. On the macroeconomic policy front, the fiscal authorities continued their programme of gradual fiscal consolidation with the containment of non-financial public-sector borrowing needs, while the monetary authorities pursued a tightening stance in the interest rate cycle to stem the deteriorating inflation outlook.

The implications of the above conditions and policy settings for financial flows are outlined in this note through the analysis of sectoral financial positions, cross-sectoral interaction and the choice of different financial instruments. The quarterly national financial accounts for 2015 are attached to this note, while the annual summary is published on pages S–46 to S–47 of this issue of the *Quarterly Bulletin*.

Sectoral financing balances

Sectoral saving, investment and gross capital formation balances are depicted in Table 1. The balances show that in 2015 the economy's gross saving and capital formation were dominated by non-financial corporate business enterprises, underlining the significance of this sector. At R492 billion in 2015, the corporate business enterprises' share of gross saving accounted for 59 per cent of total saving in the economy, while this sector's gross capital formation of R581 billion represented 70 per cent of the total. As shares of gross domestic product (GDP), these amounts accounted for 12 per cent and 14 per cent respectively. The sector's capital outlays continued to grow, augmenting the available stock of capital goods to address certain production constraints while simultaneously generating some demand-side stimulus – at least to the extent that the capital goods are not imported – in a generally subdued economy. This capital formation necessitated a higher incurrence of borrowing by the sector in recent times, especially by the public corporate business enterprises category, whose saving has been much lower than its capital formation.

Table 1 Financing balances,[1, 2] 2015

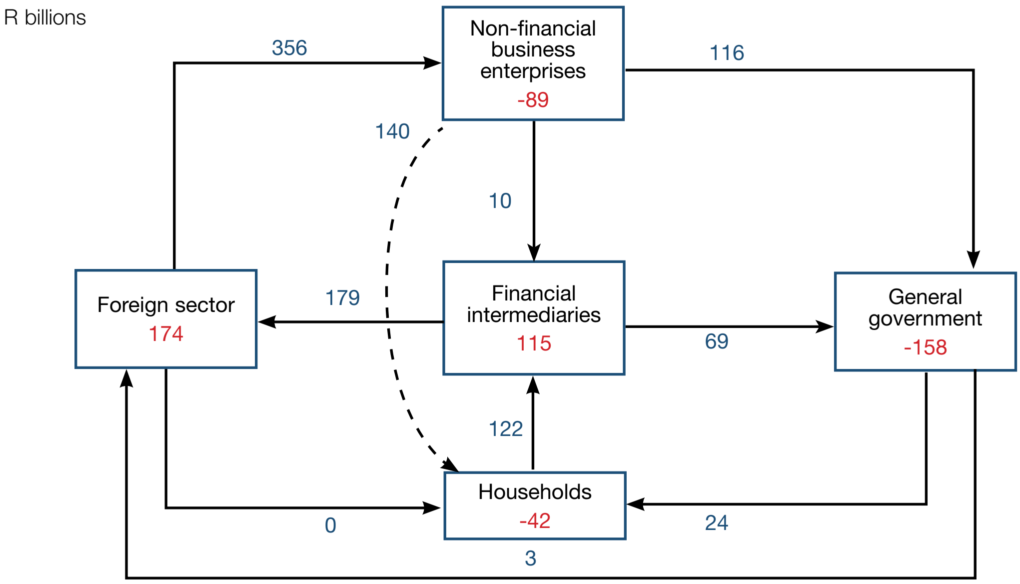
R millions Surplus units (+)/deficit units (-)

	2015		
	Gross saving	Gross capital formation	Net lending (+)/net borrowing (-)
Foreign sector[3]	174 055	–	174 055
Financial intermediaries	126 656	11 722	114 934
General government	-15 144	142 463	-157 607
Non-financial business enterprises			
Public	63 359	163 927	-100 568
Private	428 961	417 355	11 606
Households[4]	54 158	96 578	-42 420
Total	832 045	832 045	0

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.

Figure 1 provides a synopsis of the main inter-sectoral flow of funds across the broad sectors of the economy in 2015. It displays the general government's net borrowing position at R158 billion. From a surplus position of R18 billion in 2007, the general government's financing position moved to deficits in the subsequent years, as it sought to counteract the prolonged after-effects of the global financial crisis in the domestic economy and also maintain appropriate levels of spending on infrastructure and service delivery. To finance the shortfall in 2015, general government sourced funding from non-financial business enterprises and financial intermediaries. Conversely, in 2015 non-residents recorded a high net lending position of R174 billion towards the overall domestic economy, notwithstanding the increased intensity of global financial uncertainty and capital flight from many emerging-market economies. Non-residents channelled most of these funds to non-financial business enterprises, enabling them to bridge their shortfall of R89 billion in 2015. In turn, non-residents received R179 billion from financial intermediaries.

Figure 1 Net inter-sectoral flows of funds, 2015

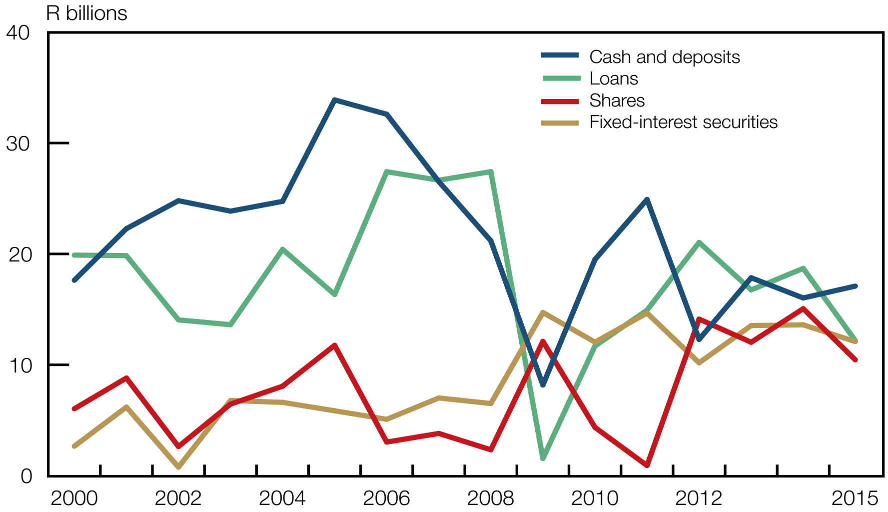


Note: Numbers may not balance perfectly due to rounding. The numbers inside the boxes represent the net lending (+) or borrowing (-) positions of the sectors, and those outside the boxes illustrate inter-sectoral flow of funds and the direction of flows. To calculate the net lending or borrowing position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

Among the most commonly used financial instruments for intermediation are cash and deposits, loans, fixed-interest securities and shares. Prior to 2009, shares and fixed-interest securities played a significantly less important role, as shown in Figure 2. The usage of cash and deposits averaged 25 per cent of the total flow of funds intermediated over the period 2000 to 2008, whereas loans accounted for 21 per cent. By contrast, shares and fixed-interest securities recorded 6 per cent and 5 per cent respectively. In 2015, the degree of dispersion between the usage of these financial instruments reduced markedly, with the most used instrument, namely cash and deposits, accounting for 17 per cent of total flows, and the least used, ordinary shares, representing a level of 10 per cent.

This trend mirrored an increased participation by general government and corporate business enterprises sectors after the global financial crisis, as they issued a substantial amount of debt and equity securities due to heightened expenditure obligations. In 2015 the usage of loans and market-based financial instruments moderated from the 2014 levels, reflecting stricter lending criteria, subdued income levels and higher investor risk aversion, while cash and deposits increased slightly against the background of a gradual upward interest rate cycle.

Figure 2 Usage of financial instruments: share of total asset flows



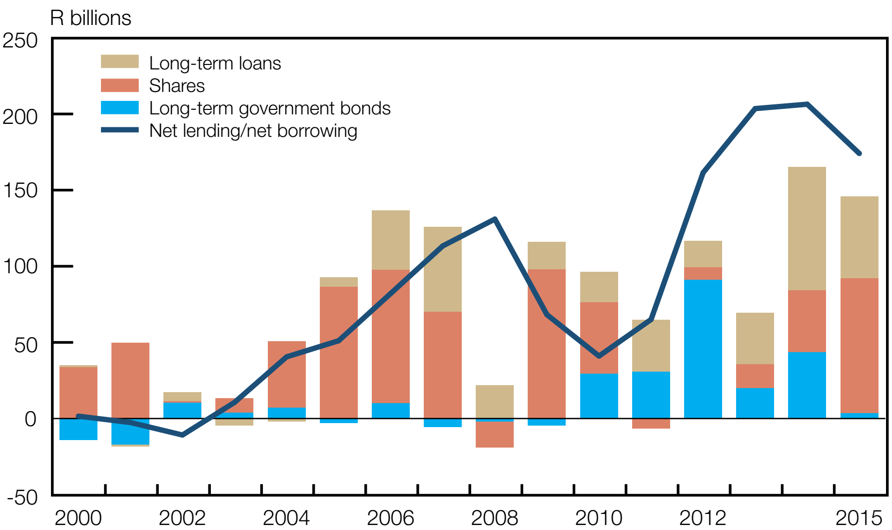
Sectoral analysis

This section analyses how the sources and uses of funds evolved in each of the main institutional sectors during 2015. Sectors with surplus financing positions acquired financial assets, while those with deficit positions accumulated financial liabilities. The choice of financial instruments was influenced by the regulatory environment, institutional investment and funding policies, relative risk-return profiles and macroeconomic policy, among other things.

Foreign sector

Non-residents continued to fund domestic economic sectors in 2015, bridging the collective local financing gap of R174 billion. A mix of financial instruments was used to channel funds to the domestic economy, including shares, bonds and long-term loans. Most of the funds were channelled through shares and long-term loans at R89 billion and R54 billion respectively during 2015. Non-residents continued to invest despite weak domestic economic activity and increased risk aversion towards emerging-market economies in the international investment community.

Figure 3 Inflows from non-residents



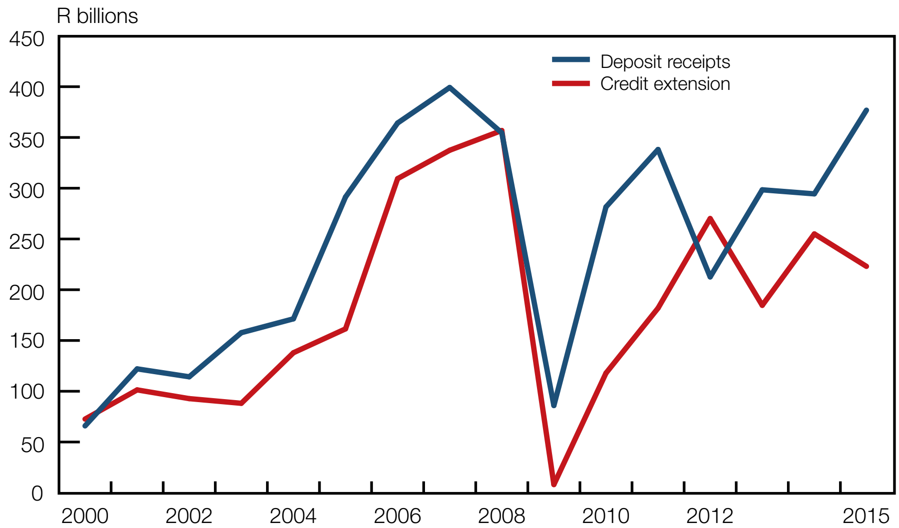
Financial intermediaries[2]

Financial intermediaries sourced funding largely through deposit-taking of R377 billion and collecting life premiums and pension fund contributions of R88 billion in 2015. As a share of total sectoral flows, these key sources of funding jointly represented 60 per cent. Most of the deposits were received from the private non-financial corporate business enterprises and households. The two sectors also contributed substantially towards life and pension fund receipts, making them a crucial source of funding for financial intermediaries. In turn, financial intermediaries channelled these funds through various financial asset claims, including the acquisition of bonds, shares and credit extension.

2 Banks and non-bank financial intermediaries.

The intermediaries acquired bonds worth R261 billion and shares of R144 billion during 2015, enabling the general government and non-financial corporate business sectors to finance their payment commitments. An amount of R249 billion was also channelled through bank loans and advances and mortgage loans, mostly towards non-financial corporate business enterprises and households. However, the overall intermediation through credit extension increased at a slower pace at R223 billion in 2015, down from its level of R255 billion in 2014. At the same time, the intermediaries' official investment in gold and foreign-exchange reserves dwindled over the past few years from a high of R33 billion in 2011, recording a net sale of R9 billion in 2015.

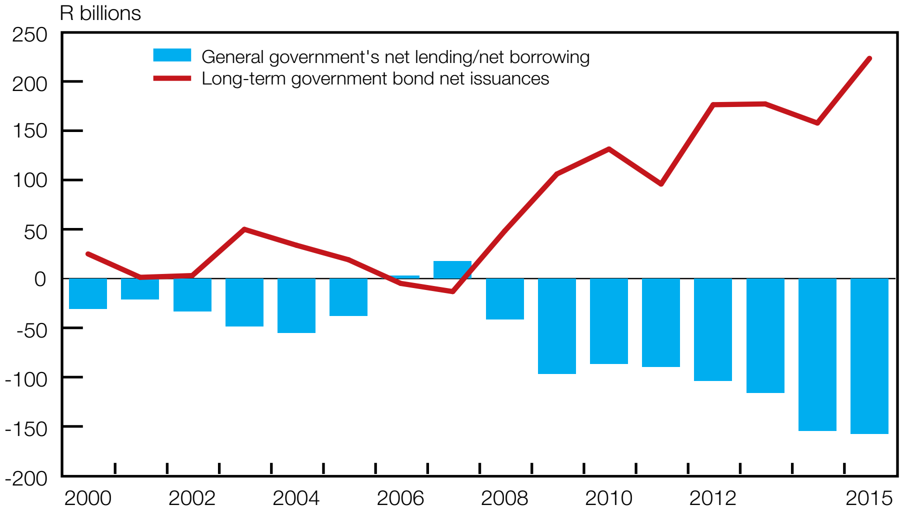
Figure 4 Financial intermediation



General government

In 2015 the general government sector's net borrowing needs increased to R158 billion, from R155 billion a year earlier. Allowing for inflation this entails a significant reduction in real terms in 2015. Consistent with the Minister of Finance's acknowledgement of a tight fiscal space and announcement in the budget speech in February 2016 of plans to reduce unnecessary spending over the medium term, this sector's deficit is expected to narrow further in real terms and as a percentage of GDP. To finance the shortfall in 2015, government raised funds in the domestic market mainly using long-term bonds. The bulk of the R153 billion raised through long-term bond issuances was absorbed by banks, insurers and retirement funds. Over the same period, a net amount of R13 billion in Treasury bills was redeemed.

Figure 5 General government financing



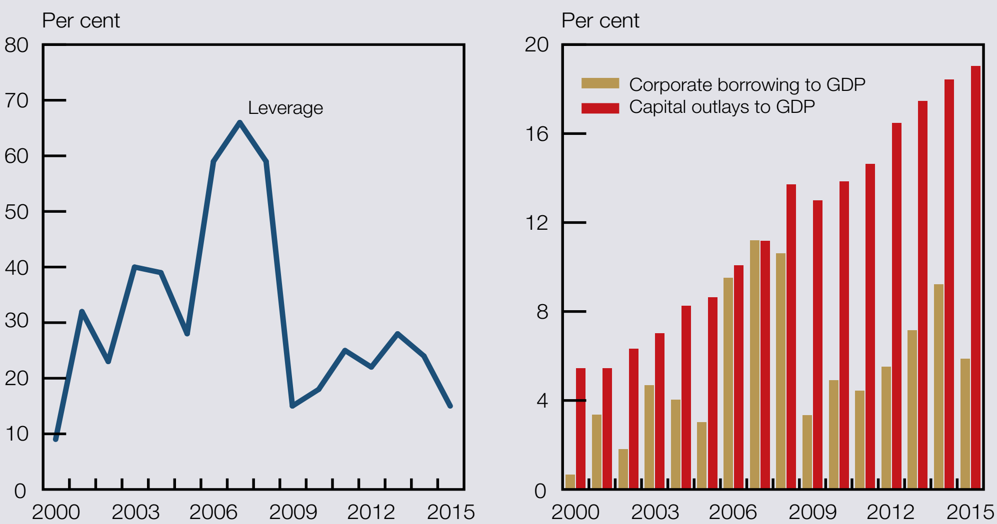
Non-financial corporate business enterprises

Non-financial corporate business enterprises' net financial position registered a deficit of R89 billion in 2015. The shortfall was mainly financed through the issuance of shares and bonds and the taking up of bank loans and advances. A significant amount was also obtained through mortgage borrowing for commercial property financing. This continued incurrence of more debt by the non-financial corporate business sector augmented its internal funding sources to defray its spending requirements. Capital spending in the electricity, transport and logistics domain, driven mainly by public enterprises, continued to underpin a large part of the net borrowing by this sector.

Box 1 Leverage developments in the non-financial corporate business enterprises sector

As in many other emerging-market economies the local corporate business enterprises' leverage, defined as total borrowing as a ratio of total liability flows, trended upwards after 2009. The corporates' leverage trended higher from 9 per cent in 2000 to a peak of 66 per cent in 2007, which coincided with the overall high indebtedness in the economy during the build-up towards the global financial crisis. It receded to a low of 15 per cent in 2009 in response to the crisis. However, the subsequent domestic monetary policy easing contributed to the resumption of an upward trend in corporate leverage, which reached 28 per cent in 2013 before declining to 15 per cent in 2015. Although inflows through bond issuances surpassed loans in 2015, the latter generally accounted for the bulk of corporate leverage over time.

Corporate business enterprises' leverage and capital outlays

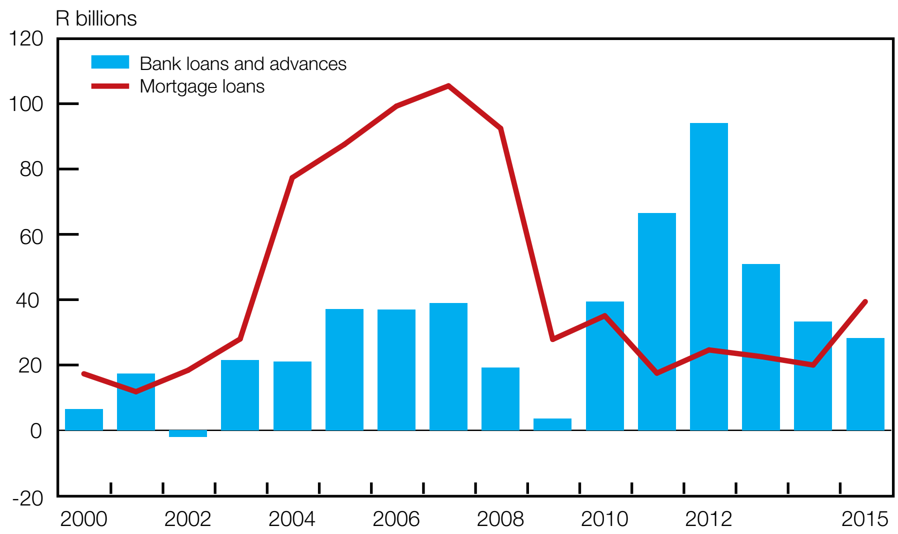


The latest increase in corporate business enterprises' leverage was still below the levels seen before the crisis, but necessary as it partly funded a substantial amount of capital spending, as shown in the graph on the previous page. Furthermore, corporate business enterprises' gross saving level increased markedly to R492 billion in 2015, thereby displaying this sector's operational resilience. As a ratio of gross domestic product, corporate borrowing was 6 per cent in 2015.

Households

The household sector's accumulation of liabilities increased in 2015 as its uptake of loans rose by R76 billion. The composition of household borrowing changed since 2009, with bank loans and advances outstripping mortgage borrowing, in spite of still relatively low interest rates. Among other things, the favourable interest rate environment was countervailed by tighter lending criteria, lower income levels, and greater caution among consumers. This meant that the accumulation of real estate as a key physical wealth-generating asset in the households' balance sheet was very slow, and suggested that other factors, including higher income growth, were needed to reignite households' demand for mortgage borrowing. However, in 2015 mortgage borrowing at R39 billion exceeded bank loans and advances of R28 billion. On the asset side of the balance sheet, households continued to acquire more deposits. However, it was adversely impacted by muted employment gains and an episode of resignation and withdrawal of retirement savings by a number of public servants, owing to misunderstanding and fears related to the 2015 Taxation Laws Amendment Bill.

Figure 6 Household borrowing



Summary and conclusion

The 2015 flow of funds in South Africa reflected a generally subdued economy in need of a more certain global and domestic economic environment with better income prospects. Furthermore, it displayed limited fiscal space necessitating gradual fiscal consolidation rather than countercyclical intervention, and a monetary policy faced with upside inflationary risks against the background of weak economic activity. Below are the highlights of the analysis for the year 2015:

– Foreign-sector inflows continued to augment domestic saving against the backdrop of reduced emerging-market economies inflows.

– Despite some slowdown, credit extension by financial intermediaries remained at high levels, partly due to non-financial corporate business enterprises' uptake of loans.

– The general government sector's net borrowing position remained elevated amid increased spending needs in an environment of slow economic activity.
– Non-financial corporate business enterprises' gross saving and capital formation continued to play a dominant role.
– The household sector's acquisition of mortgage loans improved.

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Flow of funds tables

National financial account

Flow of funds for the first quarter 2015[1]

R millions

Sectors / Transaction items	Foreign sector		Financial intermediaries									
			Monetary authority		Other monetary institutions[2]		Public Investment Corporation[3]		Insurers and retirement funds		Other financial institutions	
	S	U	S	U	S	U	S	U	S	U	S	U
1. Net saving[4]	47 688		118		15 661				8 816		4 396	
2. Consumption of fixed capital[4]			16		3 426				430		800	
3. Capital transfers	44	102										
4. Gross capital formation[4]				32		1 010				262		294
5. Net lending (+)/net borrowing (-) (S)	47 630		102		18 077				8 984		4 902	
6. Net financial investment (+) or (-) (U)		47 630		102		18 077				8 984		4 902
7. Net incurrence of financial liabilities (Total S 9 – 32)	-50 735		2 482		177 681		30 334		43 174		102 857	
8. Net acquisition of financial assets (Total U 9 – 32)		-3 105		2 584		195 758		30 334		52 158		107 759
9. Gold and other foreign reserves	-12 286			-12 286								
10. Cash and demand monetary deposits[5]		-4 075	-9 079	2 164	33 971	-5 877		-681		8 782		1 700
11. Short/Medium-term monetary deposits[5]		5 356	277	15 073	-10 800			-15 082		-9 406		3 047
12. Long-term monetary deposits[5]		-1 549	22	1 260	41 678			3 180		958		30 263
13. Deposits with other financial institutions	907	123				7 328		3 758		-15 100	7 791	907
14. Deposits with other institutions	-3 839					14 217	30 334	-1 910	-1 910	25 925		28 017
15. Treasury bills	-1 107			-101		-10 922				137		-6 418
16. Other bills	4 623			8 446	1 123	-711		-715		261	3 012	-1 091
17. Bank loans and advances	10 981		377	-16 946	-375	85 123			1		22 913	
18. Trade credit and short-term loans	29 260	48 318	345	-202	50 157	4 258			5 851	299	-4 731	826
19. Short-term government bonds				70		7 650		-5 003		-13 964		-9 072
20. Long-term government bonds	246	2 051				1 320		12 794		36 042		11 434
21. Non-marketable government bonds[6]		-994		-16 031								
22. Securities of local governments						230				-491		94
23. Securities of public enterprises	-1 074	-199	4 034			-3 366		5 275		196	-219	6 270
24. Other loan stock and preference shares	-791	-624			2 410	24 577		3 300	360	8 140	666	4 891
25. Ordinary shares	10 838	-14 558			3 948	-341		8 275	301	92 506		48 141
26. Foreign branch/head office balances												
27. Long-term loans	-637	15 964	7 394	1	-117				-53	-1 403	1 694	3 345
28. Mortgage loans	-4 840					20 377			-39	-52	2 727	875
29. Interest in retirement and life funds[7]		-1 191				209			20 761			
30. Amounts receivable/payable	-70 126	-69 409	-1 369	16 521	36 368	52 024			-7 522	-67 204	56 468	-20 746
31. Other assets/liabilities	-12 890	17 682	481	4 615	18 988	-254		17 143	25 318	-13 351	12 402	5 207
32. Balancing item					330	-84			106	-117	134	69

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 first quarter 2015[1]

R millions

Transaction items / Sectors	General government: Central and provincial governments S	General government: Central and provincial governments U	General government: Local governments S	General government: Local governments U	Corporate business enterprises: Public sector S	Corporate business enterprises: Public sector U	Corporate business enterprises: Private sector S	Corporate business enterprises: Private sector U	Households, etc. S	Households, etc. U	Total S	Total U
1. Net saving[4]	21 449		-10 793		-7 079		20 890		-30 840		70 306	
2. Consumption of fixed capital[4]	13 781		5 121		17 491		79 436		15 422		135 923	
3. Capital transfers		21 722	14 691		900		1 220	16	5 013	28	21 868	21 868
4. Gross capital formation[4]		16 360		15 718		38 384		110 214		23 955		206 229
5. Net lending (+)/net borrowing (-) (S)	-2 852		-6 699		-27 072		-8 684		-34 388		-	
6. Net financial investment (+) or (-) (U)		-2 852		-6 699		-27 072		-8 684		-34 388		-
7. Net incurrence of financial liabilities (Total S 9 – 32)	-28 210		18 336		42 186		243 020		37 462		618 587	
8. Net acquisition of financial assets (Total U 9 – 32)		-31 062		11 637		15 114		234 336		3 074		618 587
9. Gold and other foreign reserves											-12 286	-12 286
10. Cash and demand monetary deposits[5]		-31 870		5 207		130		43 809		5 603	24 892	24 892
11. Short/Medium-term monetary deposits[5]		-11 308		9 051		1 670		-15 734		6 810	-10 523	-10 523
12. Long-term monetary deposits[5]		707		759		-1 217		1 610		5 729	41 700	41 700
13. Deposits with other financial institutions				2 155	-2 264	147		3 456		3 660	6 434	6 434
14. Deposits with other institutions		6 879					56	-48 972		485	24 641	24 641
15. Treasury bills	-17 931							-1 734			-19 038	-19 038
16. Other bills		50			-1 345	45	-131	961	-36		7 246	7 246
17. Bank loans and advances	-17 157		-1 308		-2 601		45 461		9 885		68 177	68 177
18. Trade credit and short-term loans	197	1 046	1 016	1 291	21 082	9 240	19 513	45 583	3 320	15 351	126 010	126 010
19. Short-term government bonds	-20 032					287					-20 032	-20 032
20. Long-term government bonds	64 038					650				-7	64 284	64 284
21. Non-marketable government bonds[6]	-17 093									-68	-17 093	-17 093
22. Securities of local governments			-167								-167	-167
23. Securities of public enterprises		697			6 056					-76	8 797	8 797
24. Other loan stock and preference shares		404	-62	9	16 739	1 184	11 712	-10 847			31 034	31 034
25. Ordinary shares		394			8 515	-4 295	56 960	-49 560			80 562	80 562
26. Foreign branch/head office balances												
27. Long-term loans	-570	8 086	338	3	6 979	460	2 639	-8 588	211	10	17 878	17 878
28. Mortgage loans			-4	-6	222		12 844		10 284		21 194	21 194
29. Interest in retirement and life funds[7]		-24				-1 834		8 285		15 316	20 761	20 761
30. Amounts receivable/payable	5 982	-6 123	18 423	126	-34 473	9 145	44 626	197 607	13 825	-49 739	62 202	62 202
31. Other assets/liabilities	-25 483		75	-6 719	23 207	-373	49 836	67 957	-27		91 907	91 907
32. Balancing item	-161		25	-239	69	-125	-496	503			7	7

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KB231

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7. Members' interest in the reserves of retirement and all insurance funds.

National financial account
Flow of funds for the second quarter 2015[1]

R millions

Sectors / Transaction items	Foreign sector		Financial intermediaries: Monetary authority		Other monetary institutions[2]		Public Investment Corporation[3]		Insurers and retirement funds		Other financial institutions	
	S	U	S	U	S	U	S	U	S	U	S	U
1. Net saving[4]	23 799		-932		4 203				9 743		7 556	
2. Consumption of fixed capital[4]			17		3 558				525		818	
3. Capital transfers	41	103										
4. Gross capital formation[4]				37		2 891				385		33
5. Net lending (+)/net borrowing (-) (S)	23 737		-952		4 870				9 883		8 341	
6. Net financial investment (+) or (-) (U)		23 737		-952		4 870				9 883		8 341
7. Net incurrence of financial liabilities (Total S 9 – 32)	-37 309		8 395		16 565		30 520		19 368		48 964	
8. Net acquisition of financial assets (Total U 9 – 32)		-13 572		7 443		21 435		30 520		29 251		57 305
9. Gold and other foreign reserves	-1 388			-1 388								
10. Cash and demand monetary deposits[5]		5 426	5 446	-887	619	1 206		472		-6 163		253
11. Short/Medium-term monetary deposits[5]		-11 597	-168	-1 775	47 931			564		-1 938		21 241
12. Long-term monetary deposits[5]		-1 031	23	-1 260	45 148			3 057		5 437		38 093
13. Deposits with other financial institutions	291	25				-179		4 229		1 195	3 152	291
14. Deposits with other institutions	-7 834					4 021	30 520	-1 400	-1 400	29 182		10 859
15. Treasury bills	2 438			100		8 451				-1 388		-1 174
16. Other bills	4 511			9 789	191	-1 391		4 474		72	4 900	93
17. Bank loans and advances	31 594		-21	3 688	-1 506	20 714					1 934	
18. Trade credit and short-term loans	-10 938	-2 932	583	410	-33 124	-23 848			-824	99	1 891	3 926
19. Short-term government bonds				-221		12 272		-240		-8 867		-4 050
20. Long-term government bonds	68	4 360				7 345		16 479		33 412		-16 405
21. Non-marketable government bonds[6]		-977		5 300								
22. Securities of local governments						-115				1 103		-513
23. Securities of public enterprises	2 026	591	-1 595			-2 028		1 669		5 332	2 750	2 979
24. Other loan stock and preference shares	5 576	1 483			2 056	8 006		174	1 020	984	-483	-7 747
25. Ordinary shares	8 622	50 270			-522	7 126		4 229	314	-56 247		3 747
26. Foreign branch/head office balances												
27. Long-term loans	4 514	13 809	5 872		520				-104	-440	3 551	3 454
28. Mortgage loans	-454					21 526			25	-191	245	908
29. Interest in retirement and life funds[7]		2 280				1 360			18 424			
30. Amounts receivable/payable	-68 834	-75 474	-180	11	-51 586	-42 023			-713	29 579	21 764	1 930
31. Other assets/liabilities	-7 501	195	-1 565	-6 324	6 628	-1 006		-3 187	2 469	-1 683	8 945	-435
32. Balancing item					210	-2			157	-227	315	-145

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National financial account (continued)
Flow of funds for the second quarter 2015[1]

R millions

General government				Corporate business enterprises								
Central and provincial governments		Local governments		Public sector		Private sector		Households, etc.		Total		Sectors / Transaction items
S	U	S	U	S	U	S	U	S	U	S	U	
-7 425		-11 939		-6 275		27 428		26 466		72 624		1. Net saving[4]
13 987		5 223		18 221		80 068		15 687		138 104		2. Consumption of fixed capital[4]
	5 140	1 528				300	**15**	3 415	**26**	5 284	**5 284**	3. Capital transfers
	17 842		**17 050**		**40 423**		**109 370**		**22 697**		**210 728**	4. Gross capital formation[4]
-16 420		-22 238		-28 477		-1 589		22 845		-		5. Net lending (+)/net borrowing (-) (S)
	-16 420		**-22 238**		**-28 477**		**-1 589**		**22 845**		**-**	6. Net financial investment (+) or (-) (U)
46 640		41 586		9 858		87 925		13 375		285 887		7. Net incurrence of financial liabilities (Total S 9 – 32)
	30 220		**19 348**		**-18 619**		**86 336**		**36 220**		**285 887**	8. Net acquisition of financial assets (Total U 9 – 32)
										-1 388	**-1 388**	9. Gold and other foreign reserves
	-6 017		**-4 217**		**2 017**		**6 426**		**7 549**	6 065	**6 065**	10. Cash and demand monetary deposits[5]
	30 739		**-12 129**		**-7 578**		**10 599**		**19 637**	47 763	**47 763**	11. Short/Medium-term monetary deposits[5]
	2 535		**331**		**1 359**		**-7 209**		**3 859**	45 171	**45 171**	12. Long-term monetary deposits[5]
			5	-357	**1 773**		**-9 960**		**5 707**	3 086	**3 086**	13. Deposits with other financial institutions
	9 509					8 412	**-22 527**		**54**	29 698	**29 698**	14. Deposits with other institutions
-3 591							**-7 142**			-1 153	**-1 153**	15. Treasury bills
	2			1 411	**86**	5 884	**3 772**			16 897	**16 897**	16. Other bills
5 638		-660		2 018		-15 569		974		24 402	**24 402**	17. Bank loans and advances
20	**621**	9 552	**-1 644**	-16 242	**-8 410**	-20 668	**-37 038**	-1 426	**-2 360**	-71 176	**-71 176**	18. Trade credit and short-term loans
-1 106										-1 106	**-1 106**	19. Short-term government bonds
44 893					**-202**				**-28**	44 961	**44 961**	20. Long-term government bonds
4 288			**72**						**-107**	4 288	**4 288**	21. Non-marketable government bonds[6]
		697					**222**			697	**697**	22. Securities of local governments
	-36			5 323			**-1**		**-2**	8 504	**8 504**	23. Securities of public enterprises
	194	-6 578	**6**	-212	**-267**	491	**-954**		**-9**	1 870	**1 870**	24. Other loan stock and preference shares
				4	**3 328**	11 839	**7 804**			20 257	**20 257**	25. Ordinary shares
												26. Foreign branch/head office balances
-1 382	**10 222**	10 360	**-29**	9 905	**-896**	9 067	**15 768**	372	**787**	42 675	**42 675**	27. Long-term loans
		-19	**-7**	996		13 411		8 032		22 236	**22 236**	28. Mortgage loans
	-500				**1 834**		**17 005**		**-3 555**	18 424	**18 424**	29. Interest in retirement and life funds[7]
-2 120	**-17 049**	576		-3 590	**-15 133**	47 215	**60 867**	4 864	**4 688**	-52 604	**-52 604**	30. Amounts receivable/payable
		27 494	**36 720**	10 452	**3 353**	27 860	**47 708**	559		75 341	**75 341**	31. Other assets/liabilities
		164	**240**	150	**117**	-17	**996**			979	**979**	32. Balancing item

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

KB231

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4. As taken from the national income (and production) accounts.
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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 third quarter 2015[1]

R millions

Transaction items \ Sectors	Foreign sector		Financial intermediaries: Monetary authority		Other monetary institutions[2]		Public Investment Corporation[3]		Insurers and retirement funds		Other financial institutions	
	S	U	S	U	S	U	S	U	S	U	S	U
1. Net saving[4]	57 602		950		11 928				11 572		7 033	
2. Consumption of fixed capital[4]			18		3 723				498		840	
3. Capital transfers	43	106										
4. Gross capital formation[4]				36		2 851				565		66
5. Net lending (+)/net borrowing (-) (S)	57 539		932		12 800				11 505		7 807	
6. Net financial investment (+) or (-) (U)		57 539		932		12 800				11 505		7 807
7. Net incurrence of financial liabilities (Total S 9 – 32)	-78 758		40 627		11 663		33 053		39 589		31 767	
8. Net acquisition of financial assets (Total U 9 – 32)		-21 219		41 559		24 463		33 053		51 094		39 574
9. Gold and other foreign reserves	-510			-510								
10. Cash and demand monetary deposits[5]		-1 259	25 291	-4 922	822	9 099		6 347		1 649		1 001
11. Short/Medium-term monetary deposits[5]		19 264	-128	-13 299	62 961					5 455		14 713
12. Long-term monetary deposits[5]		2 801	25		-6 018					-16 125		5 620
13. Deposits with other financial institutions	416	15				1 017		-1 325		1 388	32 828	416
14. Deposits with other institutions	-33 840					-43 645	33 053	2 135	2 135	28 896		8 298
15. Treasury bills	4 543			-101		5 950				576		-284
16. Other bills	4 450		-90	3 793	-283	528		4 808		640	-6 279	21 694
17. Bank loans and advances	3 955		-3 016	34 641	9 967	34 847			-250		15 682	
18. Trade credit and short-term loans	-18 567	1 551	4 120	-167	15 646	13 263			12 616	466	-1 383	1 491
19. Short-term government bonds				-50		-126		-158		-27 209		-1 252
20. Long-term government bonds	2 431	-237				3 999		1 796		42 692		5 079
21. Non-marketable government bonds[6]				24 140								
22. Securities of local governments						340				-306		-64
23. Securities of public enterprises	-1 890	-865	-95			-1 228		3 955		748	-1 060	-1 660
24. Other loan stock and preference shares	12 884	-706			114	13 056		-626	1 632	53 633	311	1 542
25. Ordinary shares	26 550	12 597			6 103	-2 993		15 368	53	-34 670		-8 122
26. Foreign branch/head office balances												
27. Long-term loans	3 564	21 513	12 239	1	775				-189	-46 298	3 110	5 536
28. Mortgage loans	-95					25 143			35	-56	123	989
29. Interest in retirement and life funds[7]		1 866				-650			22 093			
30. Amounts receivable/payable	-68 918	-71 216	808	-2	-72 648	-48 563			-552	41 987	-9 255	-16 521
31. Other assets/liabilities	-13 731	-6 543	1 473	-1 965	-5 582	14 319		753	2 012	-2 279	-2 233	824
32. Balancing item					-194	107			4	-93	-77	274

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KB230

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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 third quarter 2015[1]

R millions

General government				Corporate business enterprises								
Central and provincial governments		Local governments		Public sector		Private sector		Households, etc.		Total		Sectors / Transaction items
S	U	S	U	S	U	S	U	S	U	S	U	
-30 959		-9 107		-4 725		20 275		7 857		72 426		1. Net saving[4]
14 236		5 348		19 018		81 617		15 913		141 211		2. Consumption of fixed capital[4]
	25 316	9 277		11 001		452	**15**	4 692	**28**	25 465	**25 465**	3. Capital transfers
	19 446		**18 549**		**42 800**		**104 514**		**24 810**		**213 637**	4. Gross capital formation[4]
-61 485		-13 031		-17 506		-2 185		3 624		-		5. Net lending (+)/net borrowing (-) (S)
	-61 485		**-13 031**		**-17 506**		**-2 185**		**3 624**		**-**	6. Net financial investment (+) or (-) (U)
50 031		1 544		25 084		118 762		15 598		288 960		7. Net incurrence of financial liabilities (Total S 9 – 32)
	-11 454		**-11 487**		**7 578**		**116 577**		**19 222**		**288 960**	8. Net acquisition of financial assets (Total U 9 – 32)
										-510	**-510**	9. Gold and other foreign reserves
	-18 572		**3 358**		**-2 491**		**25 737**		**6 166**	26 113	**26 113**	10. Cash and demand monetary deposits[5]
	20 377		**1 639**		**4 537**		**-7 079**		**17 226**	62 833	**62 833**	11. Short/Medium-term monetary deposits[5]
	-362		**310**		**1 634**		**-1 976**		**2 105**	-5 993	**-5 993**	12. Long-term monetary deposits[5]
			73		**1 728**		**20 534**		**9 398**	33 244	**33 244**	13. Deposits with other financial institutions
	6 234					-72	**-738**		**96**	1 276	**1 276**	14. Deposits with other institutions
5 910							**4 312**			10 453	**10 453**	15. Treasury bills
				459	**-35**	28 309	**-4 862**			26 566	**26 566**	16. Other bills
24 559		1 286		-939		11 345		6 899		69 488	**69 488**	17. Bank loans and advances
5	**3 385**	-6 694	**4 710**	1 874	**-547**	-10 405	**-20 407**	1 980	**-4 553**	-808	**-808**	18. Trade credit and short-term loans
-28 795										-28 795	**-28 795**	19. Short-term government bonds
50 246					**-616**				**-36**	52 677	**52 677**	20. Long-term government bonds
23 978			**25**						**-187**	23 978	**23 978**	21. Non-marketable government bonds[6]
							30					22. Securities of local governments
	-8			2 479			**-1 517**		**9**	-566	**-566**	23. Securities of public enterprises
	151		**57**	6 929	**232**	48 735	**3 262**		**4**	70 605	**70 605**	24. Other loan stock and preference shares
				6	**-35**	-6 551	**44 016**			26 161	**26 161**	25. Ordinary shares
												26. Foreign branch/head office balances
-527	**7 984**	-2 165	**-1**	5 907	**-487**	-46 635	**-9 941**	1 293	**-935**	-22 628	**-22 628**	27. Long-term loans
				166		14 055		11 792		26 076	**26 076**	28. Mortgage loans
	-800				**23**		**-1 532**		**23 186**	22 093	**22 093**	29. Interest in retirement and life funds[7]
-25 345	**-29 843**	-301		3 391	**1 333**	74 614	**51 422**	-6 454	**-33 257**	-104 660	**-104 660**	30. Amounts receivable/payable
		9 314	**-21 494**	4 609	**2 227**	5 168	**15 276**	88		1 118	**1 118**	31. Other assets/liabilities
		104	**-164**	203	**75**	199	**40**			239	**239**	32. Balancing item

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KB231

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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 2015[1]

R millions

Sectors / Transaction items	Foreign sector		Financial intermediaries: Monetary authority		Other monetary institutions[2]		Public Investment Corporation[3]		Insurers and retirement funds		Other financial institutions	
	S	U	S	U	S	U	S	U	S	U	S	U
1. Net saving[4]	45 209		187		9 570				7 022		8 559	
2. Consumption of fixed capital[4]			19		3 940				782		864	
3. Capital transfers	42	102										
4. Gross capital formation[4]				40		2 419				745		56
5. Net lending (+)/net borrowing (-) (S)	45 149		166		11 091				7 059		9 367	
6. Net financial investment (+) or (-) (U)		45 149		166		11 091				7 059		9 367
7. Net incurrence of financial liabilities (Total S 9 – 32)	-98 424		27 849		162 682		16 283		7 824		89 531	
8. Net acquisition of financial assets (Total U 9 – 32)		-53 275		28 015		173 773		16 283		14 883		98 898
9. Gold and other foreign reserves	5 113			5 113								
10. Cash and demand monetary deposits[5]		-3 278	11 137		40 933	4 631		2 922		-7 868		917
11. Short/Medium-term monetary deposits[5]		8 876	9		30 410			-609		-969		-13 974
12. Long-term monetary deposits[5]		2 901	27		-9 721			-2 715		9 212		-14 915
13. Deposits with other financial institutions	892	78				-669		4 987		1 268	22 269	892
14. Deposits with other institutions	1 916					44 093	16 283	-4 945	-4 945	14 090		37 295
15. Treasury bills	-3 825			101		-2 139				-437		-1 019
16. Other bills	1 667			6 760	-506	-7 735		4 879		-362	-2 560	-2 620
17. Bank loans and advances	-39 825		-697	-1 603	3 009	-4 826			-34		-4 395	
18. Trade credit and short-term loans	-27 064	-10 141	3 916	-222	19 067	8 534			-5 188	-15 624	13 527	10 145
19. Short-term government bonds				-483		-5 024		617		-17 664		2 479
20. Long-term government bonds	1 521	-2 887				22 120		4 872		28 756		13 262
21. Non-marketable government bonds[6]		-379		-5 652								
22. Securities of local governments						-513		-152		-557		-34
23. Securities of public enterprises	1 054	1 317	223			1 670		3 886		-1 542	-5 367	-2 659
24. Other loan stock and preference shares	2 055	-3 513			-1 696	17 279		1 308	21	9 079	-611	-316
25. Ordinary shares	46 423	40 540			21	1 838		16 674	249	65 046		27 474
26. Foreign branch/head office balances												
27. Long-term loans	6 392	2 312	12 450	4	2 680				18	2 998	8 338	2 994
28. Mortgage loans	496					23 198			2	392	-1 198	419
29. Interest in retirement and life funds[7]		5 914				271			26 997			
30. Amounts receivable/payable	-84 531	-72 060	-526	5 817	60 403	69 495			-17 502	-54 741	47 402	32 922
31. Other assets/liabilities	-10 708	-22 955	1 310	18 180	18 061	1 412		-15 441	7 904	-16 146	11 844	5 477
32. Balancing item					21	138			302	-48	282	159

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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 2015[1]

R millions

General government				Corporate business enterprises								
Central and provincial governments		Local governments		Public sector		Private sector		Households, etc.		Total		Sectors / Transaction items
S	U	S	U	S	U	S	U	S	U	S	U	
13 523		-19 133		-10 975		32 987		-30 657		56 292		1. Net saving[4]
14 489		5 511		19 725		83 758		16 071		145 159		2. Consumption of fixed capital[4]
	20 977	9 203		6 057		591	**15**	5 228	**27**	21 121	**21 121**	3. Capital transfers
	19 492		**18 006**		**42 320**		**93 257**		**25 116**		**201 451**	4. Gross capital formation[4]
-12 457		-22 425		-27 513		24 064		-34 501		-		5. Net lending (+)/net borrowing (-) (S)
	-12 457		**-22 425**		**-27 513**		**24 064**		**-34 501**		**-**	6. Net financial investment (+) or (-) (U)
43 876		2 965		20 482		133 870		73 375		480 313		7. Net incurrence of financial liabilities (Total S 9 – 32)
	31 419		**-19 460**		**-7 031**		**157 934**		**38 874**		**480 313**	8. Net acquisition of financial assets (Total U 9 – 32)
										5 113	**5 113**	9. Gold and other foreign reserves
	-23 865		**-1 630**		**-391**		**67 366**		**13 266**	52 070	**52 070**	10. Cash and demand monetary deposits[5]
	41 041		**2 646**		**-5 566**		**-18 640**		**17 614**	30 419	**30 419**	11. Short/Medium-term monetary deposits[5]
	-1 845		**-225**		**-2 138**		**-4 557**		**4 588**	-9 694	**-9 694**	12. Long-term monetary deposits[5]
			-1		**197**		**8 734**		**7 675**	23 161	**23 161**	13. Deposits with other financial institutions
	3 772					-4 600	**-85 893**		**242**	8 654	**8 654**	14. Deposits with other institutions
2 299							**1 968**			-1 526	**-1 526**	15. Treasury bills
				-254		-2 026	**-4 601**			-3 679	**-3 679**	16. Other bills
-4 657		-2 031		368		31 302		10 531		-6 429	**-6 429**	17. Bank loans and advances
-357	**6**	757	**-1 921**	-862	**-126**	-56 566	**-41 823**	3 119	**1 521**	-49 651	**-49 651**	18. Trade credit and short-term loans
-20 077									**-2**	-20 077	**-20 077**	19. Short-term government bonds
64 229					**-373**					65 750	**65 750**	20. Long-term government bonds
-6 206									**-175**	-6 206	**-6 206**	21. Non-marketable government bonds[6]
		-1 158					**98**			-1 158	**-1 158**	22. Securities of local governments
	-708			6 065					**11**	1 975	**1 975**	23. Securities of public enterprises
			13	6 924	**-612**	-9 759	**-26 304**			-3 066	**-3 066**	24. Other loan stock and preference shares
				2	**355**	95 843	**-9 389**			142 538	**142 538**	25. Ordinary shares
												26. Foreign branch/head office balances
-1 503	**10 797**	3 443	**-1**	3 934	**8 023**	-12 131	**-4 319**	-777	**36**	22 844	**22 844**	27. Long-term loans
			-27	-181		15 569		9 294		23 982	**23 982**	28. Mortgage loans
	-35				**70**		**5 426**		**15 351**	26 997	**26 997**	29. Interest in retirement and life funds[7]
10 148	**2 256**	-472		-29 516	**-10 748**	89 769	**174 815**	51 328	**-21 253**	126 503	**126 503**	30. Amounts receivable/payable
		2 320	**-18 236**	33 751	**4 208**	-13 772	**94 091**	-120		50 590	**50 590**	31. Other assets/liabilities
		106	**-78**	251	**70**	241	**962**			1 203	**1 203**	32. Balancing item

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