

Note on the flow of funds in South Africa's national financial account for the year 2022

by S Madonsela¹

Introduction

The national financial account is a representation of the flow of funds among institutional sectors in a matrix format, with financial transactions delineated as either sources (liabilities) or uses (assets). Resident institutional units, defined as institutional units that have an economic interest in the economic landscape of a country, are grouped into the following main domestic institutional sectors: financial intermediaries, general government, public and private non-financial business enterprises, and households. To complete the account for the South African economy, the foreign sector is added by incorporating transactions between residents and non-residents. The national financial account indicates institutional sector net lending or borrowing positions by linking saving and investment in the real economy with the financing thereof as intermediated through financial transactions.

The analysis of financial flows in this note is based on annual 2022 statistics as published on pages S–50 and S–51 in this edition of the *Quarterly Bulletin*, while the quarterly national financial account statistical tables for 2022 are appended to this note. The analysis shows the impact of both external and domestic developments on real economic activity and financial intermediation in the South African economy. Globally, the ongoing geopolitical tensions during the period under review contributed significantly to higher inflation outcomes, which necessitated monetary policy tightening, while domestically higher inflation also resulted in an increase in interest rates. In addition, the increased severity of electricity load-shedding further suppressed domestic economic activity.

Institutional sector financing balances

Gross saving of the domestic institutional sectors decreased by R47.2 billion, from R1 037 billion in 2021 to R989 billion in 2022. The decrease resulted from lower gross saving by non-financial business enterprises and households, which was partly offset by higher gross saving by financial intermediaries and less dissaving by general government. In contrast, gross capital formation increased by R209 billion, from R810 billion in 2021 to R1 019 billion in 2022, mainly reflective of investment in computer software as well as machinery and equipment. Hence, South Africa's financial position in relation to the rest of the world reverted from a net lending position of R227 billion in 2021 to a net borrowing position of R58.9 billion in 2022, with the foreign sector supplementing gross saving of R30.0 billion with net capital transfers of R28.9 billion.

¹ The views expressed in this note are those of the author and do not necessarily reflect those of the South African Reserve Bank (SARB). The SARB would like to express its sincere appreciation to all the reporting organisations – government departments as well as financial and other public and private sector institutions – for their co-operation in providing the data used for the compilation of South Africa's financial account statistics.

Table 1 Institutional sector financing balances¹ 2021 and 2022

R millions

	2021				2022			
	Gross saving	Net capital transfers	Gross capital formation ²	Net lending (+)/net borrowing (-) ³	Gross saving	Net capital transfers	Gross capital formation ²	Net lending (+)/net borrowing (-) ³
Foreign sector ⁴	-226 678	-225	-	-226 903	30 001	28 936	-	58 937
Financial intermediaries.....	184 728	-	16 850	167 878	193 816	22 032	16 396	199 452
General government....	-117 799	-126 597	150 196	-394 592	-87 271	-69 091	165 015	-321 377
Non-financial business enterprises	800 851	115 154	495 529	420 476	740 316	26 193	667 823	98 686
Public.....	-4 940	114 932	83 544	26 448	-5 626	36 491	92 562	-61 697
Private.....	805 791	222	411 985	394 028	745 942	-10 298	575 261	160 383
Households ⁵	168 836	11 668	147 363	33 141	142 527	-8 070	170 155	-35 698
Total.....	809 938		809 938		1 019 389		1 019 389	

Surplus units (+)/deficit units (-)

- 1 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.
- 2 Gross capital formation consists of fixed capital formation and changes in inventories, before providing for consumption (depreciation) of fixed capital.
- 3 Net lending/net borrowing equals gross saving *plus* net capital transfers *less* gross capital formation.
- 4 A positive amount reflects a surplus for the rest of the world and is therefore a deficit on South Africa's current account of the balance of payments. A negative amount reflects a deficit for the rest of the world and a surplus on South Africa's current account of the balance of payments.
- 5 This includes unincorporated business enterprises and non-profit institutions serving households.

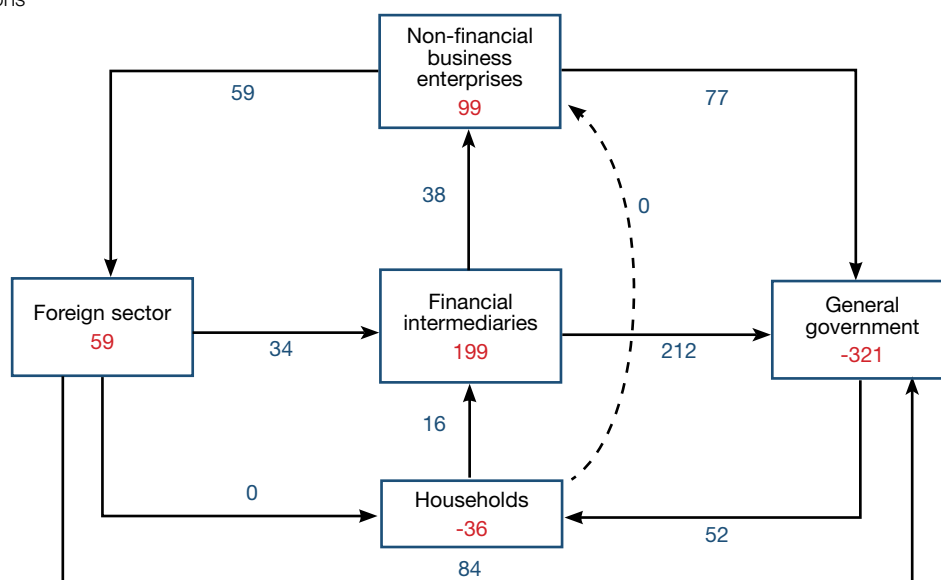
Source: SARB

2 Net transactions are measured as the change between the opening and closing stock positions per financial instrument held by institutional sectors, adjusted for other volume changes and revaluations.

The net inter-sectoral flow of funds in 2022, which indicates aggregate net transactions² and the direction of the flows on a from-whom-to-whom basis among the main institutional sectors, is shown in Figure 1.

Figure 1 Net inter-sectoral flow of funds, 2022*

R billions



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

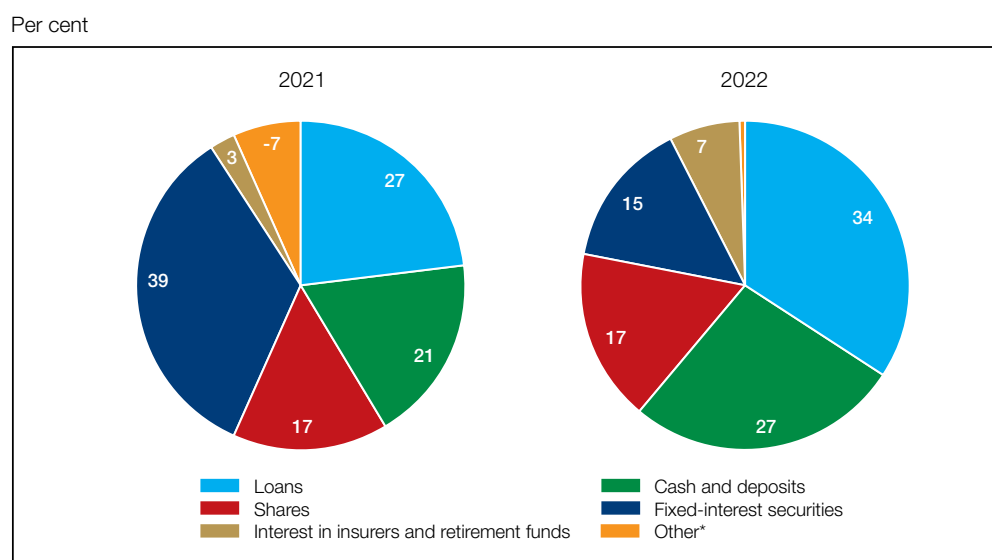
Source: SARB

The general government sector continued to be the largest net borrower at R321 billion in 2022, sourcing most of its shortfall from financial intermediaries through bonds and long-term loans. Non-financial business enterprises continued to be a net lender at R98.7 billion in 2022, which enabled them to extend funds to general government and the foreign sector. The household sector recorded a net borrowing position of R35.7 billion in 2022 and mainly received funds from general government. The foreign sector's net lending position of R58.9 billion mirrored the aggregate domestic net borrowing position.

The contribution of financial asset types to the total net acquisition of financial assets in the total economy³ in 2022 is shown in Figure 2. The contribution of loans increased from 26.7% in 2021 to 34.2% in 2022 despite the increases in interest rates, whereas that of cash and deposits increased from 20.9% to 27.2% over the same period. The contribution of shares remained almost unchanged at 16.7% in 2022 despite heightened share price volatility. The contribution of fixed-interest securities declined noticeably from 39.3% in 2021 to 14.6% in 2022 along with an increase in bond yields. For example, the yield on 10-year government bonds increased from an annual average of 9.47% in 2021 to an annual average of 10.53% in 2022. Furthermore, the contribution of interest in insurers and retirement funds increased from 3.0% in 2021 to 6.8% in 2022.

³ The total net acquisition of financial assets is the sum of line items 9 to 33 in the 'Uses' column of the flow of funds matrix for the domestic institutional sectors and the foreign sector on pages S-50 and S-51 in this edition of the *Quarterly Bulletin*.

Figure 2 Contribution of financial asset types to the total net acquisition of financial assets in the total economy



* Reserves, financial derivatives and other financial instruments

Source: SARB

Institutional sectoral analysis

This section shows the institutional sectors' net acquisition of financial assets with surplus savings and the incurrence of liabilities to fund net borrowing. These decisions are influenced by, among other factors, investors' risk-return profiles and liquidity requirements as well as, on the other hand, borrowers' funding requirements, the cost of funds, and investment opportunities in real economic activity within the broader context of the South African macroeconomic environment.

Foreign sector

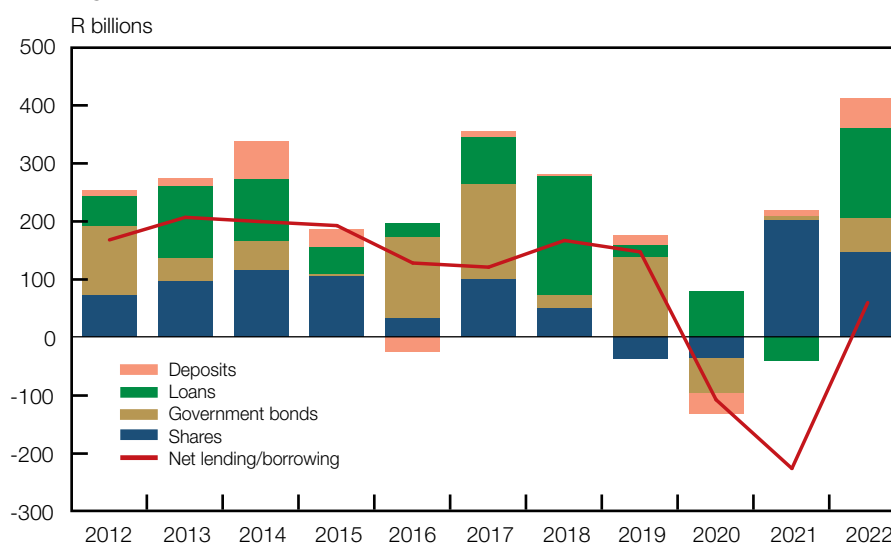
A net capital inflow of R58.9 billion from the rest of the world to the South African economy in 2022, or 1.0% of gross domestic product (GDP), followed two consecutive years of net outflows. The net inflow in 2022 comprised gross saving of R30.0 billion and net capital transfers of R28.9 billion, which included the settlement of global claims by a South African



company. Non-residents recorded a net inflow of foreign loans of R155 billion, mainly to national government from international agencies, and an increase in the holdings of domestic shares of R145 billion, particularly increased equity investments in domestic subsidiaries. Non-residents' net purchases of government bonds amounted to R59.6 billion in 2022 compared with R6.5 billion in 2021. Non-residents reduced their financial derivatives exposure by R285 billion in 2022, which contributed to a decrease in their net acquisition of South African financial assets to R87.0 billion in 2022 compared with R141 billion in 2021.

Non-residents' net incurrence of South African financial liabilities decreased significantly from R368 billion in 2021 to R28.1 billion in 2022 as residents' net acquisition of foreign assets decreased. Residents acquired foreign shares of R192 billion, extended loans of R60.6 billion, and increased gold and foreign reserves by R68.2 billion.

Figure 3 Non-resident net transactions in selected domestic financial assets



Source: SARB

4 Financial intermediaries comprise the monetary authority, banks and non-bank financial institutions (excluding the Public Investment Corporation).

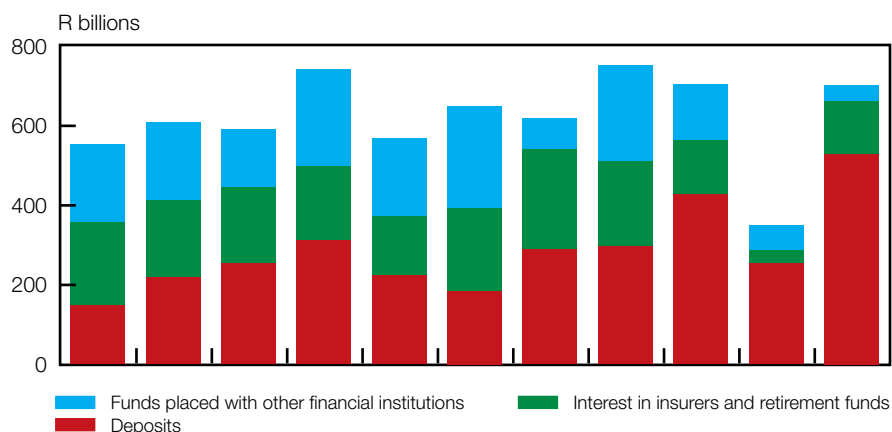
Financial intermediaries⁴

Financial intermediaries' net incurrence of financial liabilities increased to R791 billion in 2022 from R162 billion in 2021. Inflows of cash and deposits contributed the most at R528 billion, more than double the amount of R252 billion recorded in 2021. In 2022, the implementation of the South African Reserve Bank's (SARB) new monetary policy implementation framework (MPIF), which allows banks to deposit surplus funds with the central bank, among other changes, contributed to the increase in cash and deposits of the monetary sector. The attractive interest rates offered by banks lured deposits by private non-financial corporate business enterprises of R138 billion, other financial institutions of R136 billion and households of R90.9 billion in 2022. Flows to insurers and retirement funds increased significantly to R132 billion in 2022 compared with R35.1 billion in 2021. By contrast, funds placed with other financial institutions (collective investment schemes) decreased from R62.7 billion in 2021 to R41.6 billion in 2022.

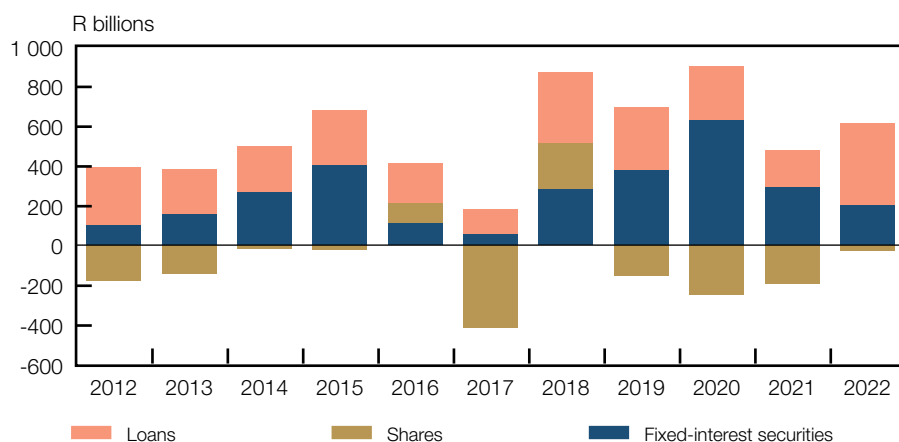
Financial intermediaries' net acquisition of financial assets increased from R330 billion in 2021 to R991 billion in 2022. Financial intermediaries mostly extended loans of R416 billion in 2022, up from R185 billion in 2021, as non-financial corporate business enterprises utilised funding of R264 billion in 2022 compared with R49.0 billion in 2021. Shareholding by financial intermediaries declined by R29.6 billion in 2022. Financial intermediaries invested R199 billion in fixed-interest securities in 2022, mainly government bonds to the value of R131 billion, compared with R292 billion in 2021. By contrast, financial intermediaries' net redemption of Treasury bills amounted to R56.5 billion in 2022.



Figure 4 Financial intermediaries' net incurrence of selected financial liabilities



Financial intermediaries' net acquisition of selected financial assets



Source: SARB

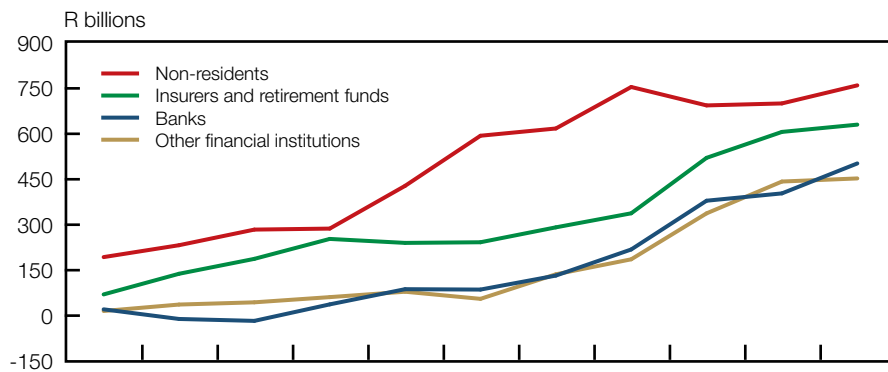
General government

General government's net borrowing position decreased to R321 billion in 2022 from R395 billion in 2021. This reflected the decrease in dissaving due to a commitment to control expenditure as well as higher-than-expected revenue collection, which more than offset the marginal increase in gross capital formation.

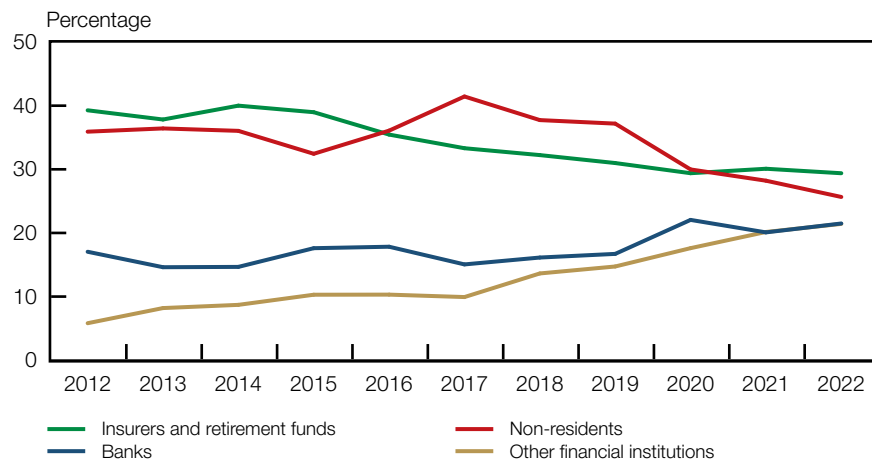
General government mainly financed the shortfall through the net issuance of government bonds of R233 billion in 2022 compared with R264 billion in 2021. Non-residents' net purchases of government bonds increased further in 2022, with cumulative net purchases as from the first quarter of 2012 amounting to R758 billion. Banks' cumulative net purchases of government bonds amounted to R501 billion over the same period, while those of insurers and retirement funds as well as other financial institutions amounted to R629 billion and R451 billion respectively. Non-resident holdings of domestic government bonds as a share of total government bonds in issue, however, decreased from 28.2% in 2021 to 25.6% in 2022, while the share held by both banks and other financial institutions increased. General government sourced R40.4 billion in loans in 2022 compared with R5.2 billion in 2021, while deposit withdrawals amounted to R24.3 billion in 2022.



Figure 5 Cumulative net transactions* in government bonds by main institutional sector



Holdings of domestic government bonds by sector**



* Cumulative from 2012

** As at year-end

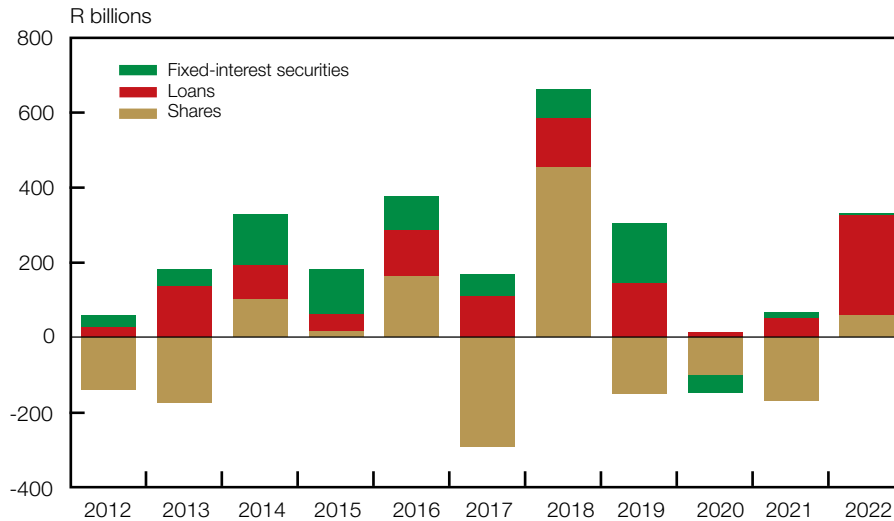
Sources: National Treasury and SARB

Non-financial public and private corporate business enterprises

Non-financial corporate business enterprises' gross capital formation increased from R496 billion in 2021, or 8.0% of GDP, to R668 billion in 2022, or 10.1% of GDP, despite weak domestic economic growth that was weighed down by intense electricity load-shedding. This mainly reflected the private sector's investment in computer software as well as in machinery and transport equipment. Public and private non-financial corporate business enterprises' gross saving decreased by 7.6% in 2022, partly due to higher dividend payments than in 2021. Combined, these dynamics led to a decrease in the net lending position to only R98.7 billion in 2022 from R420 billion in 2021. Non-financial corporate business enterprises, both public and private, borrowed a sizable R264 billion through loans in 2022 compared with R49.0 billion in 2021, while their net issuance of shares amounted to R58.5 billion in 2022. Net issuance of fixed-interest securities decreased to R5.4 billion in 2022, reflective of the redemption of a foreign currency-denominated bond. The net lending position was largely channelled to cash and deposits of R129 billion and shares of R139 billion in 2022.



Figure 6 Non-financial corporate business enterprises' net incurrence of selected financial liabilities

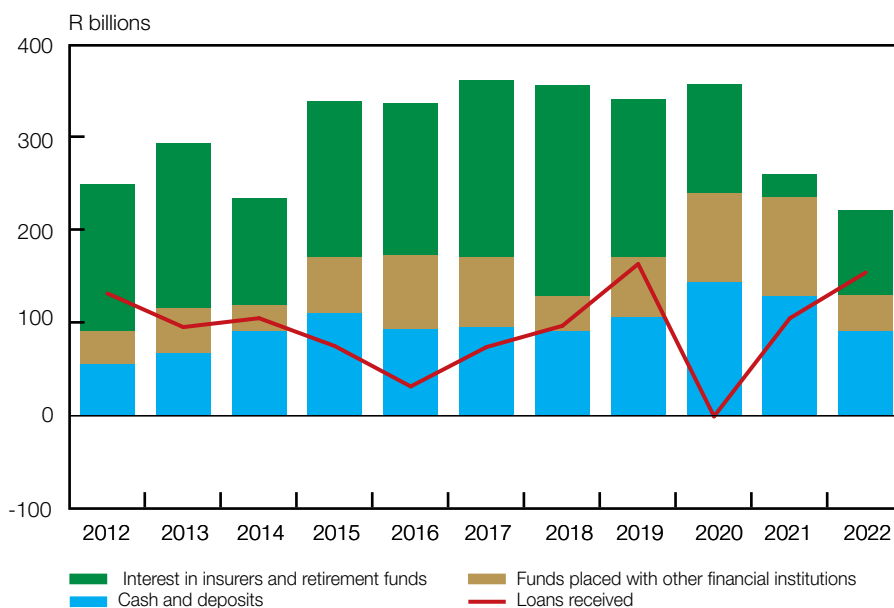


Source: SARB

Households

The household sector's gross saving decreased from R169 billion in 2021 to R143 billion in 2022, along with a deterioration in its financial position amid higher inflation and interest rates. This contributed to the switch from a net lending position of R33.1 billion in 2021 to a net borrowing position of R35.7 billion in 2022. Household finances remained under pressure in 2022, which necessitated the further net incurrence of loans to the amount of R154 billion following loans of R105 billion in 2021, largely comprising mortgage loans. Households' net acquisition of financial assets decreased by 5.3% in 2022, with their holdings of cash and deposits increasing by a lesser R90.9 billion compared with an increase of R129 billion in 2021. Funds placed by households with other financial institutions to purchase units in unit trusts decreased significantly from R107 billion in 2021 to R38.8 billion in 2022 on account of withdrawals in the first and fourth quarters. After recording much lower flows in 2021, households' flow of funds to insurers and retirement funds increased to R91.8 billion in 2022.

Figure 7 Households' net incurrence and acquisition of selected financial liabilities and assets



Source: SARB



The decline in the net acquisition of financial assets by households occurred amid lower consumer confidence weighed down by weaker economic conditions and the effects of higher debt-service costs following the increases in interest rates to contain inflation, which eroded their nominal disposable income.

Summary

In 2022, weak domestic economic activity amid continued and intensified electricity load-shedding, higher inflation and interest rates as well as increased demand for credit reverberated in the flow of funds as it affected financial instrument flows, related to both assets and liabilities, among the institutional sectors. The main highlights during 2022 were:

- There was a net capital inflow from the foreign sector to the domestic economy along with a significant slowdown in capital outflows through residents' net acquisition of foreign assets.
- Financial intermediaries received more deposits and extended more loans, while their net purchases of fixed-interest securities decreased.
- Net inflows received by insurers and retirement funds increased noticeably.
- The foreign sector continued to be the largest investor in domestic government bonds on a cumulative net purchases basis as from 2012.
- Non-financial corporate business enterprises' demand for credit increased noticeably.
- Household funds placed with other financial institutions (collective investment schemes) decreased significantly.

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National financial account

Flow of funds for the first quarter 2022¹

R millions

Transaction items	Sectors		Financial intermediaries									
			Foreign sector		Monetary authority		Other monetary institutions ²		Public Investment Corporation ³		Insurers and retirement funds	
	S	U	S	U	S	U	S	U	S	U	S	U
1. Net saving ⁴	-7 471		1 017		7 938		-143		26 418		1 069	
2. Consumption of fixed capital ⁴			146		3 997		8		340		862	
3. Capital transfers	29 191	80							22 032			
4. Gross capital formation ⁴				201	2 221		4		209		220	
5. Net lending (+)/net borrowing (-) (S)	21 640		962		9 714		-139		48 581		1 711	
6. Net financial investment (+) or (-) (U)		21 640		962	9 714		-139		48 581		1 711	
7. Net incurrence of financial liabilities (Total S 9 – 33)	-35 426		-73 376		135 925		37 269		-34 577		31 674	
8. Net acquisition of financial assets (Total U 9 – 33)		-13 786		-72 414	145 639		37 130		14 004		33 385	
9. Gold and other foreign reserves.....	6 779			6 779								
10. Cash and demand monetary deposits ⁵	-2 461	-3 035	-6 708	-13 818	-24 901	9 928		5 783		7 135		38 950
11. Short-/medium-term monetary deposits ⁵	1 528	9 577		13 000	-6 961			-5 220		14 139		-22 640
12. Long-term monetary deposits ⁵		-76		6 000	71 255			11 682		-2 663		49 879
13. Funds placed with other financial institutions	-150 620	-630				428		1 370		-96 110	-3 109	-48 047
14. Funds placed with other institutions.....	32 226					31 872	37 269			34 127		57
15. Treasury bills.....	-20 392			-721		-624		222		-3 103		-14 148
16. Other debt securities ⁶	-53 100			-59 362	-412	-1 834		-694	-1 135	5 577	14 086	47 616
17. Bank loans and advances	-6 704		1 985	-7 171	-6 368	51 234					-5 386	
18. Trade credit and short-term loans.....	43 238	27 691	-8 840	1 074	2 138	18 598			1 888	2 365	1 449	16 213
19. Short-term government bonds ⁹	-55			-125		-13 295		19 298		164		1 481
20. Long-term government bonds ⁹	-5 884	11 000				-22 472		-8 199		9 264		2 143
21. Non-marketable debt of central government ⁷ ...												
22. Securities of local governments	-4					384				-589		3
23. Securities of public enterprises	2 119	130	2 100		4	4 215		302		578	-792	1 724
24. Other loan stock and preference shares	15 011	1 395			-547	-9 163		-1 669	-200	-1 141	-238	-102
25. Ordinary shares	48 935	101 180			92 625	8 080		13 243	-712	-25 681		-25 728
26. Foreign branch/head office balances												
27. Long-term loans	6 561	18 077	-52 411	-6	22 433			1 113	-836	4 076	-937	13 555
28. Mortgage loans	30					18 940					2 191	631
29. Interest in insurers and retirement funds ⁸		-8 161				16			27 128			
30. Financial derivatives.....	-46 651	-46 610			-109	-1 215			-82	-1 124	-7 765	-4 133
31. Amounts receivable/payable.....	49 166	-59 905	351	184	-9 862	10 851		-101	-33 570	28 646	20 491	-9 855
32. Other liabilities/assets	44 852	-64 419	-9 853	-18 248	-3 431	39 522			-27 043	38 266	11 513	-13 918
33. Balancing item.....					61	174			-15	78	171	-296

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 Including bonds and money market instruments, such as bills, debentures and commercial paper, not specified in other line items in the table.
- 7 Non-marketable bonds and other Treasury bills.
- 8 Net income of insurers and retirement funds.
- 9 The classification of short-term and long-term government bonds is based on remaining maturity.



National financial account (continued)

Flow of funds for the first quarter 2022¹

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
-58 528		-26 544		-22 213		108 410		-24 035		5 918		1. Net saving ⁴
23 359		12 247		20 544		114 498		33 284		209 285		2. Consumption of fixed capital ⁴
1 003	41 618	12 126		2 919		16	10 357	4 605	19 837	71 892	71 892	3. Capital transfers
	26 122	14 127			20 694		111 397	40 008		215 203		4. Gross capital formation ⁴
-101 906		-16 298		-19 444		101 170		-45 991				5. Net lending (+)/net borrowing (-) (S)
	-101 906	-16 298		-19 444		101 170		-45 991				6. Net financial investment (+) or (-) (U)
-13 237		18 873		7 141		85 652		35 540		195 458		7. Net incurrence of financial liabilities (Total S 9 – 33)
	-115 143	2 575		-12 303		186 822		-10 451		195 458		8. Net acquisition of financial assets (Total U 9 – 33)
	-111 718	5 228		6 129		24 669		-3 321	-34 070	-34 070		9. Gold and other foreign reserves
	18 938	12 860		-5 635		-17 087		-23 365	-5 433	-5 433		10. Cash and demand monetary deposits ⁵
	-8 889	664		-1 744		5 290		11 112	71 255	71 255		11. Short-/medium-term monetary deposits ⁵
		540		-1 894		-4 613		-4 773	-153 729	-153 729		12. Long-term monetary deposits ⁵
	3 085	138		216					69 495	69 495		13. Funds placed with other financial institutions
209									-20 183	-20 183		14. Funds placed with other institutions
	127			454		-11 693	-43 496		-51 612	-51 612		15. Treasury bills
462		-977		2 782		32 775		25 494	44 063	44 063		16. Other debt securities ⁶
1 197	-9 959	17 911		2 999	-167	15 393	31 328	2 801	-6 969	80 174	80 174	17. Bank loans and advances
7 578									7 523	7 523		18. Trade credit and short-term loans
-2 380									-8 264	-8 264		19. Short-term government bonds ⁹
684			37							684		20. Long-term government bonds ⁹
		200					398			196	196	21. Non-marketable debt of central government ⁷
	7			3 525					6 956	6 956		22. Securities of local governments
	23 314			-359	-1	19 377	20 411		33 044	33 044		23. Securities of public enterprises
				-4 248	23	28 677	94 160		165 277	165 277		24. Other loan stock and preference shares
11 156	-52 141	473		-1 388	45	4 776	4 570	- 538	-10 711	-10 711		25. Ordinary shares
				2		-1 157		18 505	19 571	19 571		26. Foreign branch/head office balances
					114		12 205		27 128	27 128		27. Long-term loans
				5 447	-12 899	3 795	20 616		-45 365	-45 365		28. Mortgage loans
-15 127	11 531		-5 746	-485		-35 810	6 214	1 514	-5 151	-23 332		29. Interest in insurers and retirement funds ⁸
-17 012	10 562	1 199	-10 756	-1 582	2 851	29 532	33 664	-12 236	15 939	15 939		30. Financial derivatives
-4		67	-252	-194	283	-13	86		73	73		31. Amounts receivable/payable
												32. Other liabilities/assets
												33. 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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- 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.
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- Including bonds and money market instruments, such as bills, debentures and commercial paper, not specified in other line items in the table.
- Non-marketable bonds and other Treasury bills.
- Net income of insurers and retirement funds.
- The classification of short-term and long-term government bonds is based on remaining maturity.

National financial account

Flow of funds for the second quarter 2022¹

R millions

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	1 232		942		10 589		-71		23 550		5 990	
2. Consumption of fixed capital ⁴			151		3 903		8		348		870	
3. Capital transfers	20	79										
4. Gross capital formation ⁴				158	2 954		5		389		256	
5. Net lending (+)/net borrowing (-) (S)	1 173		935		11 538		-68		23 509		6 604	
6. Net financial investment (+) or (-) (U)		1 173		935	11 538		-68		23 509		6 604	
7. Net incurrence of financial liabilities (Total S 9 – 33)	100 806		126 946		244 415		33 496		50 033		42 228	
8. Net acquisition of financial assets (Total U 9 – 33)		101 979		127 881	255 953		33 428		73 542		48 832	
9. Gold and other foreign reserves	35 241			35 241								
10. Cash and demand monetary deposits ⁵	-2 441	12 534	58 311	28 428	46 206	-58		-3 188		-9 072		-45 205
11. Short-/medium-term monetary deposits ⁵	5 125	7 762		-16 000	5 118			-8 179		1 991		-22 462
12. Long-term monetary deposits ⁵		1 666		-6 000	75 908			8 986		-4 423		50 953
13. Funds placed with other financial institutions	-6 619	1 670				-3 571		3 716		-12 792	12 297	6 033
14. Funds placed with other institutions	28 101					27 697	33 496			26 326		45
15. Treasury bills	3 644			706		42 081		-909		-1 805		-26 804
16. Other debt securities ⁶	55 876			54 217	48 178	1 919		-326	1 938	-22 221	-33 338	44 904
17. Bank loans and advances	5 625		414	12 964	13 762	72 684					10 431	
18. Trade credit and short-term loans	-7 076	70 433	7 404	1 481	55 775	8 781			-232	-663	3 294	6 053
19. Short-term government bonds ⁹	255			-2 397		-4 701		5 026		-290		98
20. Long-term government bonds ⁹	2 843	52 200				27 833		13 835		-11 097		-13 164
21. Non-marketable debt of central government ⁷												
22. Securities of local governments	14					-239				176		1 001
23. Securities of public enterprises	-7 675	209	-1 799		-280	-8 717		-171		4 300	-1 682	-5 070
24. Other loan stock and preference shares	1 778	-315			-2 918	12 267		-849	-34	-1 277	2 648	-591
25. Ordinary shares	51 116	2 052			-7 441	-5 252		22 254	1 908	114 371		97 361
26. Foreign branch/head office balances												
27. Long-term loans	13 961	-7 024	63 362	6	-12 962			-5 755	816	57	-3 225	-1 515
28. Mortgage loans	-404					34 640					1 169	1 440
29. Interest in insurers and retirement funds ⁸		2 352				-4			22 949			
30. Financial derivatives	-60 147	-65 140			-14 883	-389			10 221	3 805	1 982	4 225
31. Amounts receivable/payable	-8 746	10 506	288	284	14 038	30 234		-1 012	7 121	-5 446	28 186	-25 360
32. Other liabilities/assets	-9 665	13 074	-1 034	18 951	23 935	20 652			5 259	-8 298	20 349	-23 083
33. Balancing item					-21	96			87	-100	117	-27

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 Including bonds and money market instruments, such as bills, debentures and commercial paper, not specified in other line items in the table.

7 Non-marketable bonds and other Treasury bills.

8 Net income of insurers and retirement funds.

9 The classification of short-term and long-term government bonds is based on remaining maturity.



National financial account (continued)
Flow of funds for the second quarter 2022¹

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
48 766		-30 068		-17 226		-5 585		-1 234		36 885		
24 081		12 612		21 059		117 966		33 495		214 493		2. Consumption of fixed capital ⁴
994	11 103	175		9 478		10	7	1 519	1 007	12 196	12 196	3. Capital transfers
	25 862		14 479		22 186		145 886		39 203		251 378	4. Gross capital formation ⁴
36 876		-31 760		-8 875		-33 502		-6 430				5. Net lending (+)/net borrowing (-) (S)
	36 876		-31 760		-8 875		-33 502		-6 430			6. Net financial investment (+) or (-) (U)
140 630		22 534		12 076		201 530		89 423		1 064 117		7. Net incurrence of financial liabilities (Total S 9 – 33)
	177 506		-9 226		3 201		168 028		82 993		1 064 117	8. Net acquisition of financial assets (Total U 9 – 33)
	127 885		-3 928		-4 194		-6 567		5 441	35 241	35 241	9. Gold and other foreign reserves
	40 378		-15 768		-10 033		11 695		20 859	102 076	102 076	10. Cash and demand monetary deposits ⁵
	12 894		1 303		1 170		2 226		7 133	10 243	10 243	11. Short-/medium-term monetary deposits ⁵
			60		1 995		-1 553		10 120	75 908	75 908	12. Long-term monetary deposits ⁵
	7 125						404			5 678	5 678	13. Funds placed with other financial institutions
3 805							-5 820			61 597	61 597	14. Funds placed with other institutions
	-242			25	-448	2 454	-2 670			7 449	7 449	15. Treasury bills
-214		1 775		4 140		39 218		10 497		75 133	75 133	16. Other debt securities ⁶
612	7 447	15 598		522	-171	32 930	14 266	-925	275	85 648	85 648	17. Bank loans and advances
-2 519										107 902	107 902	18. Trade credit and short-term loans
64 846							-1 918			-2 264	-2 264	19. Short-term government bonds ⁹
1 185			745						440	67 689	67 689	20. Long-term government bonds ⁹
		1 032								1 185	1 185	21. Non-marketable debt of central government ⁷
	10			1 997						1 046	1 046	22. Securities of local governments
	-3 866				434	20 352	16 023			-9 439	-9 439	23. Securities of public enterprises
				-832		139 517	-46 518			21 826	21 826	24. Other loan stock and preference shares
1 541	63 362	6 435		-1 835	-1 341	-12 088	8 535	320		184 268	184 268	25. Ordinary shares
				1		15 721		19 593		56 325	56 325	26. Foreign branch/head office balances
					14 549	71 832	45 003		16 972	36 080	36 080	27. Long-term loans
38 574	-39 893		12 886	5 982		-75 055	44 495	11 876	-4 430	22 949	22 949	28. Mortgage loans
32 600	-37 594	-2 229	-4 393	8 771	930	-33 499	86 127	48 062	26 183	2 053	2 053	29. Interest in insurers and retirement funds ⁸
200		-77	-131	257	310	148	563			2 053	2 053	30. Financial derivatives
										22 264	22 264	31. Amounts receivable/payable
										92 549	92 549	32. Other liabilities/assets
										711	711	33. 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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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 Including bonds and money market instruments, such as bills, debentures and commercial paper, not specified in other line items in the table.

7 Non-marketable bonds and other Treasury bills.

8 Net income of insurers and retirement funds.

9 The classification of short-term and long-term government bonds is based on remaining maturity.

National financial account

Flow of funds for the third quarter 2022¹

R millions

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	26 459		536		9 405		-67		28 815		13 157	
2. Consumption of fixed capital ⁴			158		3 962		8		356		883	
3. Capital transfers	18	78										
4. Gross capital formation ⁴				192		3 847		5		363		280
5. Net lending (+)/net borrowing (-) (S)	26 399		502		9 520		-64		28 808		13 760	
6. Net financial investment (+) or (-) (U)		26 399		502		9 520		-64		28 808		13 760
7. Net incurrence of financial liabilities (Total S 9 – 33)	-84 868		115 012		110 337		34 971		84 037		141 075	
8. Net acquisition of financial assets (Total U 9 – 33)		-58 469		115 514		119 857		34 907		112 845		154 835
9. Gold and other foreign reserves.....	26 538			26 538								
10. Cash and demand monetary deposits ⁵	7 239	-5 589	45 765	1 988	-2 471	31 757		-1 413		10 144		18 809
11. Short-/medium-term monetary deposits ⁵	-2 897	29 183		7 500	159 697			10 797		-3 138		56 386
12. Long-term monetary deposits ⁵		2 989		32 522	16 154			-7 104		1 706		15 810
13. Funds placed with other financial institutions	63 966	2 208				2 022		-2 185		50 121	35 870	14 623
14. Funds placed with other institutions.....	-28 239					-28 949	34 971			24 166		54
15. Treasury bills.....	-22 454			-701		-14 000		-1 647		-5 815		-8 955
16. Other debt securities ⁶	54 772			44 134	29 943	5 883		-423	-979	15 532	1 122	25 803
17. Bank loans and advances	-34 373		4 762	-58 683	-58 125	64 557					40 695	
18. Trade credit and short-term loans.....	-51 546	-19 084	20 487	-296	11 048	-58 543			262	-1 739	5 913	3 721
19. Short-term government bonds ⁹	59			-641		34 067		-2 356		-27 108		-426
20. Long-term government bonds ⁹	3 390	3 788				55 437		15 084		19 296		7 906
21. Non-marketable debt of central government ⁷ ...												
22. Securities of local governments	-51					94				-134		146
23. Securities of public enterprises	-10 620	-16 367	-290		2	-14 900		-35		-5 806	-979	-4 355
24. Other loan stock and preference shares	-32 519	2 979			3 067	-31 709		867		466	-877	-1
25. Ordinary shares	34 922	-14 432			-6 482	-2 412		12 428	-578	45 869		27 200
26. Foreign branch/head office balances												
27. Long-term loans.....	-2 152	22 188	54 812	4	-6 281			3 188	1 108	2 257	-418	7 851
28. Mortgage loans	157					32 948						777
29. Interest in insurers and retirement funds ⁸		14 506				-46			46 040			
30. Financial derivatives.....	-79 107	-97 551			-3 989	-967			7 412	9 759	30 563	16 024
31. Amounts receivable/payable.....	-2 660	-1 967	17 754	20 538	-17 008	20 592		7 706	14 352	-11 469	11 843	-11 632
32. Other liabilities/assets.....	-9 293	18 680	-28 278	42 611	-15 163	24 019			16 315	-11 196	17 299	-14 680
33. Balancing item.....					-55	7			105	-66	44	-226

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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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 Including bonds and money market instruments, such as bills, debentures and commercial paper, not specified in other line items in the table.

7 Non-marketable bonds and other Treasury bills.

8 Net income of insurers and retirement funds.

9 The classification of short-term and long-term government bonds is based on remaining maturity.



National financial account (continued)
Flow of funds for the third quarter 2022¹

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		
-150 563		-12 925		-26 231		106 017		83 710		78 313		1. Net saving ⁴	
24 457		12 773		21 440		121 260		33 732		219 029		2. Consumption of fixed capital ⁴	
1 321	26 155	12 904		9 219		17	6	4 093	1 333	27 572	27 572	3. Capital transfers	
	24 581		15 270		23 005		184 953		44 846		297 342	4. Gross capital formation ⁴	
-175 521		-2 518		-18 577		42 335		75 356				5. Net lending (+)/net borrowing (-) (S)	
	-175 521		-2 518		-18 577		42 335		75 356			6. Net financial investment (+) or (-) (U)	
123 650		-4 497		25 774		29 226		57 549		632 266		7. Net incurrence of financial liabilities (Total S 9 – 33)	
	-51 871		-7 015		7 197		71 561		132 905		632 266	8. Net acquisition of financial assets (Total U 9 – 33)	
	-76 972		-3 211		-1 137		59 357		16 800	26 538	26 538	9. Gold and other foreign reserves	
	4 931		5 076		17 607		-9 398		37 856	50 533	50 533	10. Cash and demand monetary deposits ⁵	
	-28 927		632		-617		2 710		-3 567	156 800	156 800	11. Short-/medium-term monetary deposits ⁵	
			-154		2 364		-6 072		36 909	16 154	16 154	12. Long-term monetary deposits ⁵	
	10 751						710			99 836	99 836	13. Funds placed with other financial institutions	
-7 645							1 019			6 732	6 732	14. Funds placed with other institutions	
	92			-123	-1	6 190	-95			-30 099	-30 099	15. Treasury bills	
-246		745		5 138		31 458		15 820		90 925	90 925	16. Other debt securities ⁶	
-123	6 294	-15 719		2 090	864	5 889	15 447	-2 990	28 647	5 874	5 874	17. Bank loans and advances	
3 477										-24 689	-24 689	18. Trade credit and short-term loans	
96 122							-1 999			3 536	3 536	19. Short-term government bonds ⁹	
1 748			-486						2 234	99 512	99 512	20. Long-term government bonds ⁹	
		-162								1 748	1 748	21. Non-marketable debt of central government ⁷	
	-6			-29 583					-1	-213	-213	22. Securities of local governments	
	1 883				-1	7 719	2 906			-41 470	-41 470	23. Securities of public enterprises	
				5 811	5	53 255	18 270			-22 610	-22 610	24. Other loan stock and preference shares	
6 878	54 812	-523		9 353	-382	14 552	-9 629	2 960		86 928	86 928	25. Ordinary shares	
				-10		11 340		22 238		80 289	80 289	26. Foreign branch/head office balances	
					48		2 546		28 986	33 725	33 725	27. Long-term loans	
				-2 596	7 313	-82 149	-64 444			46 040	46 040	28. Mortgage loans	
23 439	-25 081		-1 245	15 740		-21 250	43 701	367	1 434	-129 866	-129 866	29. Interest in insurers and retirement funds ⁸	
	352	11 121	-7 405	19 715	-18 649	2 946	16 477	19 154	-16 393	42 577	42 577	30. Financial derivatives	
		41	-222	239	-217	-724	374			33 816	33 816	31. Amounts receivable/payable	
										-350	-350	32. Other liabilities/assets	
												33. Balancing item	

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6 Including bonds and money market instruments, such as bills, debentures and commercial paper, not specified in other line items in the table.

7 Non-marketable bonds and other Treasury bills.

8 Net income of insurers and retirement funds.

9 The classification of short-term and long-term government bonds is based on remaining maturity.

National financial account

Flow of funds for the fourth quarter 2022¹

R millions

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	9 781		-3 315		16 171		-34		18 845		11 572	
2. Consumption of fixed capital ⁴			165		4 002		9		367		889	
3. Capital transfers	19	75										
4. Gross capital formation ⁴				228		3 689		6		869		300
5. Net lending (+)/net borrowing (-) (S)	9 725		-3 378		16 484		-31		18 343		12 161	
6. Net financial investment (+) or (-) (U)		9 725		-3 378		16 484		-31		18 343		12 161
7. Net incurrence of financial liabilities (Total S 9 – 33)	47 560		104		-144 644		18 471		-3 216		-34 860	
8. Net acquisition of financial assets (Total U 9 – 33)		57 285		-3 274		-128 160		18 440		15 127		-22 699
9. Gold and other foreign reserves	-357			-357								
10. Cash and demand monetary deposits ⁵	-2 635	10 951	37 150	3 775	9 326	4 233		-14 944		-2 530		-8 261
11. Short-/medium-term monetary deposits ⁵	-4 019	-18 257		38 800	51 840			10 449		1 735		15 751
12. Long-term monetary deposits ⁵		3 964		-11 498	-7 483			-10 647		1 750		-11 858
13. Funds placed with other financial institutions	83 204	72				1 273		13 059		29 175	-3 508	45 692
14. Funds placed with other institutions	-26 275					-25 772	18 471			13 219		171
15. Treasury bills	-5 262			716		-23 984		-566		1 516		-879
16. Other debt securities ⁶	-7 243			-17 366	49 473	-2 622		1 947	1 945	23 317	7 362	43 896
17. Bank loans and advances	55 262		-5 176	380	744	69 171					-23 533	
18. Trade credit and short-term loans	30 978	2 212	-11 697	-1 293	18 351	50 405			-971	3 126	479	11 187
19. Short-term government bonds ⁹	-160			849		16 917		1 414		12 457		51 193
20. Long-term government bonds ⁹	-1 487	-7 361				5 057		1 211		21 298		-38 975
21. Non-marketable debt of central government ⁷												
22. Securities of local governments						-833		5		-1 752		-46
23. Securities of public enterprises	-773	231			-2	-195		-3 061		1 895	-2 337	4 450
24. Other loan stock and preference shares	-12 361	-18 318			1 242	-31 318		2 457	408	1 696	-1 700	3
25. Ordinary shares	57 214	56 553			-12 260	-9 415		22 688	7 282	-156 831		-97 188
26. Foreign branch/head office balances												
27. Long-term loans	7 603	40 503	-24 847	1	8 686			1 499	-232	-6 081	6 616	2 237
28. Mortgage loans	-535					38 616					3 778	-452
29. Interest in insurers and retirement funds ⁸		6 761				-1 609			35 990			
30. Financial derivatives	-65 946	-75 761			-273 740	-171 474			-11 593	-942	-22 580	-17 795
31. Amounts receivable/payable	-22 367	22 121	-16 189	-9 146	-3 191	-22 404		-7 071	-18 191	35 781	-1 515	-14 221
32. Other liabilities/assets	-37 281	33 614	20 863	-8 135	12 278	-24 155			-17 641	35 974	1 808	-7 453
33. Balancing item					92	-51			-213	324	270	-151

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7 Non-marketable bonds and other Treasury bills.

8 Net income of insurers and retirement funds.

9 The classification of short-term and long-term government bonds is based on remaining maturity.



National financial account (continued)

Flow of funds for the fourth quarter 2022¹

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
16 216		-20 693		-24 657		58 941		-49 674		33 153		1. Net saving ⁴
24 753		12 786		21 658		124 435		33 249		222 313		2. Consumption of fixed capital ⁴
906	32 617	12 973		14 875		36	7	4 808	918	33 617	33 617	3. Capital transfers
	28 802		15 772		26 677		133 025		46 098		255 466	4. Gross capital formation ⁴
-19 544		-10 706		-14 801		50 380		-58 633				5. Net lending (+)/net borrowing (-) (S)
	-19 544		-10 706		-14 801		50 380		-58 633			6. Net financial investment (+) or (-) (U)
26 041		2 771		-2 267		-147 795		75 511		-162 324		7. Net incurrence of financial liabilities (Total S 9 – 33)
	6 497		-7 935		-17 068		-97 415		16 878		-162 324	8. Net acquisition of financial assets (Total U 9 – 33)
	45 023		1 874		-2 309		16 186		-10 157	-357	-357	9. Gold and other foreign reserves
	-66 090		1 658		-8 695		50 057		22 413	43 841	43 841	10. Cash and demand monetary deposits ⁵
	14 415		-2 569		192		-955		9 723	47 821	47 821	11. Short-/medium-term monetary deposits ⁵
			278		-1 224		-5 124		-3 505	-7 483	-7 483	12. Long-term monetary deposits ⁵
	5 081				1		-504			79 696	79 696	13. Funds placed with other financial institutions
-21 844							-3 909			-7 804	-7 804	14. Funds placed with other institutions
	92			433	-1	-1 982	725			-27 106	-27 106	15. Treasury bills
1 555		-919		843		24 796		15 979		49 988	49 988	16. Other debt securities ⁶
-1 184	-2 155	-12 469		1 307	-999	-12 802	-37 436	3 754	-9 301	69 551	69 551	17. Bank loans and advances
82 990										15 746	15 746	18. Trade credit and short-term loans
-17 438							-155			82 830	82 830	19. Short-term government bonds ⁹
1 940			29						1 911	-18 925	-18 925	20. Long-term government bonds ⁹
		-2 847					-221			1 940	1 940	21. Non-marketable debt of central government ⁷
	39			6 470					-1	-2 847	-2 847	22. Securities of local governments
	1 883			2	-2	-20 003	11 187			3 358	3 358	23. Securities of public enterprises
				-3 850	-91	-159 843	72 827			-32 412	-32 412	24. Other loan stock and preference shares
5 406	-24 847	1 058		-3 542	1 051	24 516	11 346	445		-111 457	-111 457	25. Ordinary shares
				-4		14 728		20 197				26. Foreign branch/head office balances
					8		7 988		22 842	38 164	38 164	27. Long-term loans
				2 345	-13 148	-84 894	-177 288			35 990	35 990	28. Mortgage loans
-25 384	27 184		3 663	-3 041	3 673	47 255	-40 675	24 683	-16 845	-456 408	-456 408	29. Interest in insurers and retirement funds ⁸
	5 872	17 711	-12 833	-3 172	4 357	20 228	-1 792	10 453	-202	-17 940	-17 940	30. Financial derivatives
		237	-35	-58	119	206	328			25 247	25 247	31. Amounts receivable/payable
										534	534	32. Other liabilities/assets
												33. 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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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 Including bonds and money market instruments, such as bills, debentures and commercial paper, not specified in other line items in the table.

7 Non-marketable bonds and other Treasury bills.

8 Net income of insurers and retirement funds.

9 The classification of short-term and long-term government bonds is based on remaining maturity.