

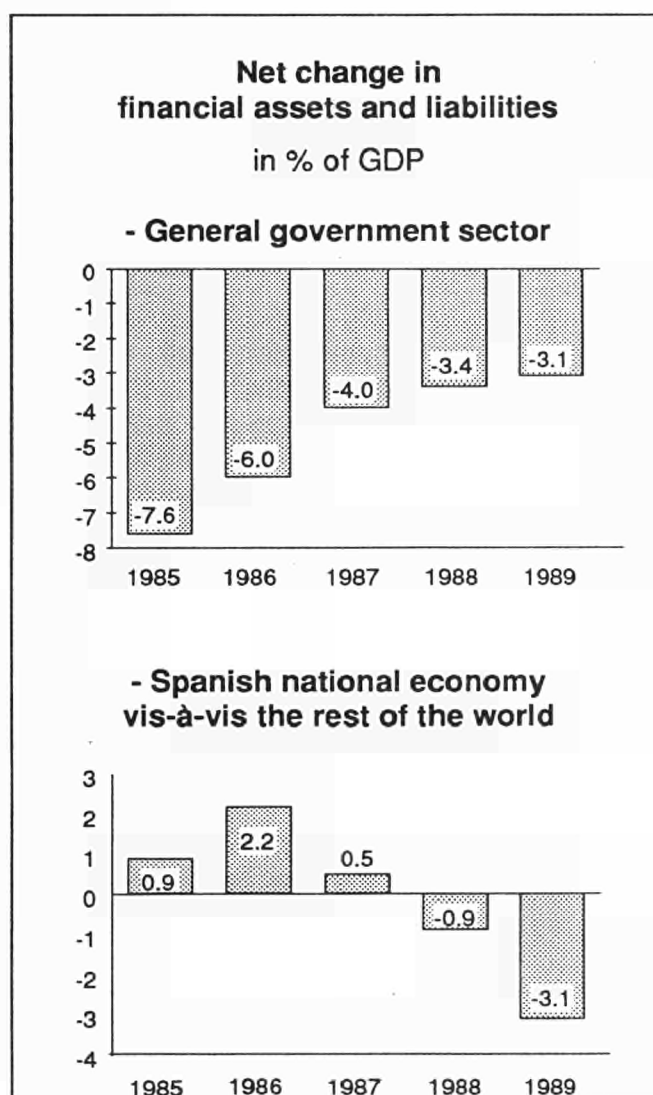
## Financial Accounts

### Spain 1989

In the **non-financial private sector**, which includes households, private non-profit institutions serving households and non-financial corporate and quasi-corporate enterprises, the net change in financial assets and liabilities fell substantially again in 1989. For the first time since the beginning of the 1980s, this sector registered a deficit amounting to a clear 1½ % of GDP. This was caused by a marked expansion in borrowing to finance the investment boom which began when Spain joined the European Communities. In order to check the consequent rise in inflation, the Banco de España set a ceiling in July 1989 for lending to the non-financial private sector.

In the **general government sector**, budgetary consolidation stagnated in 1989. A worsening in the local government deficit prevented any improvement in that of general government.

The deficit in the net change in the financial assets and liabilities of the **Spanish national economy vis-à-vis the rest of the world** worsened considerably in 1989, but was offset by the almost identical amount of net purchases of Spanish shares and other equities by foreign investors, which was an expression of external confidence in Spain's further economic development.



# Financial transactions

## Key macroeconomic data

The major upturn in the Spanish economy, which began at the end of 1985 and can be linked with Spain's accession to the European Communities, continued unabated until mid-1989. During this period, the average annual growth rate for real gross national product was 4½ %. Even higher growth rates were recorded in real domestic absorption, led by gross fixed capital formation, which, with close on 24% of gross national product in 1989, stood five percentage points higher than four years previously. Whilst the disproportionately large increase in total demand led to a deficit in net export of goods and services - the current account deficit in 1989 amounting to around 3% of GNP -, the upward pressure on prices increased. The result was that the 1989 inflation rate for consumer goods was 2 percentage points higher than the previous year, rising to almost 7% and drifting away from the EC average.

Against this background, and on account of the much higher than projected growth in the money supply in the first half of 1989, monetary restrictions were tightened in the middle of the year. The increase in the Banco de España's minimum reserve and intervention ratios and the introduction of a ceiling for bank loans to the non-financial private sector led to a larger increase in short-term interest rates than in long-term rates. The credibility of this restrictive monetary policy was reinforced by the Spanish peseta's entry into the European Monetary System exchange rate mechanism in June 1989. Despite the choice of the broader band of +/- 6 % from the bilateral central rates, the effect of this measure was to quell any expectations of a revaluation of the peseta and stem any consequent speculative short-term inflow of capital which usually accompanies a swell in the money supply. By contrast, it led to greater exchange rate security for the inflow of the long-term capital desired to finance the current account deficit.

Spain's economic development is reflected in the financial accounts for the various sectors and sub-sectors in 1989 as follows:

## Credit Institutions and Insurance enterprises sectors

In 1989 there was a far greater increase in the financial assets and liabilities of the combined sub-sector of other monetary institutions and other credit institutions (S42/S43) than in previous years. The basis of this development was a major increase in lending due to the boom in the economy, which accounted for two-thirds of the growth in assets. At the same time, the Banco de España's attempt to curb the rapid increase in lending by raising the minimum reserve ratios forced the credit institutions to increase their sight deposits at the central bank by more than expanded business alone would have rendered necessary.

Just as in previous years, the accumulation of assets was mainly financed through additional time and savings deposits, whose share of additional liabilities nevertheless fell to 60%. This was offset by an increase in loans granted by the central bank. The credit institutions increased their capital base through the issue of additional shares and other equities, though at a level below the average in previous years, to make up slightly over 2% of additional liabilities.

The growth in the Banco de España's assets (S41) was due to additional lending and as in the preceding years to an increase in its sight deposits in foreign currency. This was primarily the result of foreign exchange market transactions to curb the upward pressure on the peseta, which had arisen because of substantial capital imports despite the current account deficit. By contrast, the stock of other deposits and bills and short-term bonds was reduced to offset the excess liquidity.

Net change in financial assets and liabilities					
	<i>Ptas '000 million</i>				
Sectors	1985	1986	1987	1988	1989
Credit institutions (S40) and insurance enterprises (S50)	359.5	383.0	584.5	560.9	714.5
Households (S80) and private non-profit institutions serving households (S70)	2196.5	2295.5	1343.0	1047.9	758.1
Non-financial corporate and quasi-corporate enterprises (S10)	-164.6	-56.8	-322.4	-605.6	-1483.0
General government (S60)	-2131.2	-1929.5	-1429.8	-1352.1	-1358.1
National economy vis-à-vis the rest of the world	260.2	692.2	175.3	-348.9	-1368.5

From the second half of the 1980s onwards, insurance enterprises (S50) tied up a greater amount of savings, particularly those of households. Measured in pesetas, the result was a fourfold increase in insurance technical reserves in 1989 over the average for the first half of the 1980s.

#### **The combined households and private non-profit institutions serving households sector**

The net change in financial assets and liabilities for the households (S80) and private non-profit institutions serving households (S70) sectors shrank considerably during the second half of the 1980s. In peseta terms, it had dropped by 1989 to only one-third of the values recorded in the mid-1980s. This trend, which coincided with Spain joining the European Communities, was caused by a major increase in borrowing to finance mainly investment expenditure, reflecting the mood of increasing economic optimism.

In 1989, investment decisions were even more clearly marked by a switch to liquid forms of investment than in the previous year. As a result of the more restrictive monetary policy, which, in the course of the year, was accompanied by a greater rise in short-term interest rates than in long-term rates, households and private non-profit institutions serving households increased their holdings

of bills and short-term bonds and further reduced their stocks of long-term bonds. In net terms, they sold even more of their stocks of shares and other equities.

Purchases of bills and short-term bonds played a considerable but not dominant role in the increase in assets during 1989, in contrast to previous years. Currency and transferable sight deposits (in national currency) accounted for 27% of this item. This is a considerable proportion for a period of high interest rates, and must be seen against the backdrop of the interest rate competition between banks for transferable sight deposits that began in the middle of the year and an increase of five percentage points in withholding tax, to 25%. These two factors combined to push down the share of monetary wealth formation accounted for by time and savings deposits (in national currency) by almost one-sixth to a little over 40%. Moreover, insurance technical reserves, of which two-fifths were intra-company pension funds of credit institutions, lost significance compared with the previous year.

After the partial lifting of restrictions on Spanish cross-border capital transactions, it will also be possible in future to include more foreign currency assets in the investment portfolios of households. As from September 1989, it has been possible to hold bank accounts in ecus in Spanish banks.

### **The non-financial corporate and quasi-corporate enterprises sector**

In the non-financial corporate and quasi-corporate enterprises sector (S10), the increase in liabilities over the increase in assets was far greater in 1989 than in the previous two years. Although net changes in financial assets and liabilities had more or less cancelled each other out in 1986, the balance deteriorated after that date, mainly as a result of the sharp increase in investment activity after Spain joined the European Communities.

Corporate enterprises continued to use loans as almost their sole source of external financing. By contrast, in 1989 they reduced their debt in bills, short-term and long-term bonds as a result of higher interest rates on the free market, in particular. The proportion of external financing accounted for by shares and other equities has been decreasing since the mid-1980s, and amounted to only 14% in 1989.

The additional trade and consumer credits granted by corporate enterprises, which are estimated indirectly, accounted for most of the increase in corporate enterprises' assets in 1989. These enterprises also increased their investment of unplaced accrued funds in time deposits. By contrast, they made net sales of bills and short-term bonds, and acquired fewer additional long-term bonds and shares and other equities than in the previous year.

### **The general government sector**

The deficit in the net change in the financial assets and liabilities of the general government sector (S60) decreased slightly in 1989, amounting to just over 3% of GDP as opposed to almost 3½ % in the previous year. The deficit has been contracting steadily since 1985, mainly as a result of the central government's reduced borrowing requirement. However, the improvement in state financing in 1989 had less to do with a cutback in government spending than with an increase in revenue. This far exceeded forecasts, partly because of the deferment of tax refunds to households from the final quarter of 1989 to the first quarter of 1990, and also due to

inflation. The positive, increased saving by the government sector meant that public investment exceeded the deficit in the net change in financial assets and liabilities by a much greater margin than in the previous two years.

The central government sub-sector (S61) went into deficit with short-term papers owing to the period of high interest rates. Bills and short-term bonds thus accounted for 75% of additional liabilities, with long-term bonds and credits making up less than 25% of the total. A good half of the increase in assets was due to loans, and just under a quarter to shares and other equities.

The local government sub-sector (S62) financed its deficit, which increased during 1989, exactly as in previous years, i.e. mainly by taking out loans. Furthermore, this sub-sector also issued promissory notes (Pagarés Forales), and the funds generated in this way were placed in higher interest bearing accounts with the objective of achieving net interest earnings. This resulted in an abnormally large increase in total assets and liabilities. By contrast, there was a contraction in the financial accounts of the social security funds sub-sector (S63), which had a surplus.

### **National economy vis-à-vis the rest of the world**

The net change in Spain's financial assets and liabilities in relation to the rest of the world (S90), which by definition corresponds largely to the balance of payments on current account, showed a deficit of a little over 3% of GDP in 1989, having been a surplus by a good 2% in 1986. The deterioration in the balance on current account was due almost entirely to the considerable worsening of the trade deficit: the root of this lay in a large import, which was a corollary of the sharp economic upturn and was compounded by the revaluation of the Spanish peseta.

Spain's liabilities vis-à-vis the rest of the world once again increased sharply in 1989 owing to the continued long-term of capital imports. Shares and other equities made up more than 40% of additional liabilities. This reflected on

the one hand the increasing integration of the Spanish economy into the European Community, and on the other the confidence in the longer-term development of Spain's economy in the eyes of foreign investors.

The difference between Spanish interest rates and those of major investment currencies, which increased in 1989, and the expectation, that there would be no devaluation of the Spanish peseta, prompted foreign investors to

further increase their stocks of Spanish bills, short-term and long-term bonds. For the same reason, banks in Spain devoted greater attention to attracting time and savings deposits in foreign currency. These transactions would certainly have made a greater impact on the financial account of the rest of the world if concern about the exchange rate and money supply had not persuaded the Banco de España to intervene by taking administrative measures to safe-guard the economy against external influences.


Financial Accounts - Spain 1989

million spanish pesetas

Sectors	Credit institutions and insurance enterprises				Non-profit institutions and households	Non-financial corporate and quasi-corporate enterprises	General government				National economy vis-à-vis the rest of the world	
	Total	Central banking authorities	Other monetary and credit institutions	Insurance enterprises			Total	Central government	Local government	Social security funds		
Financial transactions	SEC	S40/S50	S41	S42/S43	S50	S70/S80	S10	S60	S61	S62	S63	
<b>Change in assets</b>		<b>11 416 900</b>	<b>1 537 900</b>	<b>9 856 600</b>	<b>22 400</b>	<b>4 550 300</b>	<b>4 918 300</b>	<b>1 498 800</b>	<b>528 600</b>	<b>989 500</b>	<b>- 19 300</b>	<b>1 677 100</b>
Currency and transferable sight deposits	F20	1 691 400	504 300	1 144 500	42 600	1 235 600	205 200	803 800	70 100	726 400	7 300	509 100
- in national currency	F21	1 182 300	0	1 141 600	40 700	1 235 600	199 800	803 800	70 100	726 400	7 300	0
- in foreign currency	F22	436 600	431 800	2 900	1 900	0	5 400	0	0	0	0	436 600
Net position in the IMF	F23	25 800	25 800	0	0	0	0	0	0	0	0	25 800
Ecu position vis-à-vis the EMCF	F24	46 700	46 700	0	0	0	0	0	0	0	0	46 700
Other deposits	F30	472 500	- 218 700	1 001 600	- 310 400	1 993 700	1 608 000	235 200	73 000	144 000	18 200	229 100
- in national currency	F31	321 300	- 217 200	849 400	- 310 900	1 890 400	1 600 600	235 200	73 000	144 000	18 200	35 600
- in foreign currency	F32	151 200	- 1 500	152 200	500	103 300	7 400	0	0	0	0	193 500
Insurance technical reserves	F90	61 300	0	0	61 300	511 500	160 400	0	0	0	0	47 900
Bills and short-term bonds	F40	670 800	- 447 600	1 016 900	101 500	1 080 400	- 22 900	17 000	0	11 200	5 800	0
Long-term bonds	F50	53 900	5 600	- 31 900	80 200	- 445 800	17 500	17 500	0	5 500	12 000	73 400
Shares and other equities	F60	191 600	- 1 700	205 600	- 12 300	- 544 200	270 500	132 900	121 100	11 000	800	193 100
Financial gold	F00	67 200	67 200	0	0	0	0	- 1 100	- 1 100	0	0	66 100
Special drawing rights (SDRs)	F10	11 300	11 300	0	0	0	0	0	0	0	0	11 300
Loans	F70/F80	8 196 900	1 617 500	6 519 900	59 500	719 100	2 679 600	293 500	265 500	91 400	- 63 400	547 100
<b>Change in liabilities</b>		<b>10 702 400</b>	<b>1 289 300</b>	<b>9 237 700</b>	<b>175 400</b>	<b>3 792 200</b>	<b>6 401 300</b>	<b>2 856 900</b>	<b>1 677 100</b>	<b>1 274 100</b>	<b>- 94 300</b>	<b>3 045 600</b>
Currency and transferable sight deposits	F20	3 391 500	1 697 400	1 694 100	0	0	0	35 800	35 800	0	0	400
- in national currency	F21	3 380 900	1 700 000	1 680 900	0	0	0	35 800	35 800	0	0	- 4 800
- in foreign currency	F22	10 600	- 2 600	13 200	0	0	0	0	0	0	0	5 200
Net position in the IMF	F23	0	0	0	0	0	0	0	0	0	0	0
Other deposits	F30	4 718 700	- 353 600	5 502 700	- 430 400	0	52 400	2 300	2 300	0	0	693 100
- in national currency	F31	4 068 000	- 353 600	4 852 000	- 430 400	0	52 400	2 300	2 300	0	0	110 800
- in foreign currency	F32	650 700	0	650 700	0	0	0	0	0	0	0	582 300
Insurance technical reserves	F90	685 300	0	212 600	472 700	0	0	0	0	0	0	0
Bills and short-term bonds	F40	0	0	0	0	0	- 268 900	2 061 100	1 265 400	795 700	0	46 900
Long-term bonds	F50	- 257 100	0	- 257 100	0	0	- 143 700	246 400	251 700	- 5 300	0	275 900
Shares and other equities	F60	270 700	0	203 200	67 500	0	892 900	0	0	0	0	1 305 900
Special drawing rights (SDRs)	F10	0	0	0	0	0	0	0	0	0	0	0
Loans	F70/F80	1 893 300	- 54 500	1 882 200	65 600	3 792 200	5 868 600	511 300	121 900	483 700	- 94 300	723 400
<b>Net change in financial assets and liabilities</b>		<b>714 500</b>	<b>248 600</b>	<b>618 900</b>	<b>- 153 000</b>	<b>758 100</b>	<b>- 1 483 000</b>	<b>- 1 358 100</b>	<b>- 1 148 500</b>	<b>- 284 600</b>	<b>75 000</b>	<b>- 1 368 500</b>


## Financial Accounts - Spain 1989

million ecus

 Sectors		Credit institutions and insurance enterprises				Non-profit institutions and households	Non-financial corporate and quasi-corporate enterprises	General government				National economy vis-à-vis the rest of the world
		Total	Central banking authorities	Other monetary and credit institutions	Insurance enterprises			Total	Central government	Local government	Social security funds	
Financial transactions	SEC	S40/S50	S41	S42/S43	S50	S70/S80	S10	S60	S61	S62	S63	
<b>Change in assets</b>		<b>87 549</b>	<b>11 793</b>	<b>75 584</b>	<b>172</b>	<b>34 893</b>	<b>37 715</b>	<b>11 493</b>	<b>4 053</b>	<b>7 588</b>	<b>- 148</b>	<b>12 861</b>
Currency and transferable sight deposits	F20	12 970	3 867	8 776	327	9 475	1 574	6 164	538	5 570	56	3 904
- in national currency	F21	9 066	0	8 754	312	9 475	1 532	6 164	538	5 570	56	0
- in foreign currency	F22	3 348	3 311	22	15	0	41	0	0	0	0	3 348
Net position in the IMF	F23	198	198	0	0	0	0	0	0	0	0	198
Ecu position vis-à-vis the EMCF	F24	358	358	0	0	0	0	0	0	0	0	358
Other deposits	F30	3 623	- 1 677	7 681	- 2 380	15 288	12 331	1 804	560	1 104	140	1 757
- in national currency	F31	2 464	- 1 666	6 514	- 2 384	14 496	12 274	1 804	560	1 104	140	273
- in foreign currency	F32	1 159	- 12	1 167	4	792	57	0	0	0	0	1 484
Insurance technical reserves	F90	470	0	0	470	3 922	1 230	0	0	0	0	367
Bills and short-term bonds	F40	5 144	- 3 432	7 798	778	8 285	- 176	130	0	86	44	0
Long-term bonds	F50	413	43	- 245	615	- 3 419	134	134	0	42	92	563
Shares and other equities	F60	1 469	- 13	1 577	- 94	- 4 173	2 074	1 019	929	84	6	1 481
Financial gold	F00	515	515	0	0	0	0	- 8	- 8	0	0	507
Special drawing rights (SDRs)	F10	87	87	0	0	0	0	0	0	0	0	87
Loans	F70/F80	62 857	12 404	49 997	456	5 514	20 548	2 251	2 036	701	- 486	4 195
<b>Change in liabilities</b>		<b>82 070</b>	<b>9 887</b>	<b>70 838</b>	<b>1 345</b>	<b>29 080</b>	<b>49 087</b>	<b>21 908</b>	<b>12 861</b>	<b>9 770</b>	<b>- 723</b>	<b>23 355</b>
Currency and transferable sight deposits	F20	26 007	13 016	12 991	0	0	0	275	275	0	0	3
- in national currency	F21	25 926	13 036	12 890	0	0	0	275	275	0	0	- 37
- in foreign currency	F22	81	- 20	101	0	0	0	0	0	0	0	40
Net position in the IMF	F23	0	0	0	0	0	0	0	0	0	0	0
Other deposits	F30	36 185	- 2 712	42 197	- 3 300	0	402	18	18	0	0	5 315
- in national currency	F31	31 195	- 2 712	37 207	- 3 300	0	402	18	18	0	0	850
- in foreign currency	F32	4 990	0	4 990	0	0	0	0	0	0	0	4 465
Insurance technical reserves	F90	5 255	0	1 630	3 625	0	0	0	0	0	0	0
Bills and short-term bonds	F40	0	0	0	0	0	- 2 062	15 805	9 704	6 102	0	360
Long-term bonds	F50	- 1 972	0	- 1 972	0	0	- 1 102	1 889	1 930	- 41	0	2 116
Shares and other equities	F60	2 076	0	1 558	518	0	6 847	0	0	0	0	10 014
Special drawing rights (SDRs)	F10	0	0	0	0	0	0	0	0	0	0	0
Loans	F70/F80	14 519	- 418	14 433	503	29 080	45 003	3 921	935	3 709	- 723	5 547
<b>Net change in financial assets and liabilities</b>		<b>5 479</b>	<b>1 906</b>	<b>4 746</b>	<b>- 1 173</b>	<b>5 813</b>	<b>- 11 372</b>	<b>- 10 414</b>	<b>- 8 807</b>	<b>- 2 182</b>	<b>575</b>	<b>- 10 494</b>

## Financial Accounts - Spain 1988


million spanish pesetas

 Sectors		Credit institutions and insurance enterprises				Non-profit institutions and households	Non-financial corporate and quasi-corporate enterprises	General government				National economy vis-à-vis the rest of the world	
		Total	Central banking authorities	Other monetary and credit institutions	Insurance enterprises			Total	Central government	Local government	Social security funds		
Financial transactions		ESA	S40/S50	S41	S42/S43	S50	S70/S80	S10	S60	S61	S62	S63	
<b>Change in assets</b>			<b>8 772 700</b>	<b>404 600</b>	<b>7 079 600</b>	<b>1 288 500</b>	<b>4 001 700</b>	<b>3 496 000</b>	<b>- 755 500</b>	<b>-1 149 600</b>	<b>331 500</b>	<b>62 600</b>	<b>1 959 600</b>
Currency and transferable sight deposits	F20		948 500	873 300	133 400	- 58 200	1 002 400	598 700	248 200	54 400	174 200	19 600	874 000
- in national currency	F21		74 500	0	132 300	- 57 800	1 002 400	598 500	248 200	54 400	174 200	19 600	0
- in foreign currency	F22		812 700	812 000	1 100	- 400	0	200	0	0	0	0	812 700
Net position in the IMF	F23		36 500	36 500	0	0	0	0	0	0	0	0	36 500
Ecu position vis-à-vis the EMCF	F24		24 800	24 800	0	0	0	0	0	0	0	0	24 800
Other deposits	F30		2 098 700	172 100	1 367 100	559 500	1 819 000	849 600	102 100	21 500	62 400	18 200	106 300
- in national currency	F31		1 726 400	152 000	1 016 300	558 100	1 772 900	850 600	103 400	21 500	63 700	18 200	25 400
- in foreign currency	F32		372 300	20 100	350 800	1 400	46 100	- 1 000	- 1 300	0	- 1 300	0	80 900
Insurance technical reserves	F90		5 700	0	0	5 700	1 084 100	53 600	0	0	0	0	2 000
Bills and short-term bonds	F40		1 106 000	314 500	750 800	40 700	- 68 700	374 300	6 500	0	0	6 500	0
Long-term bonds	F50		968 200	25 100	507 100	436 000	- 167 600	153 800	10 500	0	1 300	9 200	24 400
Shares and other equities	F60		343 400	700	273 700	69 000	- 291 500	439 300	210 700	201 300	9 400	0	177 400
Financial gold	F00		81 200	81 200	0	0	0	0	400	400	0	0	81 600
Special drawing rights (SDRs)	F10		6 700	6 700	0	0	0	0	0	0	0	0	6 700
Loans	F70/F80		3 214 300	-1 069 000	4 047 500	235 800	624 000	1 026 700	-1 333 900	-1 427 200	84 200	9 100	687 200
<b>Change in liabilities</b>			<b>8 211 800</b>	<b>404 200</b>	<b>6 457 200</b>	<b>1 350 400</b>	<b>2 953 800</b>	<b>4 101 600</b>	<b>596 600</b>	<b>111 300</b>	<b>472 000</b>	<b>13 300</b>	<b>2 308 500</b>
Currency and transferable sight deposits	F20		2 073 500	654 800	1 418 700	0	0	0	50 100	50 100	0	0	199 800
- in national currency	F21		2 024 600	611 000	1 413 600	0	0	0	50 100	50 100	0	0	151 100
- in foreign currency	F22		48 900	43 800	5 100	0	0	0	0	0	0	0	48 700
Net position in the IMF	F23		0	0	0	0	0	0	0	0	0	0	0
Other deposits	F30		5 250 400	- 75 300	4 994 200	331 500	0	- 15 300	3 700	3 700	0	0	475 700
- in national currency	F31		4 564 200	- 75 300	4 308 000	331 500	0	- 15 300	3 700	3 700	0	0	124 700
- in foreign currency	F32		686 200	0	686 200	0	0	0	0	0	0	0	351 000
Insurance technical reserves	F90		1 141 400	0	298 900	842 500	0	0	0	0	0	0	0
Bills and short-term bonds	F40		0	0	0	0	0	518 800	929 100	839 300	89 800	0	29 800
Long-term bonds	F50		76 400	0	76 400	0	0	- 45 300	992 000	989 600	2 400	0	82 600
Shares and other equities	F60		382 400	0	315 900	66 500	0	902 500	0	0	0	0	760 400
Special drawing rights (SDRs)	F10		0	0	0	0	0	0	0	0	0	0	0
Loans	F70/F80		- 712 300	- 175 300	- 646 900	109 900	2 953 800	2 740 900	-1 378 300	-1 771 400	379 800	13 300	760 200
<b>Net change in financial assets and liabilities</b>			<b>560 900</b>	<b>400</b>	<b>622 400</b>	<b>- 61 900</b>	<b>1 047 900</b>	<b>- 605 600</b>	<b>-1 352 100</b>	<b>-1 260 900</b>	<b>- 140 500</b>	<b>49 300</b>	<b>- 348 900</b>



## Financial Accounts - Spain 1988

million ecus

 Sectors		Credit institutions and insurance enterprises				Non-profit institutions and households	Non-financial corporate and quasi-corporate enterprises	General government				National economy vis-à-vis the rest of the world
		Total	Central banking authorities	Other monetary and credit institutions	Insurance enterprises			Total	Central government	Local government	Social security funds	
Financial transactions	ESA	S40/S50	S41	S42/S43	S50	S70/S80	S10	S60	S61	S62	S63	
<b>Change in assets</b>		<b>63 755</b>	<b>2 940</b>	<b>51 451</b>	<b>9 364</b>	<b>29 082</b>	<b>25 407</b>	<b>- 5 491</b>	<b>- 8 355</b>	<b>2 409</b>	<b>455</b>	<b>14 241</b>
Currency and transferable sight deposits	F20	6 893	6 347	969	- 423	7 285	4 351	1 804	395	1 266	142	6 352
- in national currency	F21	541	0	961	- 420	7 285	4 350	1 804	395	1 266	142	0
- in foreign currency	F22	5 906	5 901	8	- 3	0	1	0	0	0	0	5 906
Net position in the IMF	F23	265	265	0	0	0	0	0	0	0	0	265
Ecu position vis-à-vis the EMCF	F24	180	180	0	0	0	0	0	0	0	0	180
Other deposits	F30	15 252	1 251	9 935	4 066	13 219	6 174	742	156	453	132	773
- in national currency	F31	12 547	1 105	7 386	4 056	12 884	6 182	751	156	463	132	185
- in foreign currency	F32	2 706	146	2 549	10	335	- 7	- 9	0	- 9	0	588
Insurance technical reserves	F90	41	0	0	41	7 879	390	0	0	0	0	15
Bills and short-term bonds	F40	8 038	2 286	5 456	296	- 499	2 720	47	0	0	47	0
Long-term bonds	F50	7 036	182	3 685	3 169	- 1 218	1 118	76	0	9	67	177
Shares and other equities	F60	2 496	5	1 989	501	- 2 118	3 193	1 531	1 463	68	0	1 289
Financial gold	F00	590	590	0	0	0	0	3	3	0	0	593
Special drawing rights (SDRs)	F10	49	49	0	0	0	0	0	0	0	0	49
Loans	F70/F80	23 360	- 7 769	29 415	1 714	4 535	7 461	- 9 694	- 10 372	612	66	4 994
<b>Change in liabilities</b>		<b>59 679</b>	<b>2 938</b>	<b>46 927</b>	<b>9 814</b>	<b>21 467</b>	<b>29 808</b>	<b>4 336</b>	<b>809</b>	<b>3 430</b>	<b>97</b>	<b>16 777</b>
Currency and transferable sight deposits	F20	15 069	4 759	10 310	0	0	0	364	364	0	0	1 452
- in national currency	F21	14 714	4 440	10 273	0	0	0	364	364	0	0	1 098
- in foreign currency	F22	355	318	37	0	0	0	0	0	0	0	354
Net position in the IMF	F23	0	0	0	0	0	0	0	0	0	0	0
Other deposits	F30	38 157	- 547	36 295	2 409	0	- 111	27	27	0	0	3 457
- in national currency	F31	33 170	- 547	31 308	2 409	0	- 111	27	27	0	0	906
- in foreign currency	F32	4 987	0	4 987	0	0	0	0	0	0	0	2 551
Insurance technical reserves	F90	8 295	0	2 172	6 123	0	0	0	0	0	0	0
Bills and short-term bonds	F40	0	0	0	0	0	3 770	6 752	6 100	653	0	217
Long-term bonds	F50	555	0	555	0	0	- 329	7 209	7 192	17	0	600
Shares and other equities	F60	2 779	0	2 296	483	0	6 559	0	0	0	0	5 526
Special drawing rights (SDRs)	F10	0	0	0	0	0	0	0	0	0	0	0
Loans	F70/F80	- 5 177	- 1 274	- 4 701	799	21 467	19 919	- 10 017	- 12 874	2 760	97	5 525
<b>Net change in financial assets and liabilities</b>		<b>4 076</b>	<b>3</b>	<b>4 523</b>	<b>- 450</b>	<b>7 616</b>	<b>- 4 401</b>	<b>- 9 826</b>	<b>- 9 164</b>	<b>- 1 021</b>	<b>358</b>	<b>- 2 536</b>

## Financial Accounts - Spain 1987

million spanish pesetas

Financial transactions	Sectors	Credit institutions and insurance enterprises				Non-profit institutions and households	Non-financial corporate and quasi-corporate enterprises	General government				National economy vis-à-vis the rest of the world
		Total	Central banking authorities	Other monetary and credit institutions	Insurance enterprises			Total	Central government	Local government	Social security funds	
	ESA	S40/S50	S41	S42/S43	S50	S70/S80	S10	S60	S61	S62	S63	
<b>Change in assets</b>		<b>9 147 800</b>	<b>1 957 500</b>	<b>6 543 700</b>	<b>646 600</b>	<b>4 182 300</b>	<b>3 142 000</b>	<b>397 600</b>	<b>179 800</b>	<b>35 700</b>	<b>182 100</b>	<b>1 839 200</b>
Currency and transferable sight deposits	F20	2 183 400	1 675 600	406 400	101 400	667 600	360 700	132 600	41 800	48 600	42 200	1 674 800
- in national currency	F21	523 500	0	422 500	101 000	667 600	362 700	132 600	41 800	48 600	42 200	0
- in foreign currency	F22	1 252 700	1 268 400	- 16 100	400	0	- 2 000	0	0	0	0	1 267 600
Net position in the IMF	F23	21 200	21 200	0	0	0	0	0	0	0	0	21 200
Ecu position vis-à-vis the EMCF	F24	386 000	386 000	0	0	0	0	0	0	0	0	386 000
Other deposits	F30	1 607 800	63 300	1 397 900	146 600	2 265 400	847 700	16 200	- 29 100	18 800	26 500	- 185 500
- in national currency	F31	2 017 700	65 200	1 803 000	149 500	2 273 900	849 200	16 100	- 29 100	18 700	26 500	30 800
- in foreign currency	F32	- 409 900	- 1 900	- 405 100	- 2 900	- 8 500	- 1 500	100	0	100	0	- 216 300
Insurance technical reserves	F90	19 000	0	0	19 000	492 500	99 500	0	0	0	0	27 400
Bills and short-term bonds	F40	1 556 600	808 500	732 200	15 900	32 600	28 100	1 500	0	0	1 500	0
Long-term bonds	F50	52 800	- 95 200	- 123 900	271 900	- 206 200	69 400	6 200	0	- 100	6 300	- 79 800
Shares and other equities	F60	- 39 300	- 26 900	- 35 300	22 900	211 600	185 000	- 52 000	- 59 300	8 000	- 700	153 500
Financial gold	F00	- 97 000	- 97 000	0	0	0	0	2 800	2 800	0	0	- 94 200
Special drawing rights (SDRs)	F10	12 000	12 000	0	0	0	0	0	0	0	0	12 000
Loans	F70/F80	3 852 500	- 382 800	4 166 400	68 900	718 800	1 551 600	290 300	223 600	- 39 600	106 300	331 000
<b>Change in liabilities</b>		<b>8 563 300</b>	<b>1 929 700</b>	<b>5 874 800</b>	<b>758 800</b>	<b>2 839 300</b>	<b>3 464 400</b>	<b>1 827 400</b>	<b>1 744 200</b>	<b>31 500</b>	<b>51 700</b>	<b>1 663 900</b>
Currency and transferable sight deposits	F20	1 666 200	782 400	883 800	0	0	0	22 900	22 900	0	0	19 600
- in national currency	F21	1 697 700	801 900	895 800	0	0	0	22 900	22 900	0	0	34 200
- in foreign currency	F22	- 31 500	- 19 500	- 12 000	0	0	0	0	0	0	0	- 14 600
Net position in the IMF	F23	0	0	0	0	0	0	0	0	0	0	0
Other deposits	F30	5 234 400	1 018 600	4 015 400	200 400	0	12 500	3 300	3 300	0	0	327 600
- in national currency	F31	5 116 400	1 018 600	3 897 400	200 400	0	12 500	3 300	3 300	0	0	6 100
- in foreign currency	F32	118 000	0	118 000	0	0	0	0	0	0	0	321 500
Insurance technical reserves	F90	583 600	0	133 900	449 700	0	0	0	0	0	0	0
Bills and short-term bonds	F40	0	0	0	0	0	- 202 400	1 923 700	1 907 100	16 600	0	102 500
Long-term bonds	F50	- 162 300	0	- 162 300	0	0	- 104 000	310 200	334 100	- 23 900	0	41 900
Shares and other equities	F60	199 000	0	150 400	48 600	0	710 200	0	0	0	0	757 400
Special drawing rights (SDRs)	F10	0	0	0	0	0	0	0	0	0	0	0
Loans	F70/F80	1 042 400	128 700	853 600	60 100	2 839 300	3 048 100	- 432 700	- 523 200	38 800	51 700	414 900
<b>Net change in financial assets and liabilities</b>		<b>584 500</b>	<b>27 800</b>	<b>668 900</b>	<b>- 112 200</b>	<b>1 343 000</b>	<b>- 322 400</b>	<b>- 1 429 800</b>	<b>- 1 564 400</b>	<b>4 200</b>	<b>130 400</b>	<b>175 300</b>

Financial Accounts - Spain 1987

million ecus

Sectors	Credit institutions and insurance enterprises				Non-profit institutions and households	Non-financial corporate and quasi-corporate enterprises	General government				National economy vis-à-vis the rest of the world	
	Total	Central banking authorities	Other monetary and credit institutions	Insurance enterprises			Total	Central government	Local government	Social security funds		
Financial transactions	ESA	S40/S50	S41	S42/S43	S50	S70/S80	S10	S60	S61	S62	S63	
<b>Change in assets</b>		<b>64 335</b>	<b>13 767</b>	<b>46 020</b>	<b>4 547</b>	<b>29 413</b>	<b>22 097</b>	<b>2 796</b>	<b>1 264</b>	<b>251</b>	<b>1 281</b>	<b>12 935</b>
Currency and transferable sight deposits	F20	15 355	11 784	2 858	713	4 695	2 537	933	294	342	297	11 779
- in national currency	F21	3 682	0	2 971	710	4 695	2 551	933	294	342	297	0
- in foreign currency	F22	8 810	8 920	- 113	3	0	- 14	0	0	0	0	8 915
Net position in the IMF	F23	149	149	0	0	0	0	0	0	0	0	149
Ecu position vis-à-vis the EMCF	F24	2 715	2 715	0	0	0	0	0	0	0	0	2 715
Other deposits	F30	11 307	445	9 831	1 031	15 932	5 962	114	- 205	132	186	- 1 305
- in national currency	F31	14 190	459	12 680	1 051	15 992	5 972	113	- 205	132	186	217
- in foreign currency	F32	- 2 883	- 13	- 2 849	- 20	- 60	- 11	1	0	1	0	- 1 521
Insurance technical reserves	F90	134	0	0	134	3 464	700	0	0	0	0	193
Bills and short-term bonds	F40	10 947	5 686	5 149	112	229	198	11	0	0	11	0
Long-term bonds	F50	371	- 670	- 871	1 912	- 1 450	488	44	0	- 1	44	- 561
Shares and other equities	F60	- 276	- 189	- 248	161	1 488	1 301	- 366	- 417	56	- 5	1 080
Financial gold	F00	- 682	- 682	0	0	0	0	20	20	0	0	- 662
Special drawing rights (SDRs)	F10	84	84	0	0	0	0	0	0	0	0	84
Loans	F70/F80	27 094	- 2 692	29 301	485	5 055	10 912	2 042	1 573	- 278	748	2 328
<b>Change in liabilities</b>		<b>60 224</b>	<b>13 571</b>	<b>41 316</b>	<b>5 336</b>	<b>19 968</b>	<b>24 364</b>	<b>12 852</b>	<b>12 267</b>	<b>222</b>	<b>364</b>	<b>11 702</b>
Currency and transferable sight deposits	F20	11 718	5 502	6 216	0	0	0	161	161	0	0	138
- in national currency	F21	11 940	5 640	6 300	0	0	0	161	161	0	0	241
- in foreign currency	F22	- 222	- 137	- 84	0	0	0	0	0	0	0	- 103
Net position in the IMF	F23	0	0	0	0	0	0	0	0	0	0	0
Other deposits	F30	36 812	7 164	28 239	1 409	0	88	23	23	0	0	2 304
- in national currency	F31	35 983	7 164	27 410	1 409	0	88	23	23	0	0	43
- in foreign currency	F32	830	0	830	0	0	0	0	0	0	0	2 261
Insurance technical reserves	F90	4 104	0	942	3 163	0	0	0	0	0	0	0
Bills and short-term bonds	F40	0	0	0	0	0	- 1 423	13 529	13 412	117	0	721
Long-term bonds	F50	- 1 141	0	- 1 141	0	0	- 731	2 182	2 350	- 168	0	295
Shares and other equities	F60	1 400	0	1 058	342	0	4 995	0	0	0	0	5 327
Special drawing rights (SDRs)	F10	0	0	0	0	0	0	0	0	0	0	0
Loans	F70/F80	7 331	905	6 003	423	19 968	21 437	- 3 043	- 3 680	273	364	2 918
<b>Net change in financial assets and liabilities</b>		<b>4 111</b>	<b>196</b>	<b>4 704</b>	<b>- 789</b>	<b>9 445</b>	<b>- 2 267</b>	<b>- 10 055</b>	<b>- 11 002</b>	<b>30</b>	<b>917</b>	<b>1 233</b>

## Methodological Notes

The sectors and sub-sectors, together with financial transactions, are delimited in line with the **European System of Integrated Economic Accounts (ESA)**, second edition. In order to identify the headings clearly, the S and F codes of the ESA are given. Instead of the rest of the world (S90), the national economy in the form of the consolidated financial account of the domestic sectors vis-à-vis the rest of the world is shown. Changes in the financial assets of this account are, for every F code heading, identical with changes in the liabilities of the rest of the world and vice versa.

The **financial accounts** ideally show transactions in the various financial assets within a given reporting period, valued at transaction prices. There is thus a definitional difference between these accounts and those showing changes in stocks, which indicate differences between closing and opening stocks in a given reference period valued at the prices on given reference dates. As well as this difference in valuation, the method of covering changes in quantity not attributable to financial transactions also varies. Nevertheless, in practice some financial account headings are estimated from changes in stocks, which also implies that, for the changes in financial assets or liabilities in question, only the figures for the increased and decreased balances during the reporting period are available.

A **specific arithmetical formula** applies to the financial accounts of the domestic sectors and the rest of the world taken together. For each F code heading, the sum total of changes in financial assets across all the sectors is equal to the corresponding sum total of changes in liabilities. Thus the sum total of changes in financial assets calculated across all F code sectors and headings gives

a result identical to the sum total of changes in liabilities, and net changes in financial assets and liabilities, totalled across all sectors, amount to zero.

The balance of a financial account should in theory be equal to the balance of the corresponding **capital account**, i.e. the net lending or net borrowing of the appropriate sector or sub-sector. However, since the two balances are calculated in different ways and on the basis of different statistical data, there is in most cases a statistical difference between them, an "adjustment item".

The **financial accounts for Spain** were supplied to the Statistical Office of the European Communities (Eurostat) by the Banco de España in thousand million pesetas. These were converted to ecus using the following annual average exchange rates: 1989 - 130.406; 1988 - 137.600; 1987 - 142.191 pesetas per ecu. The loans heading (F70/F80) is not available in a breakdown into short-term (F70) and medium and long-term loans (F80). Spain's financial accounts are predominantly unconsolidated.

The following **Eurostat publications** contain harmonized financial accounts for the European Community Member States: "Money and finance", "National Accounts ESA - Detailed tables by sector" and "General government accounts and statistics".

Further information on the financial account is available from the **Financial and Monetary Statistics Unit** of the Statistical Office of the European Communities, Jean Monnet Building, L-2920 Luxembourg. Methodology: Werner Bier, Tel. (.352) 4301-3722; Data management: Thomas McGrath, Tel. (.352) 4301-3716.