

Quarterly financial accounts: 4th quarter 2013

In the fourth quarter of 2013, the net financial wealth of individuals increased by €19 billion to €864.5 billion on 31 December 2013, mainly under the influence of favourable share price developments. The value of shares and other equity held by households grew by €9.8 billion during the fourth quarter. Though to a lesser degree, the rise in stock prices also had a positive effect on holdings of mutual funds shares and insurance products.

Individual's net acquisitions of financial assets took the form of sight and time deposits (+€1.7 billion), regulated savings deposits (+€4.1 billion) and investment in insurance products (+€1.9 billion). By contrast, there was disinvestment in fixed-interest securities (-€1.2 billion) and mutual funds shares (-€2.5 billion).

TABLE 1 **CHANGE IN THE NET FINANCIAL WEALTH OF INDIVIDUALS IN THE 4th QUARTER OF 2013**

(Billions of euro)

	Net financial wealth as at 30 September 2013	Financial transactions in the 4th quarter of 2013	Other flows ¹	Net financial wealth as at 31 December 2013
Financial assets	1 064.9	6.3	13.7	1 084.9
Notes and coins	24.9	0.7	0.0	25.6
Sight and time deposits	86.5	1.7	-0.5	87.7
Regulated savings deposits	225.8	4.1	0.0	229.9
Fixed-interest securities	89.1	-1.2	0.0	87.9
Shares and other equity	239.8	0.8	9.8	250.4
Mutual funds shares	121.2	-2.5	3.6	122.3
Insurance products	266.5	1.9	0.8	269.1
Miscellaneous ²	11.2	0.9	0.0	12.1
Financial liabilities	219.4	2.6	-1.6	220.4
Mortgage loans	177.8	1.6	0.2	179.6
Other loans	37.7	0.5	-1.8	36.4
Other accounts payable ³	3.9	0.5	0.0	4.3
Net financial wealth	845.5	3.7	15.4	864.5

Source: NBB

¹ Other flows include price and exchange rate variations. They may also include selective elements such as the reclassification of operations with regard to other sectors and/or instruments.

² Mainly other accounts receivable within the meaning of the ESA 1995, notably including interest accrued but not due and general government assessments.

³ Mainly taxes due but not yet paid.

Households' new financial liabilities increased by €2.6 billion. This trend largely reflects net mortgage lending (+€1.6 billion). The rise in financial liabilities was partly offset by the decline in other flows. This decline results from a reclassification of loans from the household sector to the corporate sector.

TABLE 2 CHANGE IN THE NET FINANCIAL WEALTH OF THE MAJOR ECONOMIC SECTORS IN THE 4th QUARTER OF 2013¹

(Billions of euro)

	Net financial wealth as at 30 September 2013	Financial balances for the 4th quarter of 2013	Other flows ²	Net financial wealth as at 31 December 2013
Individuals	845.5	3.7	15.4	864.5
Corporations ³	-342.1	-6.1	-22.9	-371.1
General government	-320.8	1.9	-1.4	-320.3
Rest of the world	-182.5	0.6	8.9	-173.0

Source: NBB

1 Excluding monetary gold and special drawing rights (SDR).

2 Other flows include price and exchange rate variations. They may also include selective elements such as the reclassification of units or operations from one sector to another.

3 Financial and non-financial corporations.

The balance of the financial transactions of corporations amounted to -€6.1 billion in the fourth quarter. The negative impact of the other flows (-€22.9 billion) also strongly depressed the net financial wealth of corporations, as their liabilities were revalued more than their financial assets by the increase in stock prices. The net liabilities of corporations therefore increased from €342.1 billion at the beginning of the quarter to €371.1 billion at the end of December 2013.

The government's net financial liabilities remained stable, at €320.3 billion on 31 December 2013.

The domestic sectors of the economy relied on €0.6 billion worth of net borrowing from the rest of the world. To a larger extent, the net position of Belgium vis-à-vis the rest of the world was also weakened by price effects (€8.9 billion). Consequently, this net position settled at €173.0 billion at the end of the fourth quarter.

Methodological note

The financial balance sheets provide a summary of the financial assets and liabilities of national institutional sectors (individuals, financial and non-financial corporations, general government). These assets and liabilities are broken down by financial instrument (currency and deposits, loans, fixed-interest securities, shares, mutual funds shares, insurance products).

The net financial wealth of the different sectors is the result of the difference between the total of their respective financial assets and liabilities. When the net financial wealth of a sector is negative, the term net financial liabilities is used.

Since each financial asset held by a sector corresponds to a financial liability for another sector, the result is that the total net financial wealth of the domestic sectors is equal to the net financial liabilities of the rest of the world in respect of Belgium or, and this amounts to the same thing, to Belgium's net claim on the rest of the world.

The change in net financial wealth between the beginning and the end of a quarter is the result, on the one hand, of financial transactions carried out in the course of the period, and on the other, of other flows consisting mainly of price and exchange rate variations.

Financial transactions are recorded in the financial accounts, which highlight the manner in which the different institutional sectors allocate their financial savings or find the financial resources which they need.

In the European system of national accounts, the financial accounts are linked together with the non-financial accounts of the different institutional sectors. Thus, while the non-financial accounts show the financing positions from receipt and payment items, the financial accounts explain how the different sectors invest their surplus or finance their deficits. However, in practice, there are differences between real and financial balances associated mainly with the use of different sources.

Statistical data: [Belgostat.online](http://belgostat.online)