

Quarterly financial accounts: 4th quarter 2014

In the fourth quarter of 2014, the net financial wealth of individuals grew by €8.7 billion to reach €945.0 billion by 31 December 2014. The financial transactions balance contributed €5.7 billion to the expansion of household financial wealth over the period.

TABLE 1 **CHANGE IN THE NET FINANCIAL WEALTH OF INDIVIDUALS IN THE 4th QUARTER OF 2014**
(Billions of euro)

	Net financial wealth as at 30 September 2014	Financial transactions in the 4th quarter of 2014	Other flows	Net financial wealth as at 31 December 2014
Financial assets	1181.8	8.2	2.9	1192.9
Notes and coins	29.5	1.4	0.0	30.9
Sight deposits	56.2	2.2	-0.2	58.3
Regulated savings deposits	233.7	4.6	0.0	238.3
Other deposits	34.2	-1.2	0.0	33.0
Fixed-interest securities	81.4	-5.3	0.1	76.2
Listed shares	49.5	-1.0	0.5	49.0
Unlisted shares and other equity	265.2	-0.7	1.7	266.3
Investment fund shares	145.1	1.9	0.9	147.9
Non-life insurance technical reserves	21.2	0.4	0.0	21.6
Life insurance entitlements	175.4	2.1	0.0	177.5
Pension entitlements	74.3	1.3	0.0	75.6
Miscellaneous ²	16.2	2.4	-0.2	18.4
Financial liabilities	245.5	2.6	-0.1	248.0
Short-term loans	11.8	0.2	-0.4	11.5
Mortgage loans	185.8	4.0	0.4	190.3
Other long-term loans	30.9	-0.5	0.1	30.5
Miscellaneous ³	17.1	-1.2	-0.3	15.7
Net financial wealth	936.3	5.7	3.0	945.0

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.
2. Consists of the other financial instruments as determined by the ESA 2010, i.e. mainly loans, trade credit and other accounts receivable/payable, among which general government assessments.
3. Consists of the other financial instruments as determined by the ESA 2010, that is other equity, trade credit and other accounts receivable/payable, among which taxes due but not yet paid.

Acquisitions of financial assets by individuals came to €8.2 billion. Investment in sight deposits (+€2.2 billion) and regulated savings deposits (+€4.6 billion) was largely responsible for this increase. Moreover, the success observed since the beginning of the year 2014 for investment fund shares and various insurance products showed no sign of stopping in the fourth quarter. On the other hand, households were net sellers on the market for shares and other equity in this last quarter of 2014. Lastly, the decline in holdings of fixed-interest securities (-€5.3 billion) that began back in 2012 continued during the period under review. The persistent fall in yields offered on new issues of fixed-interest securities that had been observed for several quarters explains this downward trend, since new subscriptions by individuals no longer compensate for redemptions in the case of such products.

New financial liabilities taken on by individuals increased by €2.6 billion to €248.0 billion outstanding as at 31 December 2014. Negative expectations of households about mortgage loan tax relief boosted this type of lending in the fourth quarter of 2014, leading to a considerable rise in total mortgage credit outstanding (+€4.0 billion). This strong growth was partly offset by a decline in other forms of long-term loans (-€0.5 billion) and in other financial instruments (-€1.2 billion).

Methodological note

The financial accounts of individuals make up a component of Belgium's financial accounts statistics that are compiled in accordance with the European System of National and Regional Accounts (ESA 2010). These statistics comprise the financial balance sheets, the financial accounts and other changes in financial assets and liabilities of the national institutional sectors (individuals, financial and non-financial corporations, general government). The individuals sector is made up of households and non-profit institutions serving households.

The various assets and liabilities are broken down by financial instrument (currency and deposits, loans, fixed-interest securities, shares, investment funds shares, insurance products, pension entitlements, financial derivatives and other accounts receivable/payable).

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, equivalently, 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 and other changes in volume.

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 enable the financing positions to be derived from revenue and expenditure 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: [NBB.Stat](#)