

## Quarterly financial accounts: 3rd quarter 2013

In the third quarter of 2013, the net financial assets of individuals increased by €9.2 billion to €838.4 billion as at 30 September 2013, essentially as a result of favourable stock market movements. These had a positive effect on the valuation of financial assets, mainly in the form of shares, mutual funds shares and insurance products.

The formation of financial assets by individuals masks divergences between asset classes. Sight and time deposits were down by €2.6 billion in the third quarter, owing to a seasonal effect. Individuals also continued to reduce their holdings of fixed-interest securities, a move which had begun in the first quarter of 2012. In contrast, mutual funds shares, insurance products and regulated savings deposits remained popular with investors.

**TABLE 1** **CHANGE IN THE NET FINANCIAL WEALTH OF INDIVIDUALS IN THE 3rd QUARTER OF 2013**  
(Billions of euro)

|                                     | Net financial<br>wealth as at<br>30 June<br>2013 | Financial<br>transactions in the<br>3rd quarter of<br>2013 | Other flows <sup>1</sup> | Net financial<br>wealth as at<br>30 September<br>2013 |
|-------------------------------------|--|--|--------------------------|---|
| <b>Financial assets</b>             | <b>1047.6</b>                                    | <b>1.4</b>   | <b>8.8</b>               | <b>1057.8</b>   |
| Notes and coins                     | 24.6   | 0.3  | 0.0                      | 24.9  |
| Sight and time deposits             | 89.6   | -2.6   | -0.5                     | 86.5  |
| Regulated savings deposits          | 225.1  | 0.7  | 0.0                      | 225.8   |
| Fixed-interest securities           | 89.8   | -1.8   | 0.2                      | 88.2  |
| Shares and other equity             | 232.8  | 0.3  | 4.6                      | 237.7   |
| Mutual funds shares                 | 116.7  | 1.1  | 3.4                      | 121.3   |
| Insurance products                  | 260.8  | 1.6  | 1.1                      | 263.5   |
| Miscellaneous <sup>2</sup>          | 8.1  | 1.8  | 0.0                      | 9.8   |
| <b>Financial liabilities</b>        | <b>218.4</b>                                     | <b>0.9</b>   | <b>0.0</b>               | <b>219.4</b>  |
| Mortgage loans                      | 176.2  | 1.7  | 0.0                      | 177.8   |
| Other loans                         | 37.7   | 0.0  | 0.0                      | 37.7  |
| Other accounts payable <sup>3</sup> | 4.6  | -0.8   | 0.0                      | 3.8   |
| <b>Net financial wealth</b>         | <b>829.2</b>                                     | <b>0.5</b>   | <b>8.8</b>               | <b>838.4</b>  |

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.

The total financial liabilities of individuals increased by €0.9 billion. That growth was due to the rise in outstanding mortgage loans (+€1.7 billion). Nevertheless, it was partly offset by a fall in other accounts payable, consisting mainly of taxes due but not yet paid.

**TABLE 2 CHANGE IN THE NET FINANCIAL WEALTH OF THE MAJOR ECONOMIC SECTORS IN THE 3rd QUARTER OF 2013<sup>1</sup>**

(Billions of euro)

|                           | Net financial wealth as at 30 June 2013 | Financial balances for the 3rd quarter of 2013 | Other flows <sup>2</sup> | Net financial wealth as at 30 September 2013 |
|---------------------------|---|--|--------------------------|--|
| Individuals               | 829.2                                   | 0.5  | 8.8                      | 838.4  |
| Corporations <sup>3</sup> | -312.4                                  | 4.7  | -17.2                    | -324.8                                       |
| General government        | -315.7                                  | -6.7   | 4.4                      | -318.1                                       |
| Rest of the world         | -201.1                                  | 1.5  | 4.0                      | -195.5                                       |

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.

Corporations recorded a positive financial balance of €4.7 billion. The negative impact of other flows (-€17.2 billion) nonetheless depressed the net financial wealth of corporations as a whole, since the rise in share prices affected their liabilities to a greater extent than their assets. The net liabilities of corporations thus increased from €312.4 billion at the start of the quarter to €324.8 billion at the end of September 2013.

In accordance with the seasonal profile of the general government account balance, the government recorded a financial deficit of €6.7 billion. The government's net financial liabilities came to €318.1 billion as at 30 September 2013.

Overall, the domestic sectors resorted to net borrowing from the rest of the world amounting to €1.5 billion. Price effects also reduced Belgium's net position in relation to the rest of the world, which therefore totalled €195.5 billion at the end of the third 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)