

Quarterly financial accounts: 1st quarter 2014

During the first quarter of 2014, the net financial wealth of individuals increased by €12 billion, reaching €881.5 billion on 31 March 2014. The favourable trend in stock prices partly explains this positive development. The balance of financial transactions also contributed €4.7 billion to the increase in financial wealth of households during the period.

The net acquisitions of financial assets by individuals amounted to €5.8 billion. The sight and time deposits, the regulated savings deposits and the insurance products continued to be favoured by investors. The holdings of mutual funds shares seem to have stabilised in the first quarter of 2014, following the sharp fall recorded in the previous quarter. The return of individuals to the market of shares and other equity was also confirmed early on in 2014. By contrast, the reduction of their holdings of fixed-interest securities, which was initiated in 2012, continued.

TABLE 1 CHANGE IN THE NET FINANCIAL WEALTH OF INDIVIDUALS IN THE 1ST QUARTER OF 2014

(Billions of euro)

	Net financial wealth as at 31 December 2013	Financial transactions in the 1st quarter of 2014	Other flows ¹	Net financial wealth as at 31 March 2014
Financial assets	1089.9	5.8	7.3	1103.0
Notes and coins	25.6	0.0	0.0	25.6
Sight and time deposits	87.4	2.5	0.0	89.9
Regulated savings deposits	229.9	1.4	0.0	231.2
Fixed-interest securities	88.2	-0.9	0.1	87.3
Shares and other equity	256.5	2.3	3.9	262.7
Mutual funds shares	121.2	0.6	2.8	124.6
Insurance products	269.1	1.8	0.5	271.4
Miscellaneous ²	12.1	-1.8	0.0	10.3
Financial liabilities	220.4	1.1	0.0	221.5
Mortgage loans	179.6	0.5	0.0	180.1
Other loans	36.4	0.6	0.0	37.1
Other accounts payable ³	4.3	0.0	0.0	4.3
Net financial wealth	869.5	4.7	7.3	881.5

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 €1.1 billion. This trend largely reflects both the increase in outstanding mortgage loans (+€0.5 billion) and that in other forms of loans (+€0.6 billion).

TABLE 2 CHANGE IN THE NET FINANCIAL WEALTH OF THE MAJOR ECONOMIC SECTORS IN THE 1ST QUARTER OF 2014¹

(Billions of euro)

	Net financial wealth as at 31 December 2013	Financial balances for the 1st quarter of 2014	Other flows ²	Net financial wealth as at 31 March 2014
Individuals	869.5	4.7	7.3	881.5
Corporations ³	-371.3	3.8	-3.7	-371.2
General government	-320.7	-8.8	1.4	-328.1
Rest of the world	-177.6	0.3	-5.0	-182.3

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 ended the first quarter of the year with a financial surplus (€3.8 billion), offset by unfavourable price effects, as their liabilities were revalued more than their financial assets by the increase in stock prices. The net liabilities of corporations therefore remained stable at €371.2 billion.

In accordance with the seasonal pattern which characterises the balance of the general government accounts, the latter recorded a financial deficit of €8.8 billion. When taking into account the other economic flows, their net financial liabilities increased by €7.4 billion, amounting to €328.1 billion as at 31 March 2014.

All in all, reliance on financing from the rest of the world by the domestic sectors of the economy remained almost stable (€0.3 billion). The price effects, however, raised Belgium's net position vis-à-vis the rest of the world (€5.0 billion). Consequently, this net position settled at €182.3 billion at the end of the first 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)