

Quarterly financial accounts: 3rd quarter 2006

During the third quarter of 2006, the net financial wealth of individuals increased by 12 billion euro, rising from 624.7 to 636.7 billion, mainly on the back of stock market gains recorded on investments in quoted shares and mutual funds shares. The financial transactions balance was weaker than usual, reaching only 1 billion euro during the three-month period.

Net acquisitions of financial assets by individuals increased by just 0.7 billion euro. Among these assets, sight and time deposits and insurance products were the most in demand, as in the previous quarter. On the other hand, individuals turned their backs on regulated savings deposits, for which the outstanding amount shrank by 3.4 billion euro. They also made net sales of quoted shares, but the outstanding amount of these shares nevertheless increased, thanks to stock market gains.

The outstanding amount of individuals' financial liabilities remained more or less stable at 145 billion euro, the increase in mortgage loans having been offset by the seasonal drop in contributions and taxes due but not yet paid recorded among other accounts payable.

TABLE 1 CHANGE IN THE NET FINANCIAL WEALTH OF INDIVIDUALS IN THE 3RD QUARTER OF 2006

(Billions of euro)

	Net financial wealth as at 30 June 2006	Financial transactions in the 3 rd quarter of 2006	Other flows ¹	Net financial wealth as at 30 September 2006
Financial assets	769,8	0,7	10,9	781,4
Notes and coins	17,1	0,6	0,0	17,7
Sight and time deposits	61,3	2,2	0,2	63,8
Regulated savings deposits	153,2	-3,4	0,0	149,8
Fixed-interest securities	77,2	-0,2	-0,8	76,2
Quoted shares	78,0	-1,3	7,1	83,8
Mutual funds shares	130,1	0,8	4,4	135,2
Insurance products	182,0	3,6	1,2	186,8
Various ²	70,9	-1,6	-1,1	68,2
Financial liabilities	145,1	-0,3	0,0	144,8
Mortgage loans	104,0	2,6	0,0	106,6
Other loans	30,9	0,1	0,0	31,0
Other accounts payable ³	10,2	-3,0	0,0	7,1
Net financial wealth	624,7	1,0	10,9	636,7

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. Unquoted shares and other equity, other accounts receivable within the meaning of ESA 95 and statistical adjustments.

3. Mainly social security contributions and taxes due but not yet paid.

Corporations posted a financial surplus in the third quarter of 2006. Their net financial liabilities nevertheless grew during the course of the three-month period, rising from 287.7 to 298.6 billion euro, since, in net terms, the effect of stock market gains affected their liabilities more than their assets, owing to the higher proportion of shares among these liabilities. On the other hand, general government recorded a slight deficit, as is traditionally the case in the third quarter. As public equity appreciated, their net financial wealth hardly changed, levelling out at 244 billion euro. In all, Belgium's net claim on the rest of the world increased slightly, settling at 94.1 billion euro.

TABLE 2 CHANGE IN THE NET FINANCIAL WEALTH OF THE MAJOR ECONOMIC SECTORS IN THE 3RD QUARTER OF 2006
(Billions of euro)

	Net financial wealth as at 30 June 2006	Financial balances for the 3 rd quarter of 2006	Other flows ¹	Net financial wealth as at 30 September 2006
Individuals	624,7	1,0	10,9	636,7
Corporations	-287,7	1,8	-12,7	-298,6
General government	-244,3	-1,2	1,4	-244,0
Rest of the world	-92,8	-1,7	0,4	-94,1

Source: NBB

¹ 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.

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 internal 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](#)