

Quarterly financial accounts: 3rd quarter 2007

During the third quarter of 2007, the formation of financial assets by individuals totalled 4.2 billion euro. Preference was shown for investment in fixed-interest securities, insurance products, quoted shares and mutual funds shares. On the other hand, individuals reduced their deposits, as is customary in the third quarter, cutting back both their regulated savings deposits and their sight and time deposits.

Their liabilities grew slightly (+0.7 billion), the increase in loans, mainly mortgages, having been partly offset by the seasonal drop in tax and social security payments due but still to be paid recorded under other accounts payable.

In total, individuals showed a financial surplus of 3.5 billion euro during the third quarter of 2007. The downward trend in share prices nevertheless brought about a slight drop in their net financial wealth, which stood at 694.5 billion euro as at 30 September 2007, compared with 695.2 billion at the end of the previous quarter.

TABLE 1 CHANGE IN THE NET FINANCIAL WEALTH OF INDIVIDUALS IN THE 3rd QUARTER OF 2007
(billions of euro)

	Net financial wealth as at 30 June 2007	Financial transactions in the 3 rd quarter of 2007	Other flows ¹	Net financial wealth as at 30 September 2007
Financial assets	854.6	4.2	-4.3	854.6
Notes and coins	18.6	0.1	0.0	18.7
Sight and time deposits	79.8	-1.6	-0.6	77.6
Regulated savings deposits	144.7	-3.9	0.0	140.8
Fixed-interest securities	70.9	3.2	0.3	74.4
Quoted shares	112.9	1.6	-8.3	106.2
Mutual funds shares	136.9	1.0	-2.0	135.9
Insurance products	197.4	3.0	-0.4	200.0
Various ²	93.5	0.7	6.8	101.0
Financial liabilities	159.4	0.7	0.0	160.1
Mortgage loans	116.3	2.8	0.0	119.1
Other loans	33.3	0.4	0.0	33.7
Other accounts payable ³	9.8	-2.6	0.0	7.2
Net financial wealth	695.2	3.5	-4.3	694.5

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.

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.

For their part, corporations recorded a small financial deficit of 0.7 billion euro. However, considering the effect of stock market losses, which tend to affect their liabilities more than their assets, their net financial liabilities were reduced by 7.0 billion.

As is traditionally the case in the third quarter of the year, the general government sector posted a financial deficit, which reached 1.9 billion euro. Its net financial liabilities rose from 240.2 to 242.2 billion euro. All in all, Belgium's net claim on the rest of the world increased by 4.2 billion to reach 133.8 billion euro by 30 September 2007.

TABLE 2 CHANGE IN THE NET FINANCIAL WEALTH OF THE MAJOR ECONOMIC SECTORS IN THE 3rd QUARTER OF 2007

(billions of euro)

	Net financial wealth as at 30 June 2007	Financial balances for the 3 rd quarter of 2007	Other flows ¹	Net financial wealth as at 30 September 2007
Individuals	695.2	3.5	-4.3	694.5
Corporations	-325.5	-0.7	7.7	-318.5
General government	-240.2	-1.9	-0.1	-242.2
Rest of the world	-129.6	-0.9	-3.3	-133.8

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](#)