

## Quarterly financial accounts: 1st quarter 2008

The net financial wealth of individuals shrank by some 23 billion euro during the first quarter of 2008, falling back from 673.0 to 650.1 billion, mainly as a result of capital losses recorded on their investments in quoted shares and mutual funds shares.

The balance of their financial transactions was only slightly positive, coming to 1 billion euro over the three-month period. On the one side, net acquisitions of financial assets amounted to 2.9 billion euro. Individuals gave preference to sight and time deposits and, to a lesser extent, insurance products; while, in contrast, they sold a hefty 8.5 billion euro net worth of mutual funds shares. On the other side of the equation, the outstanding amount of individuals' financial liabilities increased by 1.8 billion euro, mainly because of the increase in mortgage loans. These financial liabilities thus rose to 166.9 billion as at 31 March 2008.

**TABLE 1 CHANGE IN THE NET FINANCIAL WEALTH OF INDIVIDUALS IN THE 1ST QUARTER OF 2008**  
(Billions of euro)

	Net financial wealth as at 31 December 2007	Financial transactions in the 1st quarter of 2008	Other flows <sup>1</sup>	Net financial wealth as at 31 March 2008
<b>Financial assets</b>	<b>838.2</b>	<b>2.9</b>	<b>-24.1</b>	<b>817.0</b>
Notes and coins	18.9	-0.2	0.0	18.6
Sight and time deposits	90.7	6.8	-0.8	96.7
Regulated savings deposits	141.7	1.1	0.0	142.7
Fixed-interest securities	77.6	-0.5	1.8	78.9
Quoted shares	107.8	0.5	-18.5	89.8
Mutual funds shares	129.9	-8.5	-6.7	114.7
Insurance products	203.3	2.9	-1.4	204.8
Miscellaneous <sup>2</sup>	68.4	1.0	1.5	70.9
<b>Financial liabilities</b>	<b>165.1</b>	<b>1.9</b>	<b>-0.2</b>	<b>166.9</b>
Mortgage loans	121.8	2.2	0.1	124.1
Other loans	33.9	0.0	-0.3	33.7
Other accounts payable <sup>3</sup>	9.4	-0.3	0.0	9.1
<b>Net financial wealth</b>	<b>673.0</b>	<b>1.0</b>	<b>-23.9</b>	<b>650.1</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.
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 also posted a positive financial surplus, which came to 3.2 billion euro. Conversely, as is customary in the first quarter, the general government sector recorded a financial deficit, which reached 5.8 billion euro in the first three months of 2008. Its net financial liabilities thus rose from 244.1 to 250.6 billion euro.

In all, the domestic sectors taken as a whole recorded a financial deficit of 1.5 billion euro. However, it was mostly the large price and exchange rate fluctuations that led to a reduction in Belgium's net claim on the rest of the world, to the tune of almost 32 billion. As at 31 March 2008, this claim stood at 108.7 billion euro compared with 140.5 billion at the end of the year 2007.

**TABLE 2 CHANGE IN THE NET FINANCIAL WEALTH OF THE MAJOR ECONOMIC SECTORS IN THE 1ST QUARTER OF 2008**  
(Billions of euro)

	Net financial wealth as at 31 December 2007	Financial balances for the 1st quarter of 2008	Other flows <sup>1</sup>	Net financial wealth as at 31 March 2008
Individuals	673.0	1.0	-23.9	650.1
Corporations	-288.4	3.2	-5.8	-290.9
General government	-244.1	-5.8	-0.7	-250.6
Rest of the world	-140.5	1.5	30.3	-108.7

Source: NBB

<sup>1</sup> 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](http://belgostat.be)