

Quarterly financial accounts: 3rd quarter 2009

In the third quarter of 2009, the net financial wealth of individuals rose from 656.8 billion euro to 691.4 billion euro, due principally to capital gains recorded on their investments in shares and mutual funds shares (over 30 billion) and, to a lesser extent, the 3.1 billion financial surplus that individuals generated over the period.

Over the third quarter, individuals built up financial assets worth 5.1 billion euro. They once again favoured regulated savings deposits (+5.3 billion) and increased their holdings of fixed-interest securities (+4.1 billion) and insurance products (+1.6 billion). By contrast, they scaled back their sight and time deposits by 5.5 billion.

New financial liabilities assumed by individuals also increased, but to a smaller extent (+2.1 billion euro) than their net formation of assets. Mortgage loans were once again the main factor behind the increase in these financial liabilities, which was nevertheless hampered by the seasonal drop in taxes due but not yet paid, recorded under other accounts payable.

TABLE 1 CHANGE IN THE NET FINANCIAL WEALTH OF INDIVIDUALS IN THE 3rd QUARTER OF 2009
(Billions of euro)

	Net financial wealth as at 30 June 2009	Financial transactions in the 3 rd quarter of 2009	Other flows ¹	Net financial wealth as at 30 September 2009
Financial assets	835.2	5.1	31.6	872.0
Notes and coins	20.2	0.2	0.0	20.4
Sight and time deposits	97.4	-5.5	-0.4	91.5
Regulated savings deposits	162.7	5.3	0.0	168.1
Fixed-interest securities	80.0	4.1	0.3	84.5
Shares and other equity	164.1	-0.1	25.2	189.3
Mutual funds shares	92.7	0.6	5.2	97.2
Insurance products	208.9	1.6	1.3	211.9
Miscellaneous ²	9.1	0.0	0.0	9.1
Financial liabilities	178.5	2.1	0.1	180.6
Mortgage loans	137.8	3.2	0.0	141.0
Other loans	36.5	-0.2	0.1	36.4
Other accounts payable ³	4.1	-0.9	0.0	3.3
Net financial wealth	656.8	3.1	31.5	691.4

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. Mainly other accounts receivable within the meaning of the ESA 1995, notably including interest accrued but not due and general government assessments.

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

Corporations also posted a financial surplus, at 4.6 billion euro. However, given the impact of price and exchange rate movements, their financial liabilities increased by 26 billion euro. Capital gains recorded on shares have a much greater impact on corporate liabilities than on assets because outstanding amounts are significantly higher on the liability side than on the asset side. Their net financial liabilities thus increased from 236.7 billion euro to 262.5 billion.

As is traditionally the case in the third quarter, the general government sector generated a financial deficit, which came to 7.3 billion euro. However, they also benefited from the rally in share prices, so net debt increased by only 3.4 billion, reaching 273.5 billion at 30 September 2009.

Overall, domestic sectors as a whole recorded a slight financial surplus of 0.3 billion euro, resulting in a commensurate increase in Belgium's net claim on the rest of the world. However the 5.3 billion euro rise in that figure is principally the result of price and exchange rate movements. At the end of the third quarter of 2009, the net claim amounted to 155.3 billion.

TABLE 2 CHANGE IN THE NET FINANCIAL WEALTH OF THE MAJOR ECONOMIC SECTORS IN THE 3rd QUARTER OF 2009
(Billions of euro)

	Net financial wealth as at 30 June 2009	Financial balances for the 3 rd quarter of 2009	Other flows ¹	Net financial wealth as at 30 September 2009
Individuals	656.8	3.1	31.5	691.4
Corporations	-236.7	4.6	-30.3	-262.5
General government	-270.1	-7.3	3.9	-273.5
Rest of the world	-150.0	-0.3	-5.1	-155.3

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.

Notice

The financial accounts closed 30 September 2009 take into account the definitive figures in the full-year 2008 accounts of non-financial quoted corporations. This update to data that was previously partially estimated led to a significant upward revision in the outstanding value of shares issued by unquoted corporations. This estimate is based on their own funds and the ratio of "stock market capitalisation / own funds of quoted corporations", both of which were underestimated in previous publications. The update of this valuation has repercussions on holdings of unquoted shares by individuals, the rest of the world, and the corporations themselves.

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](#)