

Quarterly financial accounts: 4th quarter 2009

In the fourth quarter of 2009, the net financial wealth of individuals rose by 9.3 billion euro to 715.4 billion at the end of the year. This increase is due to the financial surplus of 6.8 billion euro generated by individuals over this quarter and to capital gains recorded on their investments in shares and other equity (+ 2.5 billion).

Individuals built up financial assets worth 10.7 billion euro, mainly in the form of regulated savings deposits (+ 8.2 billion) and, to a lesser extent, insurance products (+ 3.1 billion), fixed-interest securities (+ 2.6 billion) and shares and other equity (+ 1.1 billion). By contrast, they continued to scale back their sight and term deposits against a background of very low short-term interest rates (- 5.0 billion).

New financial liabilities assumed by individuals also increased, but to a lesser extent (+ 3.9 billion euro) than their net formation of assets. The increase in mortgage loans (+ 3.6 billion) was once again the main factor behind the rise in these financial liabilities.

TABLE 1 CHANGE IN THE NET FINANCIAL WEALTH OF INDIVIDUALS IN THE 4th QUARTER OF 2009
(Billions of euro)

	Net financial wealth as at 30 September 2009	Financial transactions in the 4 th quarter of 2009	Other flows ¹	Net financial wealth as at 31 December 2009
Financial assets	886.8	10.7	2.5	900.0
Notes and coins	21.0	0.7	0.0	21.7
Sight and time deposits	86.9	-5.0	0.2	82.1
Regulated savings deposits	168.1	8.2	0.0	176.3
Fixed-interest securities	80.3	2.6	-0.8	82.0
Shares and other equity	209.2	1.1	2.6	212.9
Mutual funds shares	97.8	-0.2	0.2	97.9
Insurance products	213.6	3.1	0.3	217.0
Miscellaneous ²	10.0	0.0	0.0	10.0
Financial liabilities	180.7	3.9	0.0	184.6
Mortgage loans	141.0	3.6	0.0	144.6
Other loans	36.4	0.9	0.0	37.3
Other accounts payable ³	3.3	-0.6	0.0	2.7
Net financial wealth	706.1	6.8	2.5	715.4

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 posted a financial deficit of 9.2 billion euro. Given the effect of capital gains on shares, which have a much greater impact on corporate liabilities than on assets, the increase in their net financial liabilities was strengthened as a result. These increased from 297.8 billion at the end of the previous quarter to 315.0 billion at 31 December 2009. As for the general government sector, its net financial liabilities fell from 276.1 to 271.9 billion.

Overall, Belgium's net claim on the rest of the world was reduced, from 132.3 to 128.5 billion euro at the end of 2009. The net financial surplus of domestic sectors, which came to 1.6 billion during the fourth quarter, was insufficient to offset the negative effect of price and exchange rate movements.

TABLE 2 CHANGE IN THE NET FINANCIAL WEALTH OF THE MAJOR ECONOMIC SECTORS IN THE 4th QUARTER OF 2009¹
(Billions of euro)

	Net financial wealth as at 30 September 2009	Financial balances for the 4 th quarter of 2009	Other flows ²	Net financial wealth as at 31 December 2009
Individuals	706.1	6.8	2.5	715.4
Corporations	-297.8	-9.2	-8.0	-315.0
General government	-276.1	4.0	0.2	-271.9
Rest of the world	-132.3	-1.6	5.3	-128.5

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.

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.