

Quarterly financial accounts: 2nd quarter 2012

During the second quarter of the year 2012, the net financial wealth of individuals grew by € 10.6 billion to reach € 770.2 billion by 30 June 2012. € 7.8 billion of this increase can be explained by price and exchange rate variations. The balance of financial transactions made up the remaining € 2.8 billion of households' financial wealth over the period.

Net acquisitions of financial assets by individuals increased by € 6.4 billion. Sight and time deposits, regulated savings deposits and insurance products have continued to find favour with investors. Holdings of mutual funds shares appear to have stabilised since the first quarter of this year, although affected by value writedowns in this second quarter. Private individuals also made net acquisitions of shares and other equity, putting an end to a series of successive declines since the third quarter of 2011. On the other hand, they continued the winding-down of their fixed-interest securities holdings begun in the first three months of this year.

TABLE 1 CHANGE IN THE NET FINANCIAL WEALTH OF INDIVIDUALS IN THE 2nd QUARTER OF 2012

(Billions of euro)

	Net financial wealth as at 31 March 2012	Financial transactions in the 2nd quarter of 2012	Other flows ¹	Net financial wealth as at 30 June 2012
Financial assets	966.7	6.4	7.8	981.0
Notes and coins	23.5	0.6	0.0	24.1
Sight and time deposits	80.2	3.5	1.1	84.9
Regulated savings deposits	207.5	3.1	0.0	210.5
Fixed-interest securities	90.6	-2.9	0.1	87.8
Shares and other equity	197.5	1.0	9.0	207.5
Mutual funds shares	107.6	0.1	-2.2	105.6
Insurance products	249.6	2.4	-0.2	251.8
Miscellaneous ²	10.3	-1.5	0.0	8.8
Financial liabilities	207.2	3.6	0.0	210.8
Mortgage loans	167.1	2.7	0.0	169.7
Other loans	35.9	0.6	0.0	36.5
Other accounts payable ³	4.3	0.3	0.0	4.6
Net financial wealth	759.5	2.8	7.8	770.2

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 taxes due but not yet paid.

Financial liabilities of individuals rose by € 3.6 billion. This upward trend mainly reflects the € 2.7 billion increase in mortgage loans outstanding, but also other types of loans such as consumer credit, albeit to a lesser extent.

**TABLE 2 CHANGE IN THE NET FINANCIAL WEALTH OF THE MAJOR ECONOMIC SECTORS
IN THE 2nd QUARTER OF 2012 ¹**

(Billions of euro)

	Net financial wealth as at 31 March 2012	Financial balances for the 2nd quarter of 2012	Other flows ²	Net financial wealth as at 30 June 2012
Individuals	759.5	2.8	7.8	770.2
Corporations ³	-427.0	0.3	-32.2	-459.0
General government	-306.4	1.7	-0.3	-305.0
Rest of the world	-26.0	-4.8	24.6	-6.2

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.

³ Financial and non-financial corporations.

Corporations registered a positive financial balance of € 0.3 billion, only a marginal amount in comparison to the negative impact that price and exchange rate movements had on their net financial wealth (-€ 32.2 billion), since the extra increase in share values had a bigger effect on their liabilities than their assets. Net liabilities of corporations thus rose from € 427.0 billion at the beginning of the quarter to € 459.0 billion by 30 June 2012.

In line with the seasonal character of the general government's account balance, this sector posted a financial surplus of € 1.7 billion. Its net financial liabilities came to € 305.0 billion at the end of the second quarter of 2012.

Overall, the domestic sectors of the economy provided as much as € 4.8 billion worth of finance for the rest of the world. However, price and exchange rate effects considerably reduced the value of Belgium's net financial claim on the rest of the world. All in all, this came down by € 24.6 billion to settle at € 6.2 billion on 30 June 2012.

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.

Statistical data: [Belgostat.online](http://belgostat.online)