

Quarterly financial accounts: 1st quarter 2013

In the first quarter of the year 2013, the net financial wealth of individuals grew by €17.2 billion to reach €830.4 billion as at 31 March 2013. The balance of financial transactions accounted for €3.8 billion of this increase. Price fluctuations had a positive impact on financial asset valuation to the tune of €13.4 billion.

Net financial asset formation masks divergent trends between asset categories. Regulated savings deposits and insurance products continued to find favour among investors, as had been the case for the whole of the year 2012. The renewed interest in mutual funds shares observed in the last three months of 2012 was confirmed in the first quarter of 2013. Moreover, there was further evidence among investors of the reduction in their holdings of fixed-interest securities that had begun in the first quarter of 2012. This can be partly explained by the exceptionally low interest rates on these investment products.

TABLE 1 **CHANGE IN THE NET FINANCIAL WEALTH OF INDIVIDUALS IN THE 1st QUARTER OF 2013**

(Billions of euro)

	Net financial wealth as at 31 December 2012	Financial transactions in the 1st quarter of 2013	Other flows ¹	Net financial wealth as at 31 March 2013
Financial assets	1026.5	5.5	13.4	1045.4
Notes and coins	24.7	-0.5	0.0	24.2
Sight and time deposits	82.7	1.2	0.5	84.4
Regulated savings deposits	217.6	4.4	0.0	221.9
Fixed-interest securities	97.8	-3.7	0.1	94.1
Shares and other equity	223.7	0.9	9.0	233.6
Mutual funds shares	111.7	2.7	3.0	117.5
Insurance products	256.6	2.3	0.9	259.8
Miscellaneous ²	11.7	-1.8	0.0	9.9
Financial liabilities	213.3	1.6	0.0	214.9
Mortgage loans	172.9	0.8	0.0	173.7
Other loans	36.5	0.6	0.0	37.1
Other accounts payable ³	3.9	0.2	0.0	4.2
Net financial wealth	813.2	3.8	13.4	830.4

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 and/or instruments.

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 assumed by individuals increased by €1.6 billion. This rise can be attributed to both the increase in outstanding mortgage loans (+€0.8 billion) and in other types of loans (+€0.6 billion).

TABLE 2 CHANGE IN THE NET FINANCIAL WEALTH OF THE MAJOR ECONOMIC SECTORS IN THE 1st QUARTER OF 2013¹

(Billions of euro)

	Net financial wealth as at 31 December 2012	Financial balances for the 1st quarter of 2013	Other flows ²	Net financial wealth as at 31 March 2013
Individuals	813.2	3.8	13.4	830.4
Corporations ³	-438.2	4.2	-13.4	-447.4
General government	-308.4	-9.5	0.1	-317.8
Rest of the world	-66.6	1.5	0.0	-65.2

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.

The balance of financial transactions in the corporate sector came to €4.2 billion in the first quarter. The negative impact exerted by other flows (-€13.4 billion) nevertheless weighed heavily on the net financial wealth of corporations, with their liabilities being hit harder than their assets by the rise in share values. Net liabilities of corporations thus expanded from €438.2 billion at the beginning of the quarter to €447.4 billion by 31 March 2013.

In line with the seasonal pattern of the general government account balance, this sector posted a financial deficit of €9.5 billion. So, at the end of the quarter, its net financial liabilities came to €317.8 billion.

Overall, the domestic sectors of the economy resorted to net borrowing of €1.5 billion from the rest of the world, reducing Belgium's net foreign asset position to €65.2 billion as at 31 March 2013.

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)