

Quarterly financial accounts: 2nd quarter 2017

In the second quarter of 2017, the net financial wealth of individuals declined by €8.3 billion to €1,061.9 billion as at 30 June 2017. This reduction in the net financial wealth of individuals over the period was due to negative price changes (-€7.5 billion) and a decline in net financial transactions (-€0.9 billion).

TABLE 1 **CHANGE IN THE NET FINANCIAL WEALTH OF INDIVIDUALS IN THE 2nd QUARTER OF 2017**
(Billions of euro)

	Net financial wealth as at 31 March 2017	Financial transactions in the 2nd quarter of 2017	Other flows ¹	Net financial wealth as at 30 June 2017
Financial assets	1339.9	2.8	-7.6	1335.1
Notes and coins	33.7	0.7	0.0	34.4
Sight deposits	70.2	3.6	-0.4	73.4
Regulated savings deposits	246.3	2.4	0.0	248.7
Other deposits	41.5	-0.8	-0.2	40.5
Debt securities	54.5	-2.7	-0.6	51.2
Listed shares	66.1	-1.1	-0.6	64.4
Unlisted shares and other equity	305.5	0.1	-3.4	302.1
Investment fund shares	201.0	4.4	-1.6	203.8
Insurance products	308.9	-1.2	-0.7	307.1
Miscellaneous ²	12.2	-2.7	0.0	9.5
Financial liabilities	269.7	3.7	-0.1	273.2
Short-term loans	7.4	0.7	0.0	8.0
Mortgage loans	216.3	3.5	0.1	219.9
Other long-term loans	30.4	-0.2	-0.3	30.0
Miscellaneous ³	15.6	-0.3	0.1	15.3
Net financial wealth	1070.2	-0.9	-7.5	1061.9

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. Consists of the other financial instruments as determined by the ESA 2010, i.e. mainly loans, trade credit and other accounts receivable/payable, among which general government assessments.
3. Consists of the other financial instruments as determined by the ESA 2010, that is other equity, trade credit and other accounts receivable/payable, among which taxes due but not yet paid.

Nonetheless, individuals did see a marked rise in certain categories of their financial assets. In line with a seasonal trend, households increased the amounts placed in sight deposits and regulated savings deposits (by € 3.6 billion and € 2.4 billion respectively). Net subscriptions to investment fund shares were also substantial again in this second quarter (+€ 4.4 billion).

Individuals reduced their position in other financial assets. There was a further decline in the holding of debt instruments (-€ 2.7 billion). In addition, for the third successive quarter, individuals reduced their investments in insurance products (-€ 1.2 billion), mainly as a result of disinvestment in guaranteed yield branche 21 products. Net investments in listed shares were also negative over the period (-€ 1.1 billion). Major IPOs recorded on the domestic market in the second quarter do not seem to have attracted private investors. The modest rise in interest rates over the period, falling stock markets and adverse exchange rate fluctuations weighed on the value of financial products in general.

Individuals' new financial liabilities increased by +€ 3.7 billion to an outstanding total of € 273.2 billion as at 30 June 2017. That rise was due to mortgage loans (+€ 3.5 billion) and short-term loans (+€ 0.7 billion), while other long-term loans were down (-€ 0.2 billion).

Methodological note

The financial accounts of individuals make up a component of Belgium's financial accounts statistics that are compiled in accordance with the European System of National and Regional Accounts (ESA 2010). These statistics comprise the financial balance sheets, the financial accounts and other changes in financial assets and liabilities of the national institutional sectors (individuals, financial and non-financial corporations, general government). The individuals sector is made up of households and non-profit institutions serving households.

The various assets and liabilities are broken down by financial instrument (currency and deposits, loans, fixed-interest securities, shares, investment funds shares, insurance products, pension entitlements, financial derivatives and other accounts receivable/payable).

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, equivalently, 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 and other changes in volume.

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 enable the financing positions to be derived from revenue and expenditure 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: <http://stat.nbb.be/Index.aspx?DataSetCode=FINACC2010&lang=en>