

Quarterly financial accounts: 3rd quarter 2017

In the third quarter of 2017, the net financial wealth of individuals grew by €6.2 billion to reach €1,068.2 billion as at 30 September 2017. This increase in household net financial worth over the three-month period results from positive price changes (+€10.4 billion). The impact of the positive valuation of stock markets has thus wiped out the negative effect of the euro's appreciation on the foreign exchange market for a good part of private asset portfolios.

TABLE 1 CHANGE IN THE NET FINANCIAL WEALTH OF INDIVIDUALS IN THE 3rd QUARTER OF 2017

(Billions of euro)

	Net financial wealth as at 30 June 2017	Financial transactions in the 3rd quarter of 2017	Other flows ¹	Net financial wealth as at 30 September 2017
Financial assets	1335.3	-1.9	10.5	1344.0
Notes and coins	34.3	0.2	0.0	34.6
Sight deposits	73.4	-1.5	-0.2	71.7
Regulated savings deposits	248.7	0.3	0.0	249.0
Other deposits	39.9	-0.7	-0.1	39.0
Debt securities	51.2	-1.5	-0.3	49.4
Listed shares	64.5	0.2	2.2	66.9
Unlisted shares and other equity	302.5	-0.2	4.9	307.2
Investment fund shares	204.1	-0.5	3.7	207.3
Insurance products	307.1	0.1	0.2	307.4
Miscellaneous ²	9.8	1.8	0.0	11.6
Financial liabilities	273.3	2.3	0.1	275.7
Short-term loans	8.0	0.0	0.0	8.0
Mortgage loans	220.0	2.4	0.0	222.4
Other long-term loans	29.9	-0.1	0.0	29.9
Miscellaneous ³	15.4	0.0	0.1	15.5
Net financial wealth	1062.0	-4.2	10.4	1068.2

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



By contrast, net financial transactions were on a downward path during this third quarter of 2017 (-€ 4.2 billion).

In line with the seasonal trend, households scaled back their investment in sight deposits (-€ 1,5 billion). After rising steadily for four quarters, net subscriptions to investment fund shares were actually negative in the third quarter of 2017 (-€ 0.5 billion). Individuals were net sellers of debt securities (-€ 1.5 billion), other deposits (-€ 0.7 billion) and unlisted shares and other equity (-€ 0.2 billion).

On the other hand, net sales by households of Belgian listed shares were offset by higher purchases of foreign listed shares. So transactions in listed shares were up by € 0.2 billion. Lastly, after falling for the last three quarters, investment in insurance products remained stable.

New financial liabilities contracted by individuals rose by +€ 2.3 billion to reach a total outstanding amount of € 275.7 billion by 30 September 2017. It was mortgage loans (+€ 2.4 billion) that were behind this rise, while the figure for other long-term loans fell back slightly (-€ 0.1 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>