

## Quarterly financial accounts: 3rd quarter 2018

During the third quarter of 2018, the net financial wealth of private individuals dropped by €3.0 billion to €1,057.8 billion as at 30 September 2018. Net financial transactions contributed to this decline to the tune of -€2.1 billion. The impact of price effects, in turn influenced by interest rates and securities markets, remained fairly limited (-€0.9 billion). The stock markets continued to show stability in the third quarter of 2018.

**TABLE 1 CHANGE IN THE NET FINANCIAL WEALTH OF INDIVIDUALS IN THE 3rd QUARTER OF 2018**  
(€ billion)

	Net financial wealth as at 30 June 2018	Financial transactions in the 3rd quarter of 2018	Other flows <sup>1</sup>	Net financial wealth as at 30 September 2018
<b>Financial assets</b>	<b>1346,7</b>	<b>-0,4</b>	<b>-0,7</b>	<b>1345,5</b>
Notes and coins	35,7	0,4	0,0	36,1
Sight deposits	80,5	-0,7	0,1	79,8
Regulated savings deposits	255,9	0,5	0,0	256,3
Other deposits	39,0	0,9	0,0	39,9
Debt securities	43,6	-0,7	0,0	42,9
Listed shares	66,3	0,0	0,1	66,5
Unlisted shares and other equity	293,1	-0,4	0,1	292,8
Investment fund shares	208,8	-0,1	0,9	209,6
Insurance products	313,0	-0,2	-1,9	311,0
Miscellaneous <sup>2</sup>	10,9	-0,2	0,0	10,7
<b>Financial liabilities</b>	<b>285,9</b>	<b>1,7</b>	<b>0,1</b>	<b>287,7</b>
Short-term loans	8,4	0,1	0,0	8,6
Mortgage loans	229,3	2,1	0,0	231,4
Other long-term loans	31,9	-0,1	0,0	31,8
Miscellaneous <sup>3</sup>	16,3	-0,5	0,1	16,0
<b>Net financial wealth</b>	<b>1060,8</b>	<b>-2,1</b>	<b>-0,9</b>	<b>1057,8</b>

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.

Investment in regulated savings deposits (+€ 0.5 billion) and other deposits (+€ 0.9 billion) was up very slightly. By contrast, but in line with the usual seasonal trend, private individuals reduced the amount of their capital put into sight deposits (-€ 0.7 billion).

Investment in debt securities once again showed net sales (-€ 0.7 billion), confirming an uninterrupted decline since the fourth quarter of 2011. Owing to low interest rates, people are often not reinvesting in bonds reaching maturity. To a limited extent, private investors were also net sellers of unlisted shares and other equity (-€ 0.4 billion), shares in investment funds (-€ 0.1 billion) and insurance products (- € 0.2 billion).

Finally, new financial liabilities taken on by private individuals rose further (+€ 1.8 billion) to reach an outstanding sum of € 287.7 billion by 30 September 2018. The increase is mainly attributable to mortgage loans (+€ 2.1 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=FAHHNFC&lang=en>