

Quarterly financial accounts: 4th quarter 2018

In the fourth quarter of 2018, individuals' net financial wealth declined by €22.0 billion to €1,028.1 billion as at 31 December 2018.

Negative price effects were largely to blame, as both Belgian and international markets slid deeply into the red in the fourth quarter. This had an influence on investment fund shares (-€15.1 billion), listed shares (-€7.8 billion) and unlisted shares and other equity (-€5.0 billion). The latter experienced the smallest impact, as the unlisted shares and other equity are largely valued at own equity. This means they are less subject to fluctuations in market rates.

TABLE 1 CHANGE IN THE NET FINANCIAL WEALTH OF INDIVIDUALS IN THE 4th QUARTER OF 2018

(Billions of euro)

	Net financial wealth as at 30 September 2018	Financial transactions in the 4th quarter of 2018	Other flows ¹	Net financial wealth as at 31 December 2018
Financial assets	1337.7	9.5	-29.8	1317.4
Notes and coins	36.1	1.2	0.0	37.2
Sight deposits	79.8	2.5	0.0	82.4
Regulated savings deposits	256.3	4.3	0.4	260.9
Other deposits	40.0	0.4	0.0	40.4
Debt securities	42.7	-0.9	-0.2	41.6
Listed shares	66.4	-0.5	-7.8	58.1
Unlisted shares and other equity	292.8	-0.1	-5.0	287.8
Investment fund shares	208.2	-1.9	-15.1	191.2
Insurance products	304.6	-0.4	-2.1	302.0
Miscellaneous ²	10.7	4.9	0.0	15.7
Financial liabilities	287.6	1.4	0.3	289.3
Short-term loans	8.6	-0.2	0.4	8.8
Mortgage loans	231.6	1.8	-0.1	233.3
Other long-term loans	31.8	0.1	0.0	31.9
Miscellaneous ³	15.6	-0.4	0.1	15.3
Net financial wealth	1050.1	8.2	-30.1	1028.1

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.



By contrast, individuals' transactions in financial assets were positive (+€9.5 billion), with particular rises in regulated savings deposits (+€4.3 billion) and sight deposits (+€2.5 billion). Other deposits – mainly government assessments – were up €4.9 billion.

Debt securities once again recorded net sales (-€0.9 billion), an uninterrupted decline since the fourth quarter of 2011. Likewise, private investors were net sellers of investment fund shares (-€1.9 billion), listed shares (-€0.5 billion) and insurance products (-€0.4 billion).

Lastly, individuals' new financial liabilities rose by another €1.4 billion to an outstanding amount of €289.3 billion at 31 December 2018. This increase was mainly attributable to mortgage loans (+€1.8 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. In practice, however, 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>