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PRESS RELEASE

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Financial wealth of Belgian households increases further in the second quarter of 2023

Financial wealth increased due to the fact that household financial assets grew more strongly, by €10.8 billion, than liabilities (+€2.2 billion) in the second quarter of 2023. The household debt ratio fell and stood at 60.5% of GDP at the end of 2022.

In the second quarter of 2023, household financial wealth increased by €8.6 billion to €1 174.7 billion on June 30th, 2023.

The value of financial assets rose by €10.8 billion, primarily due to investment in other deposits, which mainly consist of term deposits. Households invested in term deposits in the second quarter of the year (+€7.1 billion) due to their higher return. By the end of June 2023, these deposits had risen to €58.2 billion.

Debt securities also remained popular, with €2.2 billion in net purchases. On the other hand, households made limited purchases of listed shares and investment fund shares in the second quarter of 2023 (+€0.7 billion and +€0.8 billion, respectively). They placed slightly less money in sight deposits (-€0.8 billion) and regulated savings deposits (-€0.5 billion) in this quarter.

Price effects remained limited in the second quarter of 2023. Investment funds, having a majority of foreign portfolios, reported value increases amounting to €4.2 billion, while devaluations were recorded on listed and unlisted shares (-€0.4 and -€3.0 billion, respectively). This is in line with the better performance of foreign stock exchanges compared with the Belgian stock exchange observed in the second quarter.

New financial liabilities of households rose by €2.2 billion to an outstanding amount of €347.5 billion on June 30th, 2023, mainly as a result of an increase in mortgage loans (+€1.3 billion).

Development of the debt ratio

The Macroeconomic Imbalance Procedure (MIP) indicators include¹ the “consolidated private sector debt ratio” which corresponds to total loans and debt securities held by non-financial corporations and households, expressed as a percentage of GDP.

The private sector debt ratio in Belgium continued to fall in 2022, from 174.3% to 162.8% of GDP, mainly as a result of rising GDP. The rise in GDP was nominally greater than the increase in the liabilities of non-financial corporations and households. In nominal terms, the liabilities of non-financial corporations nonetheless rose slightly, by 0.35% (from €560.3 billion to €562.3 billion). Consolidated household debt increased by 5.3% (from €315.5 billion to €332.2 billion), primarily due to growth in mortgage loans in 2022.

¹For more information, see <https://www.nbb.be/en/statistics/other-topics/macroeconomic-imbalance-procedure-mip>.

CHANGE IN THE NET FINANCIAL WEALTH OF HOUSEHOLDS IN THE SECOND QUARTER OF 2023

(in € billion)

Financial instruments	Amounts outstanding at 31 March 2023	Financial transactions in Q2 2023	Other flows ¹	Amounts outstanding at 30 June 2023
Financial assets	1511.4	8.8	1.9	1522.2
Notes and coins	36.5	0.6	0.0	37.1
Sight deposits	101.3	-0.8	0.0	100.5
Regulated savings deposits	295.5	-0.5	0.0	295.0
Other deposits	50.8	7.1	0.3	58.2
Debt securities	31.2	2.2	-0.2	33.3
Listed shares	82.4	0.7	-0.4	82.6
Unlisted shares and other equity	358.0	0.0	-3.0	355.0
Investment fund shares	260.8	0.8	4.2	265.9
Insurance products	275.5	-0.2	1.0	276.3
Miscellaneous ^{Error! Reference source not found.}	19.4	-1.0	0.0	18.3
Financial liabilities	345.3	2.2	0.0	347.5
Short-term loans	8.8	0.3	0.0	9.1
Mortgage loans	293.9	1.3	0.0	295.2
Other long-term loans	32.6	0.4	0.0	33.0
Miscellaneous ^{Error! Reference source not found.}	10.0	0.2	0.0	10.2
Net financial wealth	1166.1	6.7	1.9	1174.7

Source: NBB.

- 1 Other flows consist of price and exchange rate fluctuations. They also include specific items such as reclassifications of transactions to other sectors.
- 2 This category consists of other financial instruments as defined by ESA 2010, mainly loans, accounts receivable/payable and accruals, including government assessments.
- 3 This category consists of other financial instruments as defined by ESA 2010, namely other shareholdings, accounts receivable/payable and accruals, including taxes due but not yet paid.

CONSOLIDATED DEBT OF THE BELGIAN PRIVATE SECTOR¹

(in % GDP)

	2015	2016	2017	2018	2019	2020	2021	2022
Non-financial corporations	115.7%	135.2%	126.7%	121.1%	118.0%	117.7%	111.5%	102.3%
Households	57.9%	58.2%	58.9%	59.2%	60.5%	65.4%	62.8%	60.5%
Total	173.6%	193.4%	185.5%	180.3%	178.5%	183.1%	174.3%	162.8%

Source : NBB.

- 1 Loans and debt securities outstanding at the end of the year, excluding liabilities within the same sector, defined in accordance with the Macroeconomic Imbalance Procedure.