

PRESS RELEASE

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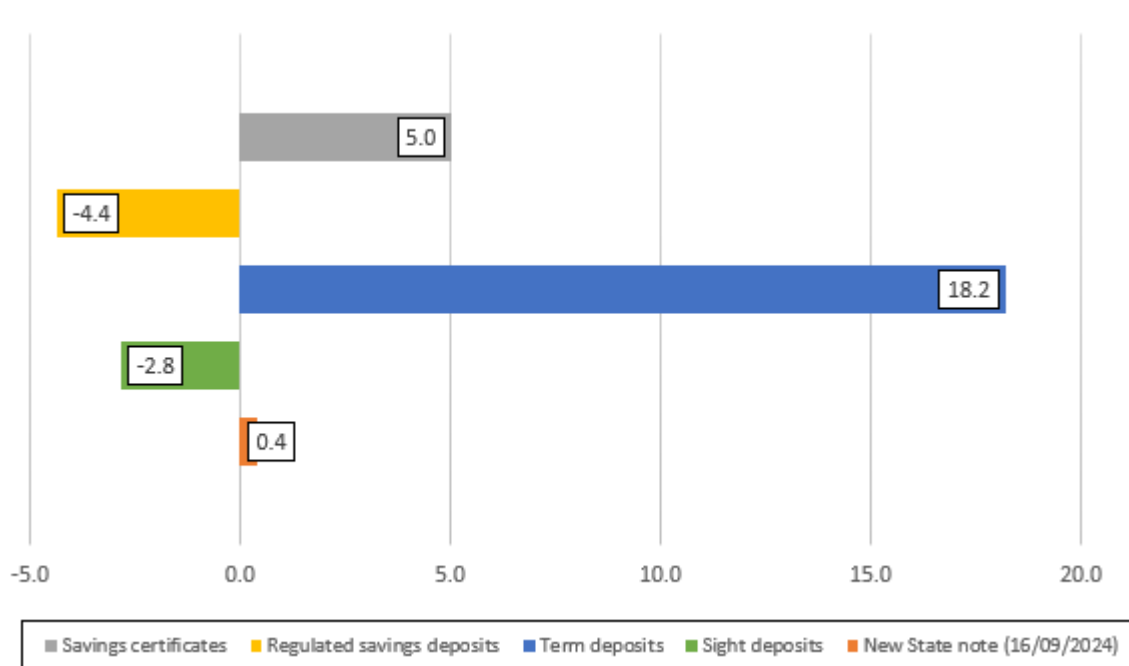
Reimbursement of State note led to funds returning to commercial banks

The release in September 2024 of the €21.9 billion invested by Belgian households in a one-year State note led to the partial return of these funds to commercial banks. Only €400 million was reinvested in the State note issued on 16 September 2024.

Term deposits were the most popular option (+€18.2 billion), followed by savings certificates (+€5.0 billion). The rates offered¹ for these products also prompted savers to move funds from regulated savings deposits and sight deposits, which saw outflows of €4.4 billion and €2.8 billion respectively.

Change in Belgian household deposits and savings certificates between August and September 2024

(€ billions)



Source: NBB, Belgian Debt Agency.

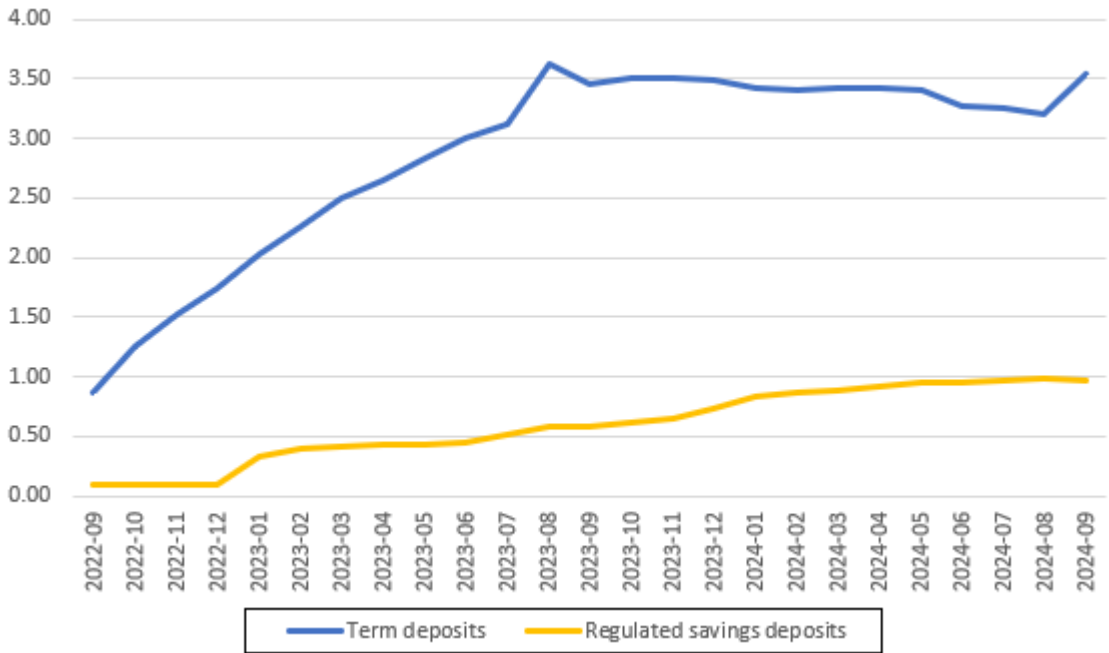
¹ The best gross rates were around 4% for term deposits and 3.1% for savings certificates.

The State note issued on 4 September 2023 affected the Belgian deposit market in two ways.

On the one hand, competition within the banking sector to attract investors explains the increase in the weighted average interest rate on term deposits in one month (+0.34 basis points between August and September 2024). This did not, however, have a visible effect on the corresponding interest rate for regulated savings deposits.

Weighted average interest rate on Belgian household deposits

(%)



Source: NBB.Stat.

On the other hand, the proportion of total Belgian household deposits invested in term deposits grew from 11% to 15% in one year, representing an increase of €22.3 billion. This upward trend has, however, been observed over the past two years.