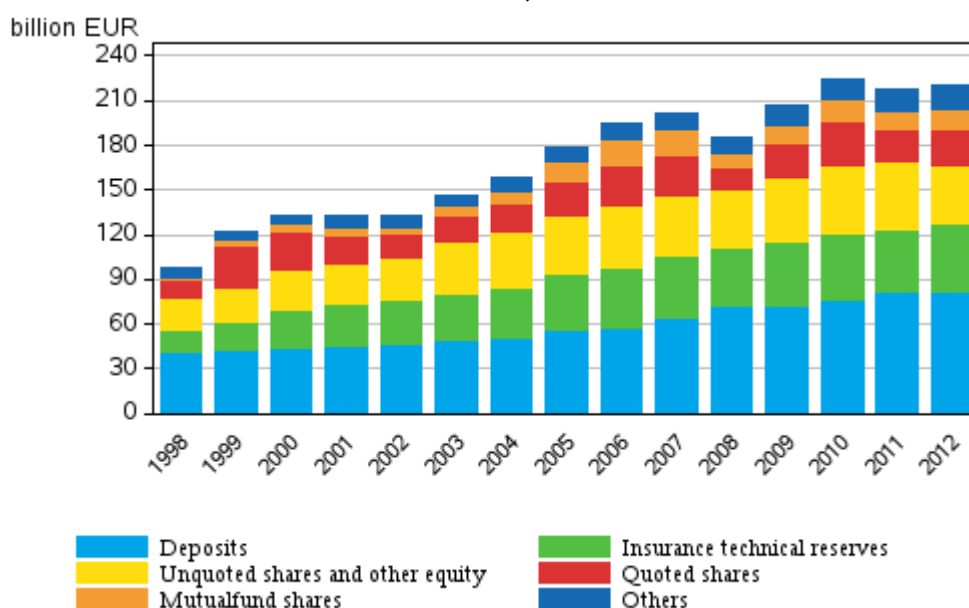


Financial Accounts 2012

Households' net financial assets decreased in 2012

Households' financial assets stood at EUR 220.2 billion at the end of 2012. Financial assets grew only by EUR 2.5 billion during the year. While liabilities correspondingly grew by EUR 6.4 billion to EUR 132.6 billion, households' net financial assets decreased to EUR 87.6 billion. These data derive from Statistics Finland's Financial Accounts statistics.

Financial assets of households 1998-2012, EUR billion



From fixed-term deposits to cash deposits

At the end of 2012, over EUR 80 billion, or 36 per cent of households' financial assets were deposits. Even though the total amount of deposits remained practically unchanged during the year, there was a clear shift from fixed-term deposits to cash deposits. At the end of 2012, EUR 46 billion of households' financial assets were insurance technical reserves, EUR 39 billion unquoted shares and equity, EUR 24 billion quoted shares and EUR 14 billion mutual fund shares. Households' net investments both in quoted shares and investment funds increased slightly from the year before.

Indebtedness rate went up

Households' loan debts stood at EUR 123.4 billion at the end of 2012. Loan debts grew by altogether EUR 6.1 billion during 2012, which resulted in households' indebtedness increasing by 2.5 percentage points to 118.2 per cent. Households' indebtedness is calculated as the ratio of their loan debts at the end of the year to their total disposable income of the year.

Contents

1. Households' financial assets grew slightly but indebtedness continued in 2012.....	4
1.1. Government sector's balance sheet position improved	4
1.2. Emissions of quoted shares livened.....	5
1.3. Domestic mutual funds grew.....	5
1.4. Foreign investments to Finland growing.....	6
1.5. Private sector debt	6

Tables

Appendix tables

Appendix table 1. Financial assets of households, million EUR.....	8
Appendix table 2. Liabilities of households, million EUR.....	8
Appendix table 3. Households' net acquisition of financial assets, million EUR.....	8
Appendix table 4. Households' net incurrence of liabilities, million EUR.....	9
Appendix table 5. Financial assets of Non-financial corporations, million EUR.....	9
Appendix table 6. Financial liabilities of Non-financial corporations, million EUR.....	10
Appendix table 7. Net financial assets by sector, million EUR.....	10
Appendix table 8. Net financial transactions by sector, million EUR.....	12
Appendix table 9. Statistical discrepancy by sector, million EUR.....	13

Figures

Figure 1. Change in financial assets of households, EUR billion.....	4
Figure 2. Changes in emissions of quoted shares by non-financial corporations, EUR billion.....	5
Figure 3. Private sector debt as percentage of GDP.....	6

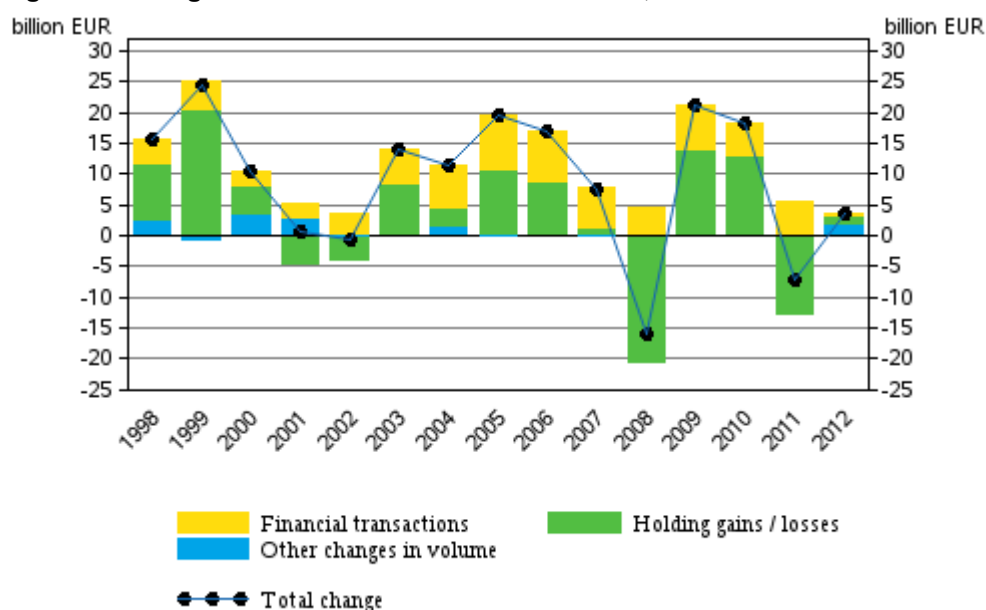
Appendix figures

Appendix figure 1. Financial assets of households, EUR billion.....	14
Appendix figure 2. Change in financial assets of households, EUR billion.....	14
Appendix figure 3. Households' net acquisition of deposits, quoted shares and mutual funds, EUR billion.....	15
Appendix figure 4. Emissions of quoted shares, EUR billion.....	15
Appendix figure 5. Households' indebtedness ratio.....	16
Appendix figure 6. Private sector debt as percentage of GDP.....	16

1. Households' financial assets grew slightly but indebtedness continued in 2012

Households' financial assets that fell in 2011 due to holding losses grew by EUR 2.5 billion in 2012. As a result of a rise in share prices, households accrued a total of EUR 1.2 billion in holding gains. However, households only acquired financial assets to the net amount of EUR 0.6 billion. Because the growth in financial assets was smaller than that of borrowing, households' net financial assets decreased.

Figure 1. Change in financial assets of households, EUR billion



Deposits have typically been the most important investment target for households. In 2012, households favoured cash deposits in particular. Simultaneously, a lot of assets were withdrawn from fixed-term deposits. Investments in mutual fund shares that had decreased heavily in the previous year turned clearly positive in 2012. Households' net investments in quoted shares also increased from the year before.

All in all, households' financial assets amounted to EUR 220 billion at the end of 2012. Of these, EUR 80 billion were deposits, EUR 46 billion insurance technical reserves, EUR 39 billion unquoted shares and equity, EUR 24 billion quoted shares and EUR 14 billion mutual fund shares. The value of other financial assets held by households was EUR 17 billion. Households' shares in housing companies are not recorded in financial accounts as financial assets.

Households' debts continued to grow. Households' loan debt increased by good EUR 6 billion during 2012, reaching EUR 123 billion at the end of the year. Indebtedness rate, i.e. proportion of loan debts relative to disposable income, rose to 118.2 per cent from the previous year's 115.7 per cent. Because households' debts increased more than their financial assets, households' net financial assets decreased by nearly EUR 4 billion to EUR 88 billion.

1.1. Government sector's balance sheet position improved

Government sector's balance sheet position improved in 2012. At the end of the year, the government sector's net financial assets amounted to EUR 107 billion, which was EUR 4 billion more than one year earlier. The improved balance sheet position is mainly explained by an increase in the financial assets of employment pension schemes that belong to social security funds. While the net financial assets of central government decreased by EUR 8 billion and those of local government by EUR 2 billion, the position of social security funds improved by nearly EUR 15 billion.

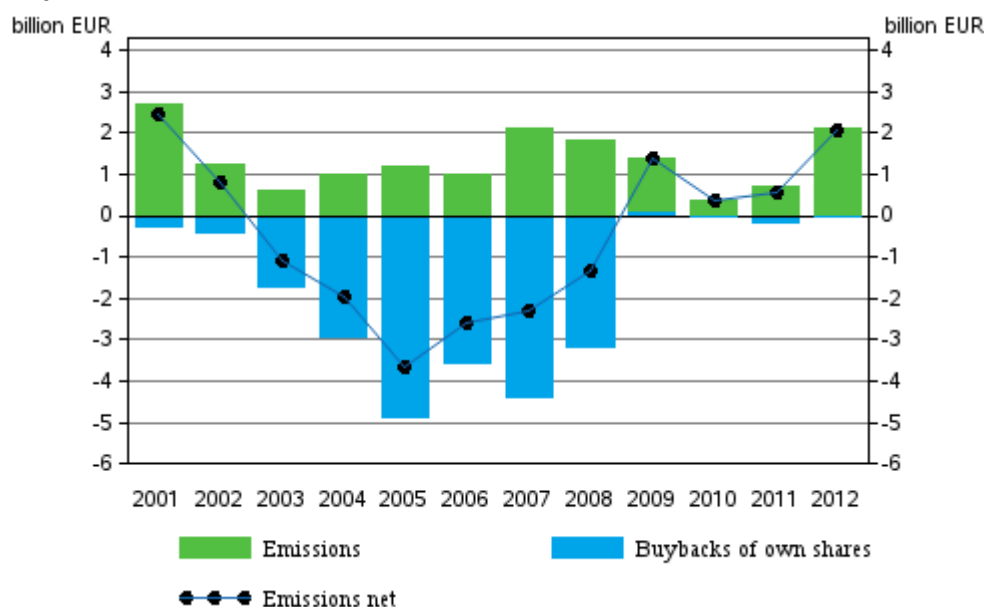
Even though central government's financial assets increased, mainly as a result of an increase in long-term loan receivables, the weakening of the balance sheet position that began in 2008 continued. During 2012, central government's net financial assets contracted from EUR -34 billion to EUR -42 billion. The drop was mainly caused by an increase in the stock of bonds. During the year, gross debt at market prices in the financial accounts of the central government grew by EUR 11 billion.

During 2012, net financial assets of employment pension schemes increased from EUR 133 billion to EUR 147 billion. The growth in employment pension schemes' net financial assets is mainly explained by the increase in the market value of quoted shares and mutual fund shares as a result of the recovery in share prices. During 2012, employment pension schemes accrued a total of EUR 9 billion in holding gains. Similarly, net investments amounted to nearly EUR 4 billion. In 2012, employment pension schemes invested most assets in mutual fund shares and unquoted shares.

1.2. Emissions of quoted shares livened

Non-financial corporations were interested in acquiring financing through issuing new equity on the stock market in 2012. Quoted companies issued new shares to the value of EUR 2 billion whereas in the previous year the value of emissions was slightly under EUR one billion. Emissions have been last at this level in 2007. Buybacks of own shares were low just like in the year before. From 2003 to 2008, non-financial corporations amortized their share debt by buying back more of their own shares than issuing them.

Figure 2. Changes in emissions of quoted shares by non-financial corporations, EUR billion



Non-financial corporations' debt financing grew during 2012. Simultaneously, the focus of borrowing shifted from loan debts to debt securities. Debt financing refers to the total of loan debts and financing in the form of debt securities. Non-financial corporations' loan debt grew moderately from EUR 169 billion to EUR 172 billion. By contrast, non-financial corporations issued debt securities to the net amount of EUR 9 billion.

1.3. Domestic mutual funds grew

Domestic mutual funds that had contracted in the year before, grew by a total of EUR 21 billion in 2012. Nearly EUR 14 billion of the growth was holding gains from investment portfolios and EUR 7 billion came from net investments. Assets flowed into investment funds especially from abroad, as well as from

insurance companies and households. New subscriptions also exceeded redemptions in money market funds.

1.4. Foreign investments to Finland growing

Foreign bonds and mutual fund shares interested Finnish investors slightly more than in the previous year. Finns invested more in quoted foreign shares than in the previous year but the interest was lower than in 2009 to 2010.

In 2012, the total value of the net investments of domestic investors in foreign bonds, shares and funds was EUR 16 billion, while in the year before it was good EUR 8 billion. Even though the trend is growing, the total amount of investments is still less than one-half of the level in 2010.

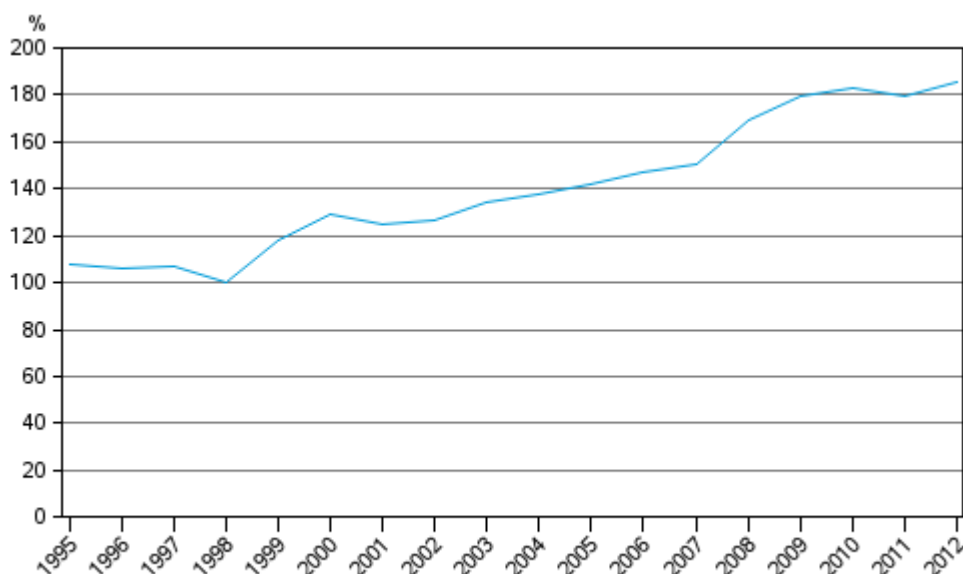
Clearly less of domestic units' money flowed into foreign deposits and loans than in 2011. The flow decreased from EUR 49 billion in 2011 to nearly EUR 9 billion in 2012. A majority of the drop is explained by a slowdown in the central bank's foreign deposits and a decrease in foreign deposits by deposit banks. Loans to the rest of the world were, like in the year before, granted by deposit banks.

Foreign investors increased their holdings in Finnish quoted shares after a break of several years. In all, quoted shares were sold to foreign investors to the net value of nearly EUR one billion last year. At the end of the year, the value of the ownership of foreign quoted shares was EUR 51 billion. The proportion of foreign ownership of the value of Finnish quoted shares is 43 per cent, just like in the year before. Interest by foreign investors towards Finnish bonds and mutual fund shares has been increasing over the past years and the trend continued also in 2012. Compared to 2008, foreign holdings both in Finnish bonds and mutual fund shares has doubled in value.

1.5. Private sector debt

Private sector debt grew by EUR 18 billion last year, which is EUR 6 billion more than in 2011. The GDP share of the debt grew by 5.6 percentage points to 185.1 per cent. The indicator exceeds the threshold set by the European Commission, which is 160 per cent. A percentage below the threshold was last achieved in 2007.

Figure 3. Private sector debt as percentage of GDP



The European Commission has launched a mechanism for the monitoring of macroeconomic imbalance (Macroeconomic Imbalance Procedure), which is based on eleven indicators. One of the indicators is private sector debt as percentage of GDP. Private sector debt comprises the loan debts and debts in the

form of debt securities of non-financial corporations, households and non-profit institutions serving households.

Appendix tables

Appendix table 1. Financial assets of households, million EUR

Instrument	Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
AF0 Assets and liabilities total	146 741	158 124	178 011	195 362	201 643	185 557	206 801	224 974	217 728	220 194
AF21 Currency	1 668	1 964	2 487	2 538	3 037	3 336	3 899	3 938	4 724	5 237
AF22 Transferable deposits	37 465	39 602	41 778	42 137	42 921	45 324	55 019	40 323	41 711	46 183
AF29 Other deposits	10 538	10 216	13 143	14 431	20 050	25 226	16 562	35 145	38 539	34 019
AF33 Money-market instruments and bonds	1 390	2 483	2 861	4 279	3 563	3 833	4 879	6 247	6 225	5 500
AF34 Derivative instruments	0	176	283	388	142	30	0	31	18	1
AF4 Loans	575	626	771	1 046	143	317	92	0	0	0
AF511 Quoted shares	17 625	18 700	22 617	26 987	27 114	15 021	22 982	29 312	21 280	24 332
AF512 Unquoted shares	25 959	27 502	29 730	31 790	29 733	28 216	32 143	33 862	33 936	27 558
AF513 Other equities	8 734	9 176	9 963	9 983	9 917	10 549	10 181	12 636	12 127	11 276
AF52 Mutual funds shares	6 573	8 992	12 930	17 639	18 056	9 115	12 778	14 439	11 601	13 738
AF6 Insurance technical reserves	31 596	33 812	37 314	39 859	42 184	39 646	42 795	43 653	41 993	46 378
AF7 Other accounts receivable and payable	4 618	4 875	4 134	4 285	4 783	4 944	5 471	5 388	5 574	5 972

Appendix table 2. Liabilities of households, million EUR

Instrument	Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Liabilities total	58 965	68 958	78 981	90 819	100 621	109 300	113 441	119 657	126 205	132 573
Loans	56 070	64 249	73 646	83 142	92 587	99 340	104 771	111 045	117 309	123 384
Other liabilities	2 895	4 709	5 335	7 677	8 034	9 960	8 670	8 612	8 896	9 189

Appendix table 3. Households' net acquisition of financial assets, million EUR

Instrument	Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
AF0 Assets and liabilities total	6 009	7 149	9 116	8 501	6 766	4 473	7 541	5 506	5 377	581
AF21 Currency	229	296	523	51	499	299	419	40	796	511
AF22 Transferable deposits	2 779	2 137	2 176	359	784	2 403	9 695	1 463	1 401	4 402
AF29 Other deposits	-79	-322	2 927	1 288	5 619	5 176	-8 664	2 329	3 391	-4 505
AF331 Money-market instruments	0	3	1	24	203	-183	23	23	-13	-7
AF332 Bonds	-682	785	385	1 404	-673	665	505	1 062	45	869
AF4 Loans	104	51	145	275	-903	174	-225	0	0	0
AF511 Quoted shares	80	242	-398	10	-1 123	-93	2 276	654	579	859
AF512 Unquoted shares	427	-113	-2 016	-700	-1 042	-1 277	-1 047	-1 482	-933	-2 674
AF513 Other equities	300	226	129	128	57	78	41	0	0	0
AF52 Mutual funds shares	1 305	1 497	2 877	3 862	786	-4 334	2 364	287	-1 147	824
AF6 Insurance technical reserves	2 264	2 090	3 108	1 649	2 061	1 404	1 627	1 211	1 146	-96

Instrument	Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
AF7 Other accounts receivable and payable	-718	257	-741	151	498	161	527	-81	112	398

Appendix table 4. Households' net incurrence of liabilities, million EUR

Instrument	Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Liabilities total	6 233	10 003	10 023	11 835	9 806	8 651	4 178	6 242	6 494	6 467
Loans	6 612	8 180	9 397	9 496	9 445	6 726	5 468	6 300	6 210	6 174
Other liabilities	-379	1 823	626	2 342	357	1 926	-1 290	-58	284	293

Appendix table 5. Financial assets of Non-financial corporations, million EUR

Instrument	Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
AF0 Assets and liabilities total	210 887	214 297	223 708	244 621	270 621	292 319	279 090	311 201	318 044	329 413
AF2 Currency and transferable deposits	16 184	14 030	12 496	13 570	17 271	22 261	21 987	27 892	26 754	29 828
AF331 Money-market instruments	2 176	3 199	2 761	2 926	1 651	1 864	2 134	3 930	3 213	2 112
AF332 Bonds	5 010	3 250	2 719	2 293	1 324	1 523	1 443	2 650	2 110	2 527
AF34 Derivative instruments	1 582	2 392	1 991	1 672	3 073	5 509	3 483	3 841	5 548	5 931
AF4 Loans	74 470	74 561	71 084	70 650	79 450	87 811	76 406	81 726	82 163	86 151
AF511 Quoted shares	9 125	7 128	8 768	9 678	9 462	4 587	8 300	10 734	8 141	9 107
AF512 Unquoted shares	60 707	63 295	70 609	81 034	90 311	103 807	105 143	116 285	121 608	122 111
AF513 Other equities	347	388	509	848	724	748	930	1 919	1 230	968
AF52 Mutual funds shares	3 730	4 442	5 525	6 930	6 732	1 685	2 684	4 517	4 109	4 501
AF6 Insurance technical reserves	2 260	2 432	2 298	2 550	1 875	1 845	1 824	1 880	2 069	2 893
AF7 Other accounts receivable and payable	35 296	39 180	44 948	52 470	58 748	60 679	54 756	55 827	61 099	63 284

Appendix table 6. Financial liabilities of Non-financial corporations, million EUR

Instrument	Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
AF0 Assets and liabilities total	382 446	393 018	444 663	493 427	561 716	475 406	481 311	531 841	489 613	508 332
AF331 Money-market instruments	3 278	3 361	4 711	4 956	5 369	4 188	4 562	4 728	5 224	4 927
AF332 Bonds	15 732	16 012	17 140	17 426	17 269	17 024	22 060	23 533	22 730	33 332
AF34 Derivative instruments	1 439	1 529	2 163	1 363	1 422	5 000	3 956	3 742	6 335	5 117
AF4 Loans	104 284	110 356	111 217	123 066	139 865	173 444	158 027	166 657	169 401	171 731
AF511 Quoted shares	126 817	124 106	160 041	183 990	224 286	98 450	118 521	142 269	94 825	102 534
AF512 Unquoted shares	81 561	85 595	92 701	100 603	107 303	107 634	110 532	120 413	123 628	123 019
AF513 Other equities	15 005	15 765	17 169	17 189	16 902	17 532	16 259	16 647	17 093	16 443
AF7 Other accounts receivable and payable	34 330	36 294	39 521	44 834	49 300	52 134	47 394	53 852	50 377	51 229
Net financial assets	-171 559	-178 721	-220 955	-248 806	-291 095	-183 087	-202 221	-220 640	-171 569	-178 918

Appendix table 7. Net financial assets by sector, million EUR

Sector	Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
S111 Non-financial corporations	-171 559	-178 721	-220 955	-248 806	-291 095	-183 087	-202 221	-220 640	-171 569	-178 918
S112 Housing corporations	-11 866	-11 364	-11 291	-11 238	-11 350	-11 542	-12 718	-13 640	-13 959	-14 083
S121 The central bank	4 445	4 230	5 018	4 680	4 439	4 826	5 781	6 567	6 734	8 278
S1221 Deposit banks	871	1 002	-43	-813	70	480	551	639	9 295	1 482
S1222 Money market funds	0	0	0	0	0	0	2	29	0	47
S1223 Other monetary financial institutions practising financial intermediation	335	209	243	455	522	270	371	93	2 362	2 580
S123 Other financial intermediaries	-3 035	-4 821	-5 858	-5 741	-2 282	-1 871	-3 887	-391	-3 906	-11 460
S124 Financial auxiliaries	194	284	660	859	1 295	-1 190	-3 178	-706	-1 175	3 080
S125 Insurance corporations	892	542	2 027	3 386	1 787	302	-51	350	1 293	1 522

Sector	Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
S1311 Central government	-23 858	-20 055	-11 773	-3 043	2 806	-10 822	-15 026	-21 563	-34 231	-42 154
S1313 Local government	4 386	3 835	3 361	3 835	3 520	2 584	1 135	1 302	1 429	-1 007
S13141 Employment pension schemes	73 506	85 416	98 849	111 898	121 271	102 922	120 499	135 520	133 429	146 741
S13149 Other social security funds	1 913	1 872	1 803	2 390	2 818	2 407	1 691	1 914	1 776	3 024
S14 Households	87 776	89 166	99 030	104 543	101 022	76 257	93 360	105 317	91 523	87 621
S15 Non-profit institutions serving households	8 144	9 719	12 694	14 153	13 085	9 192	12 851	14 700	11 925	12 552
S2 Rest of the world	27 856	18 686	26 235	23 442	52 092	9 272	840	-9 491	-34 926	-19 304

Appendix table 8. Net financial transactions by sector, million EUR

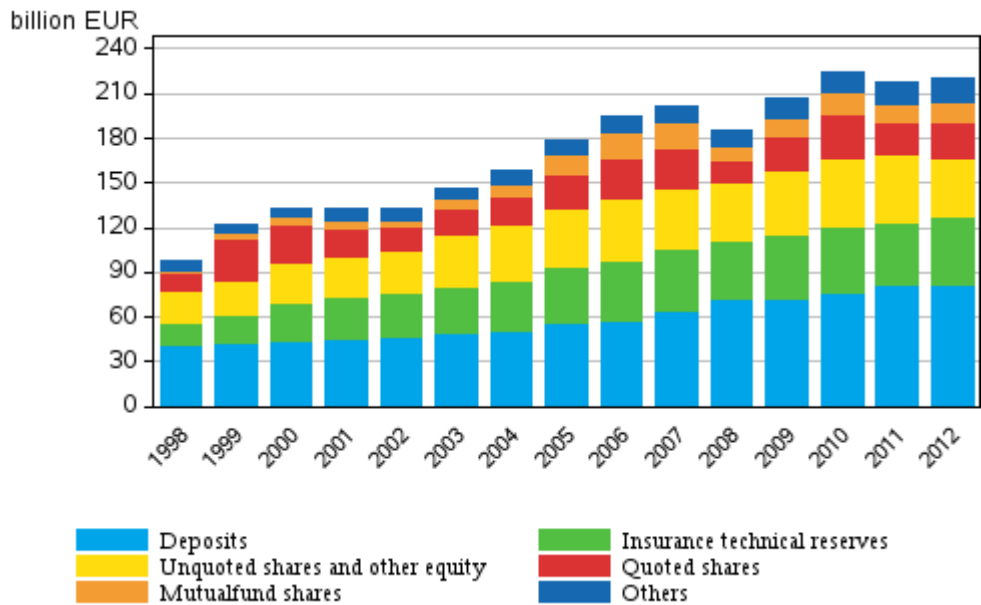
Sector/Year		Net incurrence of liabilities	Net acquisition of financial assets	Net financial transactions
S11 Non-financial corporations and housing corporations	2009	-6 892	-11 708	-4 816
	2010	11 182	15 361	4 179
	2011	-404	3 178	3 582
	2012	5 869	6 019	150
S121 The central bank	2009	4 283	4 449	166
	2010	8 092	8 725	633
	2011	51 469	51 481	12
	2012	2 626	3 814	1 188
S122 Other monetary financial institutions	2009	13 213	14 862	1 649
	2010	56 517	56 224	-293
	2011	80 834	81 509	675
	2012	15 364	15 382	18
S123 Other financial intermediaries	2009	8 468	8 170	-298
	2010	5 249	6 565	1 316
	2011	-1 971	-1 850	121
	2012	8 404	8 877	472
S124 Financial auxiliaries	2009	-158	-285	-127
	2010	48	757	709
	2011	365	443	78
	2012	-265	400	665
S125 Insurance corporations	2009	2 890	2 629	-261
	2010	1 893	1 440	-453
	2011	829	1 112	283
	2012	1 737	2 620	883
S13 General government	2009	13 573	8 758	-4 815
	2010	11 602	6 158	-5 444
	2011	7 679	5 610	-2 069
	2012	10 288	5 991	-4 296
S14 Households	2009	4 178	7 541	3 363
	2010	6 242	5 506	-736
	2011	6 494	5 377	-1 117
	2012	6 467	581	-5 885
S2 Rest of the world	2009	32 096	36 594	4 498
	2010	65 682	65 876	194
	2011	56 011	54 472	-1 539
	2012	25 780	33 155	7 374

Appendix table 9. Statistical discrepancy by sector, million EUR

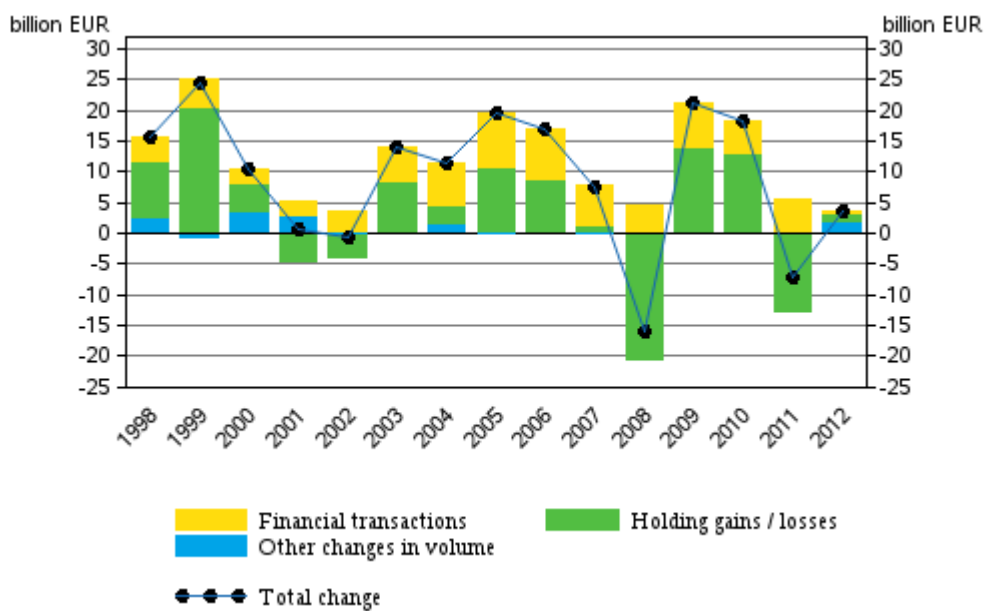
Sector/Instrument		Year									
		2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
S11 Non-financial corporations and housing corporations	Net financial transactions	8 195	3 716	644	-588	223	-3 968	-4 816	4 179	3 582	150
	Net lending	6 456	8 249	4 975	6 416	3 978	1 224	6 388	8 669	2 293	3 026
	Statistical discrepancy	-1 739	4 533	4 331	7 004	3 755	5 192	11 204	4 490	-1 289	2 875
S12 Financial and insurance corporations	Net financial transactions	-938	185	310	908	-320	126	1 129	1 912	1 169	3 227
	Net lending	-215	295	1 024	1 178	723	1 937	1 150	690	1 000	863
	Statistical discrepancy	723	110	714	270	1 043	1 811	21	-1 222	-169	-2 364
S13 General government	Net financial transactions	3 217	3 748	3 462	6 782	9 370	8 065	-4 815	-5 444	-2 069	-4 296
	Net lending	3 635	3 449	4 235	6 761	9 601	8 066	-4 680	-5 011	-1 938	-4 200
	Statistical discrepancy	418	-299	773	-21	231	1	135	433	131	96
S14 Households	Net financial transactions	-224	-2 854	-907	-3 334	-3 040	-4 178	3 363	-736	-1 117	-5 885
	Net lending	-2 561	-2 505	-4 863	-6 912	-6 849	-5 658	501	-1 286	-4 272	-4 117
	Statistical discrepancy	-2 337	349	-3 956	-3 578	-3 809	-1 480	-2 862	-550	-3 155	1 768
S15 Non-profit institutions serving households	Net financial transactions	28	993	734	-239	-542	1 000	641	-105	-26	-571
	Net lending	221	245	366	392	247	408	225	105	287	309
	Statistical discrepancy	193	-748	-368	631	789	-592	-416	210	313	880
S2 Rest of the world	Net financial transactions	-10 278	-5 788	-4 243	-3 529	-5 691	-1 045	4 498	194	-1 539	7 374
	Net lending	-7 536	-9 733	-5 737	-7 835	-7 700	-5 977	-3 584	-3 167	2 532	3 348
	Statistical discrepancy	2 742	-3 945	-1 494	-4 306	-2 009	-4 932	-8 082	-3 361	4 071	-4 026

Appendix figures

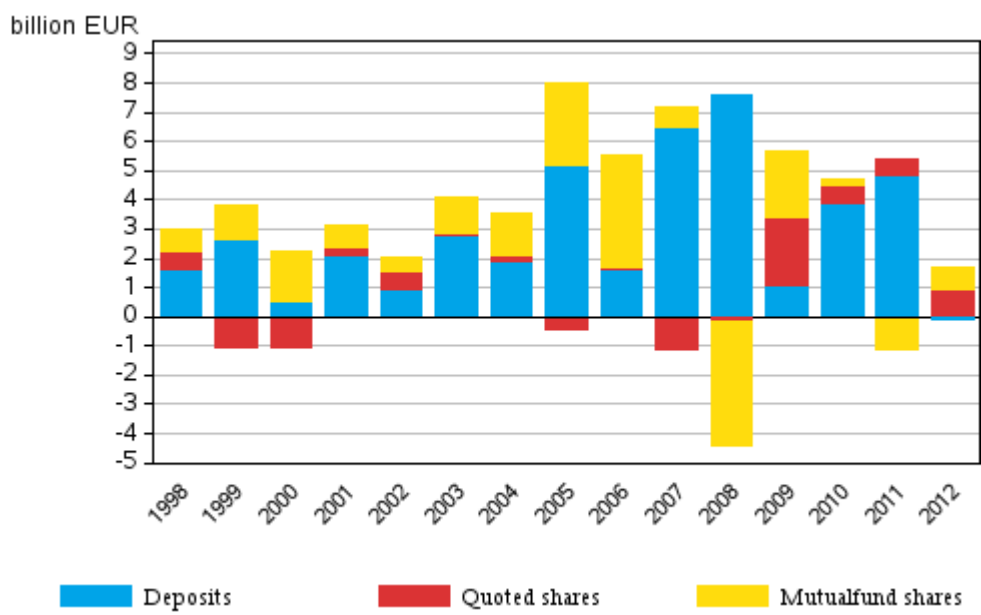
Appendix figure 1. Financial assets of households, EUR billion



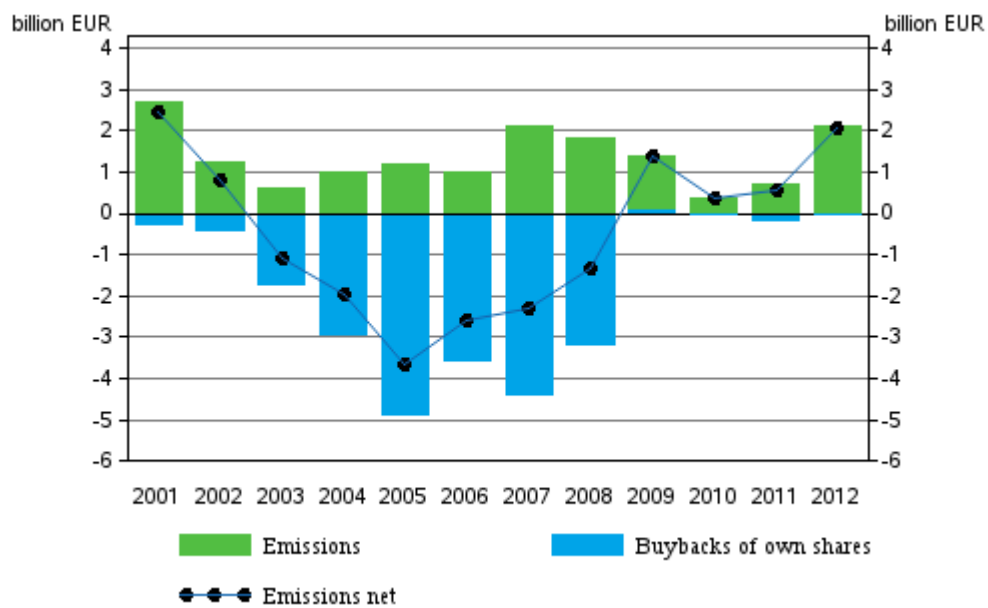
Appendix figure 2. Change in financial assets of households, EUR billion



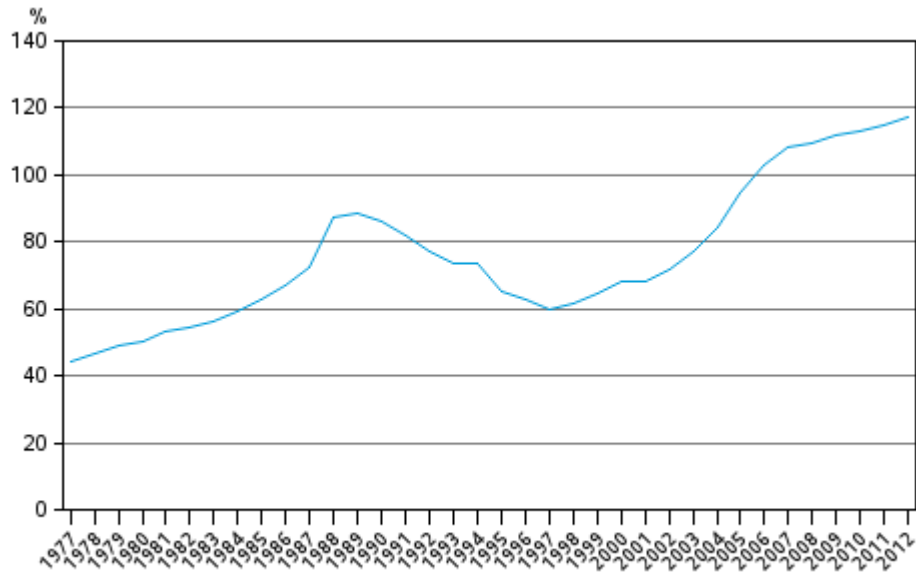
Appendix figure 3. Households' net acquisition of deposits, quoted shares and mutual funds, EUR billion



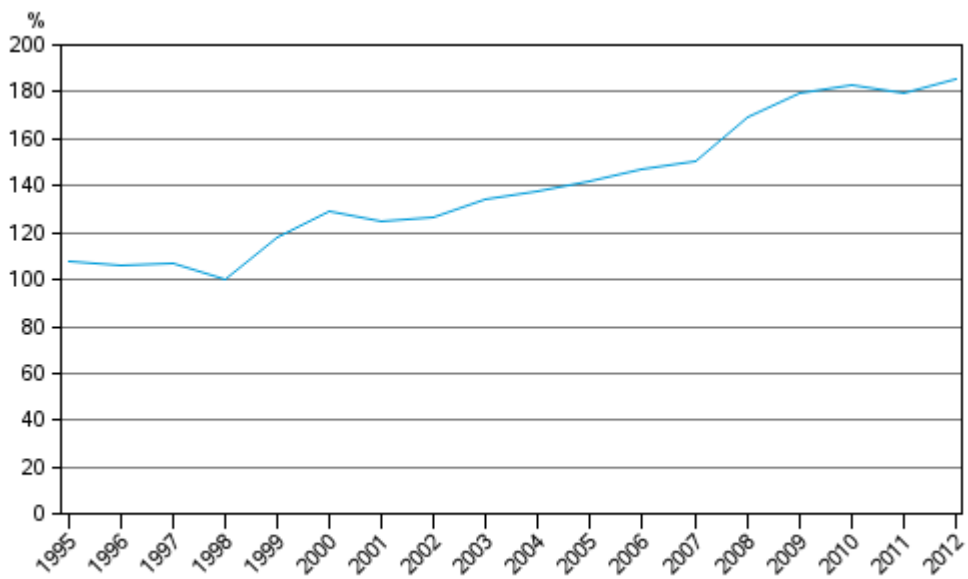
Appendix figure 4. Emissions of quoted shares, EUR billion



Appendix figure 5. Households' indebtedness ratio



Appendix figure 6. Private sector debt as percentage of GDP



Suomen virallinen tilasto
Finlands officiella statistik
Official Statistics of Finland

National Accounts 2013

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Source: Financial Accounts, Statistics Finland