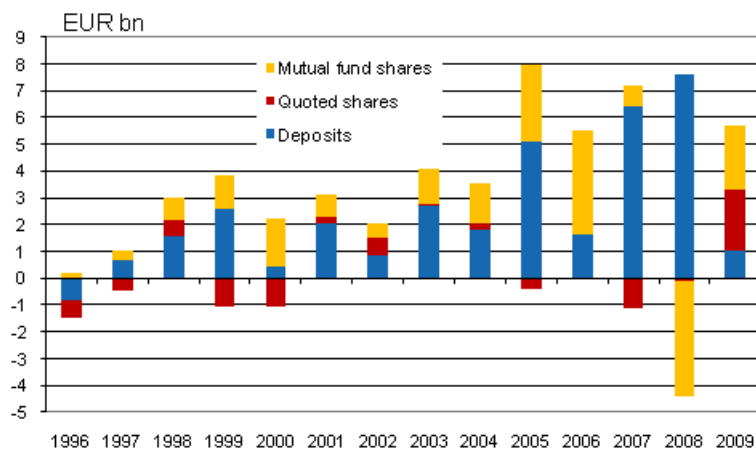


# Financial Accounts 2009

## Households invested in shares and funds last year

The strong growth of households' deposits came to a halt in 2009. Instead of deposits, households invested in shares and funds, directing EUR 3.6 billion worth of their financial assets to them. Their investments in quoted shares amounted to good EUR 2 billion, or more than ever before. Thanks to holding gains, households' financial assets grew to a total of EUR 201 billion over the year. These data derive from Statistics Finland's Financial Accounts statistics.

### Households' net acquisition of mutual fund shares, quoted shares and deposits



## Households' financial wealth grew

Households' financial assets grew by nearly EUR 15 billion during 2009. More than one-half of the growth came from holding gains. At the same time households' debts grew by EUR 4 billion, or by the least amount since 2001. Thus, their net financial assets, i.e. difference between financial assets and liabilities, grew by nearly EUR 11 billion. Household indebtedness ratio, i.e. proportion of loans relative to disposable income, rose to 112.4 per cent.

## *Releasing of quarterly data will begin in January*

The compilation of quarterly financial accounts will be transferred to Statistics Finland from the Bank of Finland. Quarterly statistics provide a timely description about developments in the financial assets and liabilities of all sectors of the national economy. Statistics Finland will begin to release the quarterly data in January 2011 and these will then relate to the third quarter of 2010. Annual financial accounts data will next be released in July 2011.

# Contents

1. Households' financial wealth increased in 2009.....	4
1.1. Despite growing debt, government sector's net financial assets increased.....	5
1.2. Non-financial corporations' loan payables turned to decline.....	5
1.3. Strong investment in foreign shares.....	5
1.4. Investment funds recovered.....	6

## Tables

### Appendix tables

Appendix table 1. Financial assets of households, million EUR.....	7
Appendix table 2. Liabilities of households, million EUR.....	7
Appendix table 3. Households net acquisition of financial assets, million EUR.....	7
Appendix table 4. Households net incurrence of liabilities, million EUR.....	7
Appendix table 5. Financial assets of Non-financial corporations, million EUR.....	8
Appendix table 6. Financial liabilities of Non-financial corporations, million EUR.....	8
Appendix table 7. Net financial assets by sector, million EUR.....	9
Appendix table 8. Net financial transactions by sector, million EUR.....	10
Appendix table 9. Statistical discrepancy by sector, million EUR.....	11

## Figures

Figure 1. Change in financial assets of households .....	4
Figure 2. Emissions of quoted shares by non-financial corporations, net.....	5

### Appendix figures

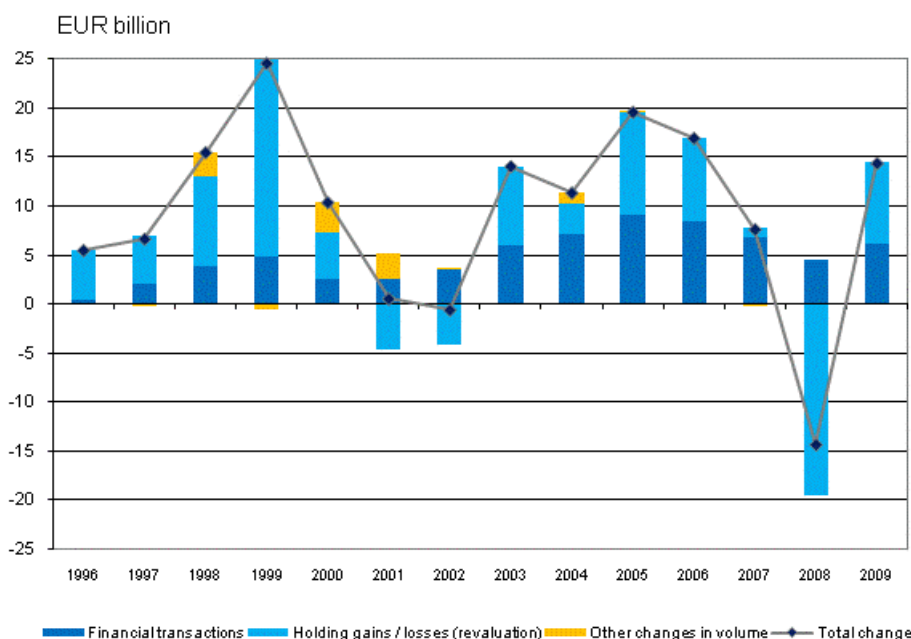
Appendix figure 1. Financial assets of households .....	12
Appendix figure 2. Change in financial assets of households .....	12
Appendix figure 3. Emissions of quoted shares by non-financial corporations, net.....	13
Appendix figure 4. Households' indebtedness ratio 1975-2009.....	13

## 1. Households' financial wealth increased in 2009

After the steep decline of the previous year, holding gains from investments in shares and funds turned households' financial assets towards clear growth last year. The value of their financial assets grew by nearly EUR 15 billion. At the same time the focus of households' investments shifted from deposits to shares and funds.

In 2009 investments brought households holding gains amounting to a total of EUR 8 billion. Gains from direct investments in shares totalled EUR 5 billion and those from investments in mutual funds EUR 1 billion. The holding gains only cover part of the EUR 19 billion holding losses which arose in the previous year. Last year, households acquired additional financial assets to the net amount of good EUR 6 billion, or EUR 2 billion more than in the year before.

**Figure 1. Change in financial assets of households**



As the insecurity eased off on the stock markets, the focus of households' acquisition of financial assets shifted from deposits to shares and funds. The flow of households' money into deposits now only amounted to EUR 1 billion, whereas in the previous year the figure was EUR 8 billion. Households' interest in quoted shares which had arisen in 2008 gained strength and households purchased them to the total net value of EUR 2 billion. EUR 2 billion were also invested in mutual fund shares. Due to the fallen interest rates, significant proportions of time deposits were transferred to current accounts.

All in all households' financial assets amounted to EUR 201 billion at the end of 2009. Of this amount EUR 72 billion were deposits, EUR 23 billion quoted shares, EUR 39 billion other shares and equity, EUR 34 billion life and pension insurance reserves and EUR 13 billion mutual fund shares. The value of other financial assets held by households was EUR 20 billion.

Households' financial position began to show surplus in 2009. The annual growth of debts slowed down to EUR 4 billion, but indebtedness ratio, i.e. proportion of loans relative to disposable income, rose to 112.4 per cent from 109.8 per cent where it stood in the previous year. Households' net financial assets, i.e. difference between their financial assets and liabilities, grew by EUR 10 billion from 2008. At the end of 2009 they stood at EUR 88 billion.

### 1.1. Despite growing debt, government sector's net financial assets increased

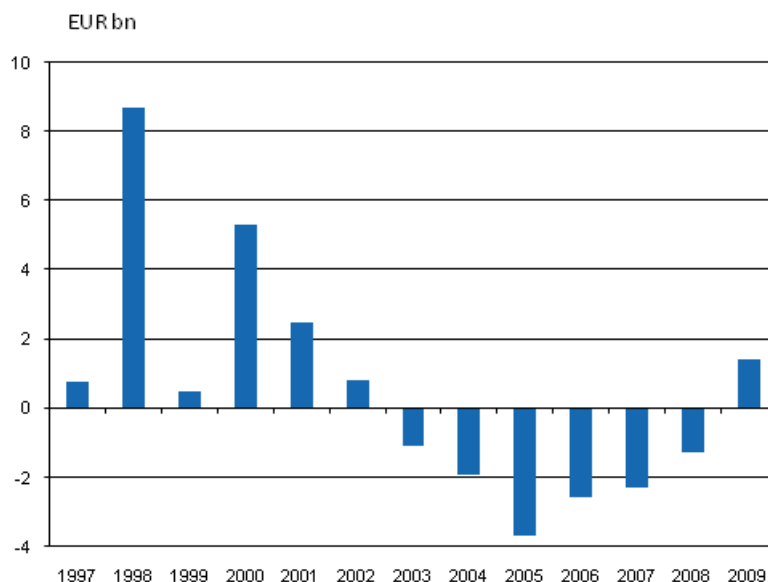
Examined through revenue and expenditure, the Finnish general government showed a large deficit last year. Nevertheless, its balance sheet position improved even though the fall in revenue and economic recovery measures were financed with new debts amounting to EUR 14 billion. Financial assets grew by EUR 26 billion, one-half of which came from investment holding gains of employment pension schemes. General government's net financial assets thus went up by EUR 12 billion to EUR 107 billion. Central government's holding gains from shares amounted to EUR 4 billion but heavy indebtedness put its net financial assets EUR 16 billion into the negative.

Employment pension schemes invested their surplus into shares and mutual fund shares in 2009. They also lent EUR 2 billion to non-financial corporations. After the exceptional year of 2008, the focus of investments turned back to the rest of the world.

### 1.2. Non-financial corporations' loan payables turned to decline

Non-financial corporations reduced their debts in 2009. Short-term loans were amortized to the total value of EUR 7 billion, bringing their amount back to the pre-2008 level. In addition, loans between non-financial corporations diminished significantly. By contrast, non-financial corporations issued bonds to the net value of almost EUR 4 billion as the capital market began to recover. Most of these were purchased by foreign investors. Non-financial corporations also acquired more financing than before through issuing new equity on the stock market. Quoted companies issued new shares to the net value of EUR 1.4 billion. From 2003 up to last year they had been reducing their equity liabilities by buying back more of their own shares than issuing new ones.

**Figure 2. Emissions of quoted shares by non-financial corporations, net**



Emissions less buybacks of own shares

### 1.3. Strong investment in foreign shares

In 2009, Finnish investors' money flowed strongly into foreign shares and mutual fund shares. Employment pension schemes, investment funds, financial and insurance corporations, and households purchased them to the total value of EUR 13 billion whereas in the previous year they repatriated EUR 3 billion of their

money from them. However, non-financial corporations' foreign direct equity investments in dried up and only EUR 1 billion was spent on them.

As in the year before, foreign investors cut back their holdings in Finnish quoted shares. In all, Finnish quoted shares were sold back to domestic investors to the net value of EUR 2 billion. At the end of the year the value of the foreign ownership of Finnish quoted shares was EUR 65 billion. The share of the foreign ownership of the value of Finnish quoted shares fell to just below 50 per cent from the 59 per cent it still was one year earlier. The share was the lowest since 1997.

#### ***1.4. Investment funds recovered***

The outward flow of assets from domestic investment funds which began in 2008 halted and EUR 5 billion new money flowed into them last year. One-half of the investments came from abroad but the funds also attracted domestic households and insurance corporations. However, more money was withdrawn from than invested in money market funds. Over the year investment funds grew by a total of EUR 12 billion, of which holding gains from investments accounted for EUR 7 billion.

## Appendix tables

**Appendix table 1. Financial assets of households, million EUR**

Instrument	Year									
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Assets and liabilities total	132 624	133 214	132 661	146 741	158 124	178 011	195 362	201 643	186 557	200 975
Currency	1 645	1 287	1 439	1 668	1 964	2 487	2 538	3 037	3 336	3 755
Transferable deposits	32 333	33 864	34 686	37 465	39 602	41 778	42 137	42 921	45 324	55 019
Other deposits	10 070	10 564	10 617	10 538	10 216	13 143	14 431	20 050	25 226	16 562
Bonds	1 451	1 975	1 376	1 390	2 480	2 857	4 251	3 330	3 783	3 355
Derivative instruments	0	0	0	0	176	283	388	142	30	0
Loans	376	416	471	575	626	771	1 046	143	317	92
Quoted shares	25 802	18 987	15 269	17 625	18 700	22 617	26 987	27 114	15 021	22 982
Unquoted shares	21 003	20 332	21 712	25 959	27 502	29 730	31 790	29 733	29 216	27 882
Mutual funds shares	5 126	5 258	4 912	6 573	8 992	12 930	17 639	18 056	9 115	12 778
Insurance technical reserves	25 261	27 679	29 080	31 596	33 812	37 314	39 859	42 184	39 646	41 974
Other accounts receivable and payable	3 145	5 506	5 336	4 618	4 875	4 134	4 285	4 783	4 944	5 470

**Appendix table 2. Liabilities of households, million EUR**

Instrument	Year									
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Liabilities total	44 173	47 022	52 732	58 965	68 958	78 981	90 819	100 621	109 427	113 441
Loans	42 027	44 723	49 458	56 070	64 249	73 646	83 142	92 587	99 340	104 771
Other liabilities	2 146	2 299	3 274	2 895	4 709	5 335	7 677	8 034	10 087	8 670

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

Instrument	Year										
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	
Assets and liabilities total	2 484	2 569	3 521	6 009	7 149	9 116	8 501	6 766	4 473	6 123	
Currency	202	-358	110	229	296	523	51	499	299	419	
Transferable deposits	-40	1 531	822	2 779	2 137	2 176	359	784	2 403	9 695	
Other deposits	490	494	53	-79	-322	2 927	1 288	5 619	5 176	-8 664	
Bonds	-271	941	133	-682	785	385	1 404	-673	665	-900	
Loans	65	40	55	104	51	145	275	-903	174	-225	
Quoted shares	-1 038	273	630	80	242	-398	10	-1 123	-93	2 276	
Unquoted shares	-2 463	-3 715	-586	427	-113	-2 016	-700	-1 042	-1 277	-1 047	
Mutual funds shares	1 805	834	564	1 305	1 497	2 877	3 862	786	-4 334	2 364	
Insurance technical reserves	3 043	2 268	1 555	2 264	2 090	3 108	1 649	2 061	1 404	1 615	
Other accounts receivable and payable	379	-20	-174	-718	257	-741	151	498	161	526	

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

Instrument	Year									
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Liabilities total	4 010	2 849	5 857	6 233	10 003	10 023	11 835	9 806	8 778	4 051
Loans	3 632	2 695	4 882	6 612	8 180	9 397	9 496	9 445	6 726	5 468
Other liabilities	378	154	975	-379	1 823	626	2 342	357	2 053	-1 417

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

Instrument	Year									
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Assets and liabilities total	192 892	190 014	193 381	206 492	213 017	222 264	243 176	270 120	291 509	278 882
Currency and transferable deposits	10 329	11 924	12 000	16 184	14 030	12 496	13 570	17 271	22 345	22 676
Money-market instruments	1 900	1 216	2 366	2 176	3 199	2 761	2 926	1 651	904	2 134
Bonds	8 901	8 538	8 006	5 010	3 250	2 719	2 293	1 324	1 423	1 443
Derivative instruments	849	624	1 768	1 582	2 392	1 991	1 672	3 073	5 509	3 483
Loans	58 334	61 716	64 218	71 076	73 281	69 640	69 205	78 949	86 504	76 761
Quoted shares	15 300	11 432	10 324	9 125	7 128	8 768	9 678	9 462	4 711	8 300
Unquoted shares	58 889	54 304	56 160	60 707	63 295	70 609	81 034	90 311	104 970	103 378
Other equities	187	316	315	347	388	509	848	724	748	912
Mutual funds shares	2 354	2 347	2 449	3 730	4 442	5 525	6 930	6 732	1 685	2 684
Insurance technical reserves	1 870	1 909	2 190	2 260	2 432	2 298	2 550	1 875	1 845	1 824
Other accounts receivable and payable	33 979	35 688	33 585	34 295	39 180	44 948	52 470	58 748	60 865	55 287

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

Instrument	Year									
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Assets and liabilities total	531 408	437 528	370 591	380 565	391 216	443 067	491 981	560 431	475 311	476 499
Money-market instruments	2 122	1 942	2 370	3 278	3 361	4 711	4 956	5 369	4 188	4 562
Bonds	11 941	14 847	16 026	15 732	16 012	17 140	17 426	17 269	17 024	22 060
Derivative instruments	722	555	803	1 439	1 529	2 163	1 363	1 422	5 000	3 956
Loans	101 578	98 110	99 345	102 427	108 554	109 621	121 620	138 580	172 190	157 241
Quoted shares	304 861	206 578	132 723	126 817	124 106	160 041	183 990	224 286	98 450	118 521
Unquoted shares	68 277	70 887	74 539	81 561	85 595	92 701	100 603	107 303	108 634	105 626
Other equities	10 139	11 822	12 280	15 005	15 765	17 169	17 189	16 902	17 532	17 139
Other accounts receivable and payable	31 768	32 787	32 505	34 306	36 294	39 521	44 834	49 300	52 293	47 394
Net financial assets	-338 516	-247 514	-177 210	-174 073	-178 199	-220 803	-248 805	-290 311	-183 802	-197 617



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

Sector	Year									
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Non-financial corporations and housing corporations	-349 262	-258 808	-189 041	-185 939	-189 563	-232 094	-260 043	-301 661	-195 316	-210 296
Non-financial corporations	-338 516	-247 514	-177 210	-174 073	-178 199	-220 803	-248 805	-290 311	-183 802	-197 617
Housing corporations	-107 46	-11 294	-11 831	-11 866	-11 364	-11 291	-11 238	-11 350	-11 514	-12 679
Financial and insurance corporations	7 235	4 579	5 497	3 679	1 446	2 025	2 826	5 831	4 509	261
The central bank	4 220	4 774	4 585	4 445	4 230	4 996	4 680	4 439	4 826	5 341
Other monetary financial institutions	-847	926	1 253	1 183	1 211	200	-358	592	750	918
Deposit banks	-258	635	786	848	1 002	-43	-813	70	480	545
Money market funds	0	0	0	0	0	0	0	0	0	2
Other monetary financial institutions practising financial intermediation	-589	291	467	335	209	243	455	522	270	371
Other financial intermediaries including mutual funds	346	-2 741	-2 117	-3 035	-4 821	-5 858	-5 741	-2 282	-1 871	-7 003
Mutual funds	0	-1	0	0	-2	-1	0	0	0	0
Other financial intermediaries	346	-2 740	-2 117	-3 035	-4 819	-5 857	-5 741	-2 282	-1 871	-7 003
Financial auxiliaries	708	168	245	194	284	660	859	1 295	502	235
Insurance corporations	2 808	1 452	1 531	892	542	2 027	3 386	1 787	302	770
Voluntary pension funds	1 241	336	132	357	339	891	727	1 015	97	742
General government	41 102	44 085	44 987	55 947	71 068	92 242	115 080	130 415	96 841	107 386
Central government	-29 139	-28 274	-28 957	-23 858	-20 055	-11 771	-3 043	2 806	-10 822	-15 905
Local government	5 451	4 522	4 813	4 386	3 835	3 361	3 835	3 520	2 584	1 128
Social security funds	64 790	67 837	69 131	75 419	87 288	100 652	114 288	124 089	105 079	122 163
Employment pension schemes	62 919	65 680	67 133	73 506	85 416	98 849	111 898	121 271	102 672	120 474
Other social security funds	1 871	2 157	1 998	1 913	1 872	1 803	2 390	2 818	2 407	1 689
Households	88 451	86 192	79 929	87 776	89 166	99 030	104 543	101 022	77 130	87 534
Non-profit institutions serving households	11 045	8 689	7 553	8 144	9 719	12 694	14 153	13 085	9 192	12 851
Rest of the world	201 429	115 263	51 075	30 393	18 164	26 103	23 441	51 308	7 644	2 264

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

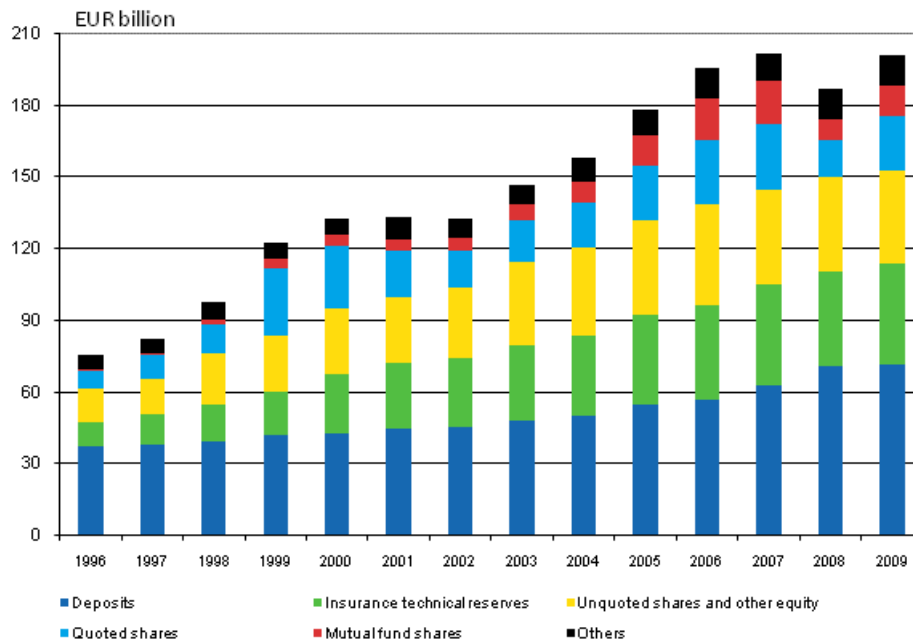
Sector	Year	Net incurrence of liabilities	Net acquisition of financial assets	Net financial transactions
Non-financial corporations and housing corporations	2006	19 282	19 939	657
	2007	23 359	23 327	-32
	2008	35 290	29 094	-6 196
	2009	-7 273	-10 537	-3 264
The central bank	2006	837	978	141
	2007	3 176	3 372	196
	2008	6 108	6 320	212
	2009	4 283	4 449	166
Other monetary financial institutions	2006	30 668	31 166	498
	2007	29 003	28 060	-943
	2008	32 246	32 849	603
	2009	13 398	14 387	989
Other financial intermediaries	2006	9 123	9 673	550
	2007	3 724	3 943	219
	2008	-5 340	-4 313	1 027
	2009	8 468	8 170	-298
Financial auxiliaries	2006	-316	117	433
	2007	15	266	251
	2008	184	-269	-453
	2009	-158	-285	-127
Insurance corporations	2006	1 495	1 433	-62
	2007	1 240	975	-265
	2008	1 207	1 347	140
	2009	2 878	2 622	-256
General government	2006	-809	5 973	6 782
	2007	-164	9 206	9 370
	2008	788	8 601	7 813
	2009	13 762	8 908	-4 854
Households	2006	11 835	8 501	-3 334
	2007	9 806	6 766	-3 040
	2008	8 778	4 473	-4 305
	2009	4 051	6 123	2 072
Rest of the world	2006	37 115	31 689	-5 426
	2007	28 562	23 348	-5 214
	2008	14 747	14 906	159
	2009	37 881	42 812	4 931

**Appendix table 9. Statistical discrepancy by sector, million EUR**

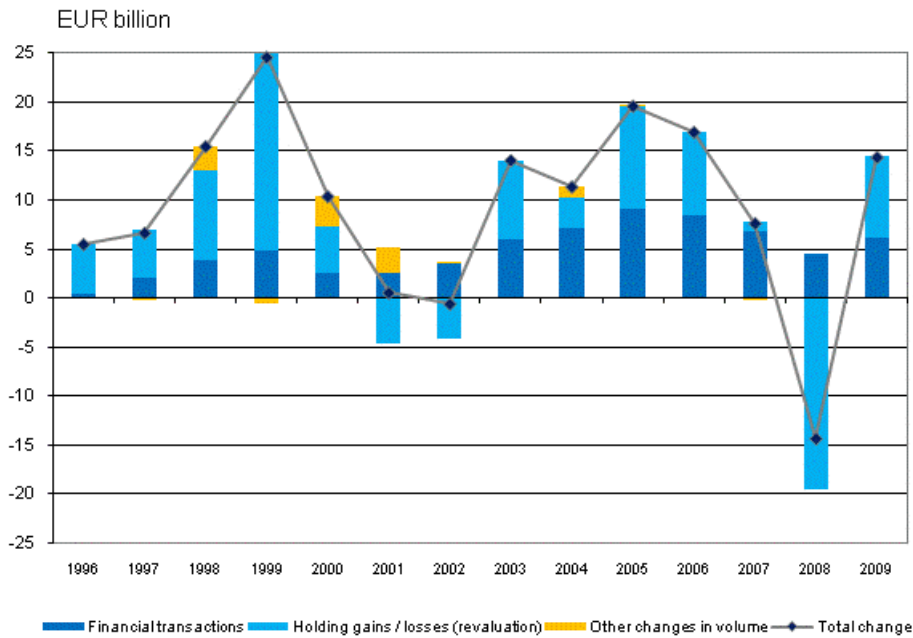
Sector	Instrument	Year									
		2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Non-financial corporations and housing corporations	Net financial transactions	4 749	7 495	3 659	6 442	3 111	784	657	-32	-6 196	-3 264
	Net lending	4 201	6 834	7 771	6 757	8 491	5 252	6 308	4 259	697	3 569
	Statistical discrepancy	-548	-661	4 112	315	5 380	4 468	5 651	4 291	6 893	6 833
Financial and insurance corporations	Net financial transactions	-595	-3 449	1 951	-938	185	288	1 560	-542	1 529	474
	Net lending	-11	506	1 357	-216	303	1 023	1 579	723	2 180	1 293
	Statistical discrepancy	584	3 955	-594	722	118	735	19	1 265	651	819
General government	Net financial transactions	8 666	7 206	5 643	3 217	3 748	3 462	6 782	9 370	7 813	-4 854
	Net lending	9 031	6 909	5 689	3 329	3 194	3 954	6 462	9 315	7 694	-4 691
	Statistical discrepancy	365	-297	46	112	-554	492	-320	-55	-119	163
Households	Net financial transactions	-1 526	-280	-2 336	-224	-2 854	-907	-3 334	-3 040	-4 305	2 072
	Net lending	-4 000	-2 926	-2 751	-2 561	-2 505	-4 863	-6 912	-6 849	-5 473	641
	Statistical discrepancy	-2 474	-2 646	-415	-2 337	349	-3 956	-3 578	-3 809	-1 168	-1 431
Non-profit institutions serving households	Net financial transactions	-521	65	866	28	993	734	-239	-542	1 000	641
	Net lending	949	532	309	227	250	371	398	252	395	178
	Statistical discrepancy	1 470	467	-557	199	-743	-363	637	794	-605	-463
Rest of the world	Net financial transactions	-10 773	-11 037	-9 783	-8 525	-5 183	-4 361	-5 426	-5 214	159	4 931
	Net lending	-10 170	-11 855	-12 375	-7 536	-9 733	-5 737	-7 835	-7 700	-6 561	-2 310
	Statistical discrepancy	603	-818	-2 592	989	-4 550	-1 376	-2 409	-2 486	-6 720	-7 241

# Appendix figures

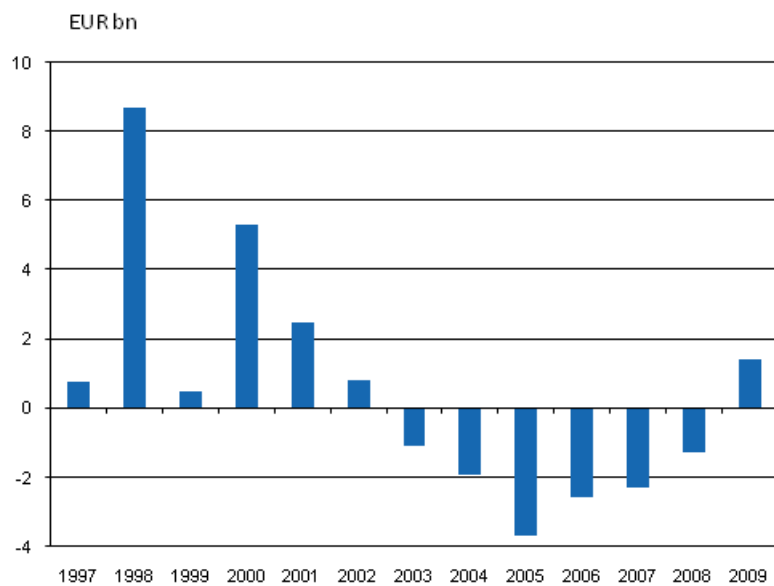
**Appendix figure 1. Financial assets of households**



**Appendix figure 2. Change in financial assets of households**

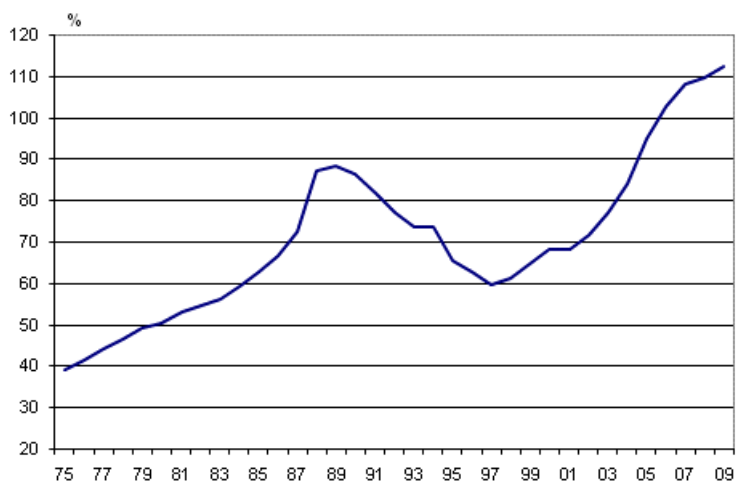


**Appendix figure 3. Emissions of quoted shares by non-financial corporations, net**



Emissions less buybacks of own shares

**Appendix figure 4. Households' indebtedness ratio 1975-2009**



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National Accounts 2010

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