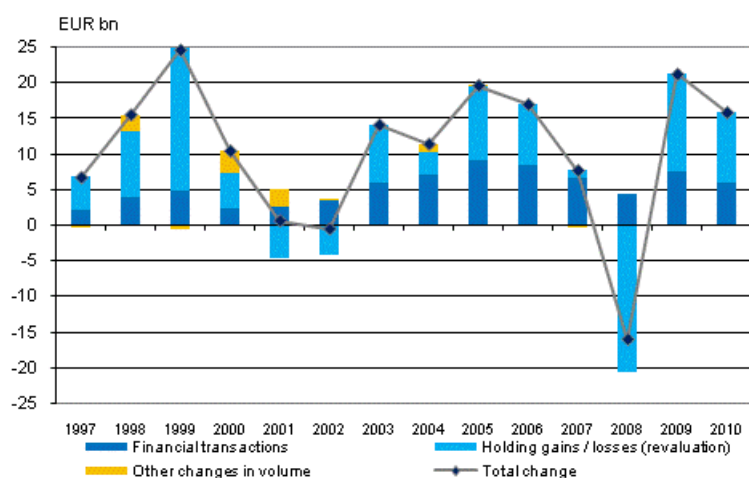


Financial Accounts 2010

Holding gains boosted households' financial assets last year

Households' financial assets stood at EUR 223 billion at the end of 2010. Their financial assets grew by EUR 16 billion from 2009. Most, or EUR 10 billion, of the growth were holding gains which came from the risen value of households' investments. Net investments, in turn, boosted households' financial assets by EUR 6 billion. This is indicated by Statistics Finland's financial accounts statistics.

Change in financial assets of households 1997-2010, EUR billion



Correction on 14 July 2011. The data on 2008 have been corrected in the figure.

Households favoured deposits

Households invested the largest amount of their assets in deposits. EUR 75 billion, or 34 per cent, of the EUR 223 billion of households' financial assets were deposits. Most of their net investments in 2010 were also directed to deposits. Besides deposits, at the end of the year households had EUR 44 billion invested in unquoted shares and equity, EUR 44 billion in insurance technical reserves, EUR 29 billion in quoted shares and EUR 14 billion in mutual fund shares. In addition, households had other financial assets to the value of EUR 16 billion.

Indebtedness went up again

At the end of 2010, households' loan debts amounted to EUR 111 billion. Loan debts increased by EUR 6 billion from the previous year. However, households' financial assets grew by more than their debts, so that households' net financial wealth increased by EUR 10 billion over the year. Indebtedness ratio, i.e. proportion of loans relative to disposable income, rose to 113.7 per cent.

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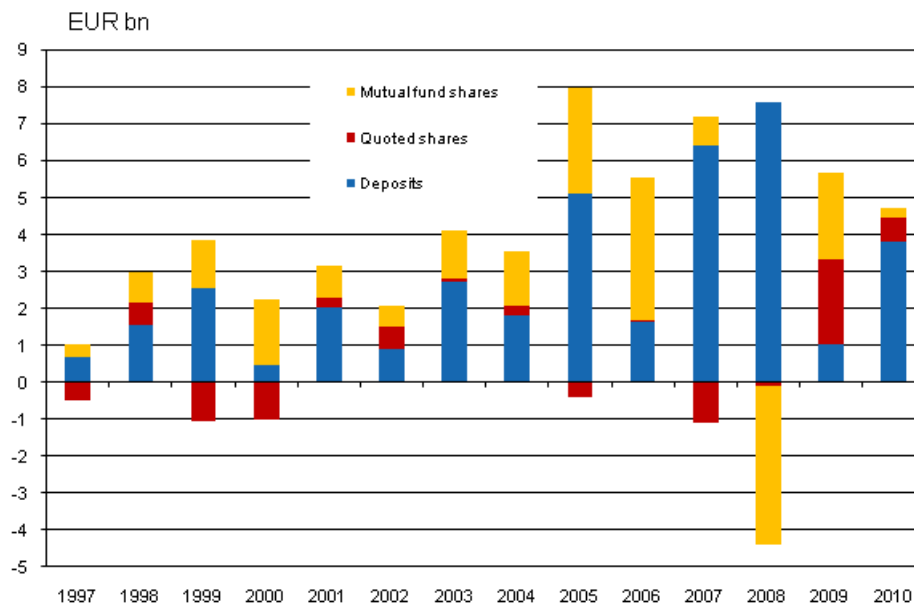
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1. Households' financial assets and liabilities grew in 2010

As in the previous year, holding gains boosted households' financial wealth in 2010. Households received EUR 10 billion of holding gains from their investments in shares and mutual funds. In addition, households acquired further financial assets to the net amount of EUR 6 billion last year, which is around EUR 1.5 billion less than in 2009.

Figure 1. Households' net acquisition of deposits, quoted shares and mutual funds, EUR billion



In 2010, the focus in households' investments shifted from shares and mutual funds back to deposits. Deposits have typically been the most important investment target of households, but in 2009 households favoured quoted shares and mutual fund shares. Especially households' net investments in mutual funds remained low last year. Buoyed by the risen level of interest rates, a transition took place in deposits from cash deposits to term deposits.

Overall, households' financial assets amounted to EUR 223 billion at the end of 2010. Of this amount, EUR 75 billion were deposits, EUR 44 billion unquoted shares and equity, EUR 44 billion insurance technical reserves, EUR 29 billion quoted shares and EUR 14 billion mutual fund shares. The value of other financial assets held by households was EUR 16 billion.

Households' debts also grew in 2010. Their loan debt increased by EUR 6 billion during 2010, reaching EUR 111 billion at the end of the year. Indebtedness rate, i.e. proportion of loans relative to disposable income, rose to 113.7 per cent from the previous year's 111.6 per cent. However, households' financial assets increased more than their debts, in consequence of which households' net wealth, i.e. difference between financial assets and liabilities, grew by EUR 10 billion from the previous year.

1.1. Government sector's balance sheet position improved

The government sector's balance sheet position improved in 2010. At the end of the year, the government sector's net financial assets amounted to EUR 116 billion, which was EUR 8 billion more than twelve months earlier. The increase in the net financial assets of general government came mainly from growth in the net financial assets of employment pension schemes. By contrast, the balance sheet position of central government weakened further.

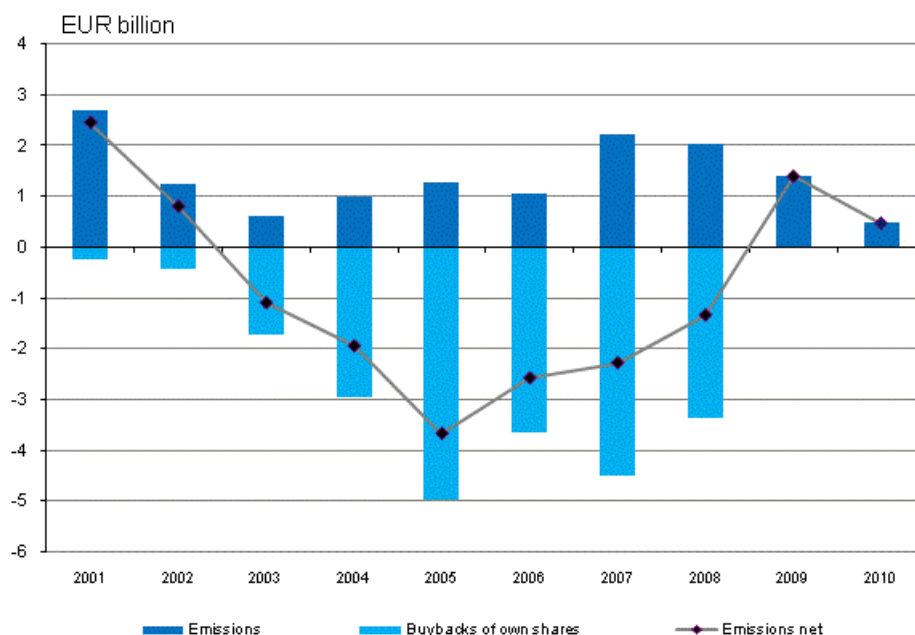
The net financial assets of employment pension schemes grew by EUR 15 billion, rising to EUR 135 billion at the end of the year. The strong growth of the net financial assets of employment pension schemes is largely explained by the risen market values of the shares and equity held by them. Employment pension schemes' holding gains totalled EUR 12 billion and their net investments EUR 3 billion in 2010. Employment pension schemes invested the largest amounts of their assets in foreign mutual fund shares and in domestic and foreign quoted shares.

The weakening of the central government's balance sheet position, which started in 2008, continued. Over the year, the central government's net financial assets decreased by EUR 7 billion, falling to EUR -22 billion. The fall in the central government's net financial assets is due to indebtedness, as the central government also accrued holding gains. In 2010, the central government's debt increased by EUR 13 billion and its holding gains amounted to EUR 3 billion.

1.2. Fairly low emissions of quoted shares

Non-financial corporations acquired financing by issuing new equity on the stock market in 2010. Quoted companies issued new shares to the value of EUR 0.5 billion but bought back hardly any own shares. From 2003 to 2008, non-financial corporations amortized their share debt by buying back more of their own shares than issuing them.

Figure 2. Emissions of quoted shares, EUR billion



Non-financial corporations also increased their debt financing during the year. Debt financing refers to the total of loan debts and financing in the form of debt securities. Over the year, non-financial corporations' loan debt grew by EUR 3 billion, rising to EUR 161 billion. In addition, non-financial corporations increased their debt by issuing bonds to the net amount of some EUR 2 billion.

1.3. Foreign bonds, shares and mutual funds were favoured

In 2010, Finnish investors' money flowed into foreign bonds, shares and mutual fund shares. Domestic investors acquired these foreign financial instruments to the value of EUR 39 billion, whereas the year before the respective acquisitions amounted to EUR 30 billion. Foreign bonds were acquired to the total value of EUR 23 billion, and shares and mutual fund shares each to the value of EUR 8 billion. Foreign bonds were invested in especially by deposit banks, foreign unquoted shares by non-financial corporations, and foreign mutual fund shares and quoted shares by employment pension schemes.

As in earlier years, foreign investors cut back their holdings in Finnish quoted shares. In all, Finnish quoted shares were sold to domestic investors to the net value of EUR 2 billion. At the end of the year, the value of the foreign ownership of quoted shares was EUR 73 billion. The proportion of foreign ownership of the value of Finnish quoted shares fell to 35 per cent.

1.4. Money flowed into domestic investment funds

Some EUR 3 billion new money flowed into domestic investment funds last year. Thus, domestic investment funds interested investors less than in 2009 when the net amount invested in them was nearly EUR 6 billion. Slightly under one-half of the investments in investment funds came from abroad but the funds also interested 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 9 billion, of which holding gains from investment portfolios made up EUR 6 billion.

Appendix tables

Appendix table 1. Financial assets of households, million EUR

Instrument	Year									
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Assets and liabilities total	133 214	132 661	146 741	158 124	178 011	195 362	201 643	185 557	206 800	222 619
Currency	1 287	1 439	1 668	1 964	2 487	2 538	3 037	3 336	3 899	3 938
Transferable deposits	33 864	34 686	37 465	39 602	41 778	42 137	42 921	45 324	55 019	40 323
Other deposits	10 564	10 617	10 538	10 216	13 143	14 431	20 050	25 226	16 562	35 145
Bonds	1 975	1 376	1 390	2 480	2 857	4 251	3 330	3 783	4 860	6 205
Derivative instruments	0	0	0	176	283	388	142	30	0	31
Loans	416	471	575	626	771	1 046	143	317	92	0
Quoted shares	18 987	15 269	17 625	18 700	22 617	26 987	27 114	15 021	22 982	29 312
Unquoted shares	27 678	29 475	34 693	36 678	39 693	41 773	39 650	38 765	42 324	44 120
Mutual funds shares	5 258	4 912	6 573	8 992	12 930	17 639	18 056	9 115	12 778	14 439
Insurance technical reserves	27 679	29 080	31 596	33 812	37 314	39 859	42 184	39 646	42 795	43 676
Other accounts receivable and payable	5 506	5 336	4 618	4 878	4 138	4 313	5 016	4 994	5 489	5 430

Appendix table 2. Liabilities of households, million EUR

Instrument	Year									
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Liabilities total	47 022	52 732	58 965	68 958	78 981	90 819	100 621	109 427	113 441	119 663
Loans	44 723	49 458	56 070	64 249	73 646	83 142	92 587	99 340	104 771	111 051
Other liabilities	2 299	3 274	2 895	4 709	5 335	7 677	8 034	10 087	8 670	8 612

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

Instrument	Year									
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Assets and liabilities total	2 569	3 521	6 009	7 149	9 116	8 501	6 766	4 473	7 540	5 884
Currency	-358	110	229	296	523	51	499	299	419	40
Transferable deposits	1 531	822	2 779	2 137	2 176	359	784	2 403	9 695	1 463
Other deposits	494	53	-79	-322	2 927	1 288	5 619	5 176	-8 664	2 329
Bonds	941	133	-682	785	385	1 404	-673	665	505	1 062
Loans	40	55	104	51	145	275	-903	174	-225	0
Quoted shares	273	630	80	242	-398	10	-1 123	-93	2 276	654
Unquoted shares	-3 434	-227	727	113	-1 887	-572	-985	-1 199	-1 006	-1 105
Mutual funds shares	834	564	1 305	1 497	2 877	3 862	786	-4 334	2 364	287
Insurance technical reserves	2 268	1 555	2 264	2 090	3 108	1 649	2 061	1 404	1 627	1 211
Other accounts receivable and payable	-20	-174	-718	260	-740	175	701	-22	549	-57

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

Instrument	Year									
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Liabilities total	2 849	5 857	6 233	10 003	10 023	11 835	9 806	8 778	4 051	6 242
Loans	2 695	4 882	6 612	8 180	9 397	9 496	9 445	6 726	5 468	6 300
Other liabilities	154	975	-379	1 823	626	2 339	361	2 052	-1 417	-58

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

Instrument	Year									
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Assets and liabilities total	190 014	194 882	210 886	214 297	223 708	244 621	270 621	292 004	279 090	302 156
Currency and transferable deposits	11 924	12 000	16 184	14 030	12 496	13 570	17 271	22 261	21 987	27 892
Money-market instruments	1 216	2 366	2 176	3 199	2 761	2 926	1 651	1 864	2 134	3 894
Bonds	8 538	8 006	5 010	3 250	2 719	2 293	1 324	1 523	1 443	2 518
Derivative instruments	624	1 768	1 582	2 392	1 991	1 672	3 073	5 509	3 483	3 841
Loans	61 716	65 719	74 470	74 561	71 084	70 650	79 450	87 811	76 406	76 084
Quoted shares	11 432	10 324	9 125	7 128	8 768	9 678	9 462	4 587	8 300	10 734
Unquoted shares	54 304	56 160	60 707	63 295	70 609	81 034	90 311	103 807	105 143	113 204
Other equities	316	315	347	388	509	848	724	748	930	1 919
Mutual funds shares	2 347	2 449	3 730	4 442	5 525	6 930	6 732	1 685	2 684	4 517
Insurance technical reserves	1 909	2 190	2 260	2 432	2 298	2 550	1 875	1 845	1 824	1 880
Other accounts receivable and payable	35 688	33 585	35 295	39 180	44 948	52 470	58 748	60 364	54 756	55 673

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

Instrument	Year									
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Assets and liabilities total	437 528	370 638	382 422	393 018	444 663	493 427	561 716	475 565	481 311	518 552
Money-market instruments	1 942	2 370	3 278	3 361	4 711	4 956	5 369	4 188	4 562	4 217
Bonds	14 847	16 026	15 732	16 012	17 140	17 426	17 269	17 024	22 060	23 401
Derivative instruments	555	803	1 439	1 529	2 163	1 363	1 422	5 000	3 956	3 742
Loans	98 110	99 392	104 284	110 356	111 217	123 066	139 865	173 444	158 027	160 810
Quoted shares	206 578	132 723	126 817	124 106	160 041	183 990	224 286	98 450	118 521	142 269
Unquoted shares	70 887	74 539	81 561	85 595	92 701	100 603	107 303	107 634	110 532	115 758
Other equities	11 822	12 280	15 005	15 765	17 169	17 189	16 902	17 532	16 259	15 519
Other accounts receivable and payable	32 787	32 505	34 306	36 294	39 521	44 834	49 300	52 293	47 394	52 836
Net financial assets	-247 514	-175 756	-171 536	-178 721	-220 955	-248 806	-291 095	-183 561	-202 221	-216 396

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	-247 514	-175 756	-171 536	-178 721	-220 955	-248 806	-291 095	-183 561	-202 221	-216 396
Housing corporations	-11 294	-11 831	-11 866	-11 364	-11 291	-11 238	-11 350	-11 514	-12 689	-13 605
The central bank	4 774	4 585	4 445	4 230	5 018	4 680	4 439	4 826	5 781	6 572
Deposit banks	635	786	848	1 002	-43	-813	70	480	545	-4
Money market funds	0	0	0	0	0	0	0	0	2	29
Other monetary financial institutions practising financial intermediation	291	467	335	209	243	455	522	270	371	-160
Other financial intermediaries including mutual funds	-2 741	-2 117	-3 035	-4 821	-5 858	-5 741	-2 282	-1 871	-3 887	472
Financial auxiliaries	168	245	194	284	660	859	1 295	-1 190	-3 178	-706
Insurance corporations and voluntary pension funds	1 452	1 531	892	542	2 027	3 386	1 787	302	-51	336
Central government	-28 274	-28 957	-23 858	-20 055	-11 773	-3 043	2 806	-10 822	-15 026	-22 221
Local government	4 522	4 813	4 386	3 835	3 361	3 835	3 520	2 584	1 135	1 153
Employment pension schemes	65 680	67 133	73 506	85 416	98 849	111 898	121 271	102 672	120 473	135 491
Other social security funds	2 157	1 998	1 913	1 872	1 803	2 390	2 818	2 407	1 689	1 819
Households	86 192	79 929	87 776	89 166	99 030	104 543	101 022	76 130	93 359	102 956
Non-profit institutions serving households	8 689	7 553	8 144	9 719	12 694	14 153	13 085	9 192	12 851	14 695
Rest of the world	115 263	49 621	27 856	18 686	26 235	23 442	52 092	10 095	840	-10 431

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

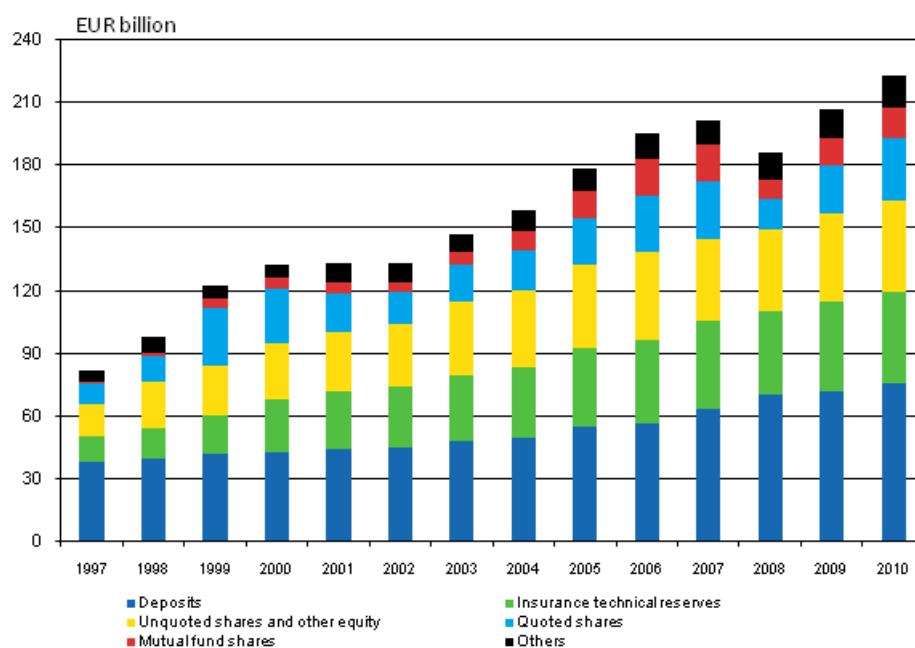
Sector	Year	Net incurrence of liabilities	Net acquisition of financial assets	Net financial transactions
Non-financial corporations and housing corporations	2007	22 373	22 596	223
	2008	33 546	28 999	-4 547
	2009	-7 186	-11 392	-4 206
	2010	10 175	14 062	3 887
The central bank	2007	2 960	3 878	918
	2008	6 540	6 873	333
	2009	4 283	4 449	166
	2010	8 092	8 725	633
Other monetary financial institutions	2007	29 003	28 060	-943
	2008	33 635	32 849	-786
	2009	13 213	14 387	1 174
	2010	56 517	56 224	-293
Other financial intermediaries	2007	3 724	3 943	219
	2008	-5 340	-4 313	1027
	2009	8 468	8 170	-298
	2010	5 505	6 821	1 316
Financial auxiliaries	2007	15	266	251
	2008	184	-269	-453
	2009	-158	-285	-127
	2010	48	757	709
Insurance corporations	2007	1 240	975	-265
	2008	1 207	1 347	140
	2009	2 890	2 629	-261
	2010	1 893	1 440	-453
General government	2007	-164	9 206	9 370
	2008	788	8 601	7 813
	2009	13 501	8 908	-4 593
	2010	11 886	6 348	-5 538
Households	2007	9 806	6 766	-3 040
	2008	8 778	4 473	-4 305
	2009	4 051	7 540	3 489
	2010	6 242	5 884	-358
Rest of the world	2007	34 919	28 728	-6 191
	2008	27 709	27 487	-222
	2009	32 327	36 342	4 015
	2010	65 930	66 132	202

Appendix table 9. Statistical discrepancy by sector, million EUR

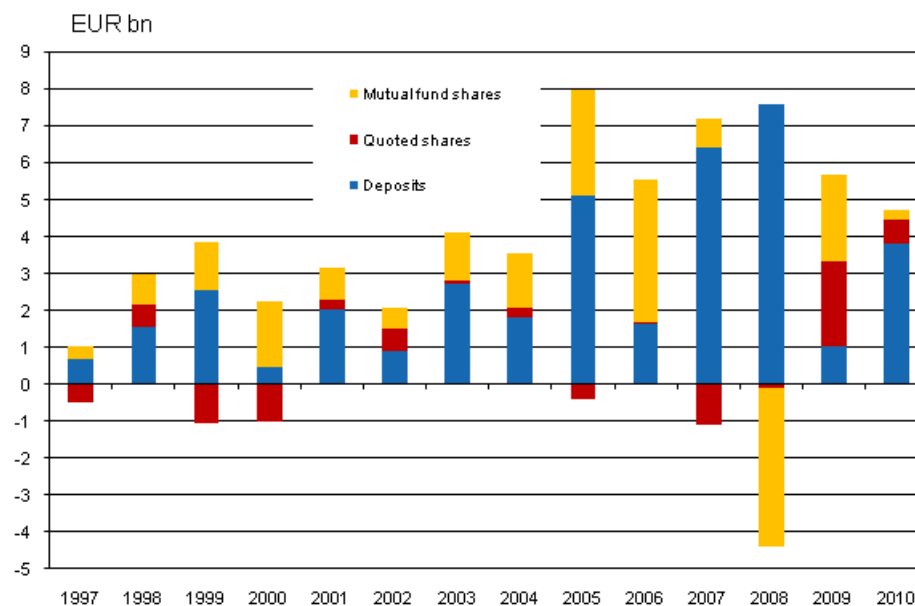
Sector	Instrument	Year									
		2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Non-financial corporations and housing corporations	Net financial transactions	7 495	5 017	8 195	3 716	644	-588	223	-4 547	-4 206	3 887
	Net lending	6 676	7 564	6 541	8 264	5 038	6 086	4 053	1 206	7 842	10 164
	Statistical discrepancy	-819	2 547	-1 654	4 548	4 394	6 674	3 830	5 753	12 048	6 277
Financial and insurance corporations	Net financial transactions	-3 449	1 951	-938	185	310	908	180	261	654	1 912
	Net lending	505	1 359	-215	304	1 024	1 579	724	2 141	1 092	1 052
	Statistical discrepancy	3 954	-592	723	119	714	671	544	1 880	438	-860
General government	Net financial transactions	7 206	5 643	3 217	3 748	3 462	6 782	9 370	7 813	-4 593	-5 538
	Net lending	7 074	5 900	3 550	3 425	4 172	6 690	9 525	7 882	-4 695	-5 109
	Statistical discrepancy	-132	257	333	-323	710	-92	155	69	-102	429
Households	Net financial transactions	-280	-2 336	-224	-2 854	-907	-3 334	-3 040	-4 305	3 489	-358
	Net lending	-2 926	-2 751	-2 561	-2 505	-4 863	-6 912	-6 849	-5 558	735	-1 165
	Statistical discrepancy	-2 646	-415	-2 337	349	-3 956	-3 578	-3 809	-1 253	-2 754	-807
Non-profit institutions serving households	Net financial transactions	65	866	28	993	734	-239	-542	1 000	641	-105
	Net lending	526	303	221	245	366	392	247	408	225	86
	Statistical discrepancy	461	-563	193	-748	-368	631	789	-592	-416	191
Rest of the world	Net financial transactions	-11 037	-11 141	-10 278	-5 788	-4 243	-3 529	-6 191	-222	4 015	202
	Net lending	-11 855	-12 375	-7 536	-9 733	-5 737	-7 835	-7 700	-6 141	-4 133	-3 594
	Statistical discrepancy	-818	-1 234	2 742	-3 945	-1 494	-4 306	-1 509	-5 919	-8 148	-3 796

Appendix figures

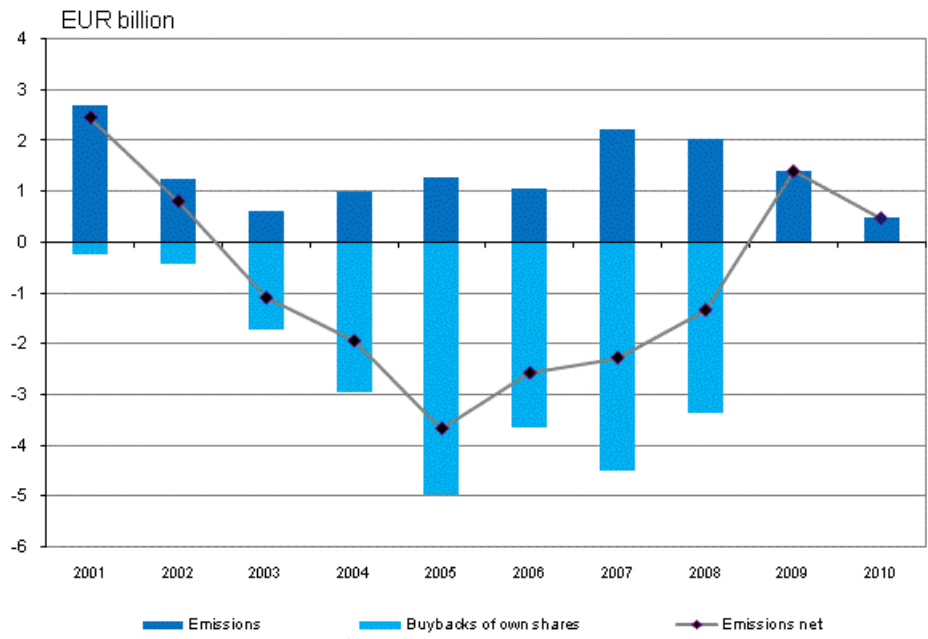
Appendix figure 1. Financial assets of households, EUR billion



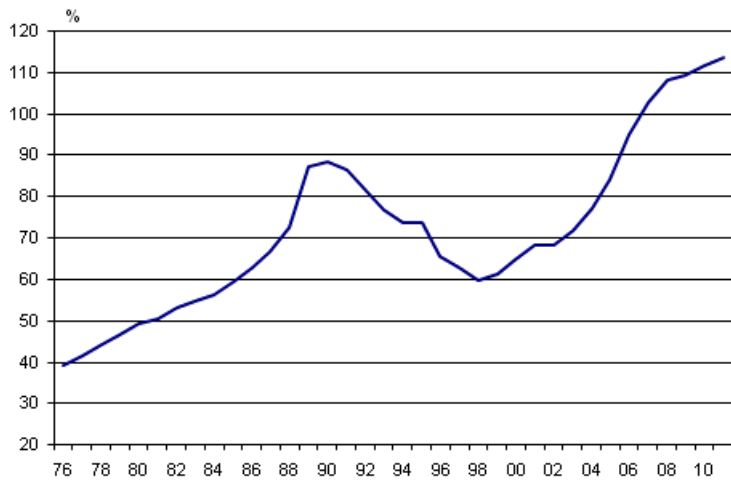
Appendix figure 2. Households' net acquisition of deposits, quoted shares and mutual funds, EUR billion



Appendix figure 3. Emissions of quoted shares, EUR billion



Appendix figure 4. Households' indebtedness ratio 1976-2010



Suomen virallinen tilasto
Finlands officiella statistik
Official Statistics of Finland

National Accounts 2011

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Source: Financial Accounts, Statistics Finland