

Financial Accounts 2014

Growth in households' assets rested on holding gains in 2014

Households' financial assets stood at EUR 262 billion and other assets at EUR 420 billion at the end of 2014. The increase in financial assets was EUR 7 billion during the year and EUR five billion in non-financial assets. The most important items in non-financial assets are buildings and land. Households' debts also grew. The increase amounted to EUR five billion while the level rose to EUR 142 billion. Households' financial assets calculated as the total of financial assets and liabilities and non-financial assets amounted to EUR 540 billion at the end of 2014. The growth from 2013 amounted to EUR 7 billion. A majority of this was generated from holding gains on financial assets. The data appear from Statistics Finland's financial accounts statistics.

Households' financial assets and liabilities, non-financial assets and net worth 2010–2014, EUR billion



Households' investment in financial assets declining

Households' net investments in financial assets were close on EUR one million negative. Even though indebtedness also continued to grow, favourable stock market price development and an increase in other

assets ensured that households' total assets improved also in 2014. This happened despite the fact that the amount of holding gains was halved from 2013. Households received EUR eight billion in holding gains in 2014. Holding gains were generated in particular from quoted shares and fund shares.

In terms of financial assets, there were shifts between various financial instruments. The popularity of cash deposits continued growing at the expense of fixed-term deposits also in 2014. In 2014, a similar shift also took place from quoted shares to fund shares.

Despite the growth in quoted shares and fund shares, deposits still remain the most important financial asset for households. The share of deposits of all households' financial assets stood at 30 per cent at year-end.

Indebtedness grew

Households' loan debts stood at over EUR 132 billion at the end of 2014. Households' loan debts grew by EUR 4.7 billion during 2014. This boosted households' indebtedness by 3.7 percentage points to 121.7 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.

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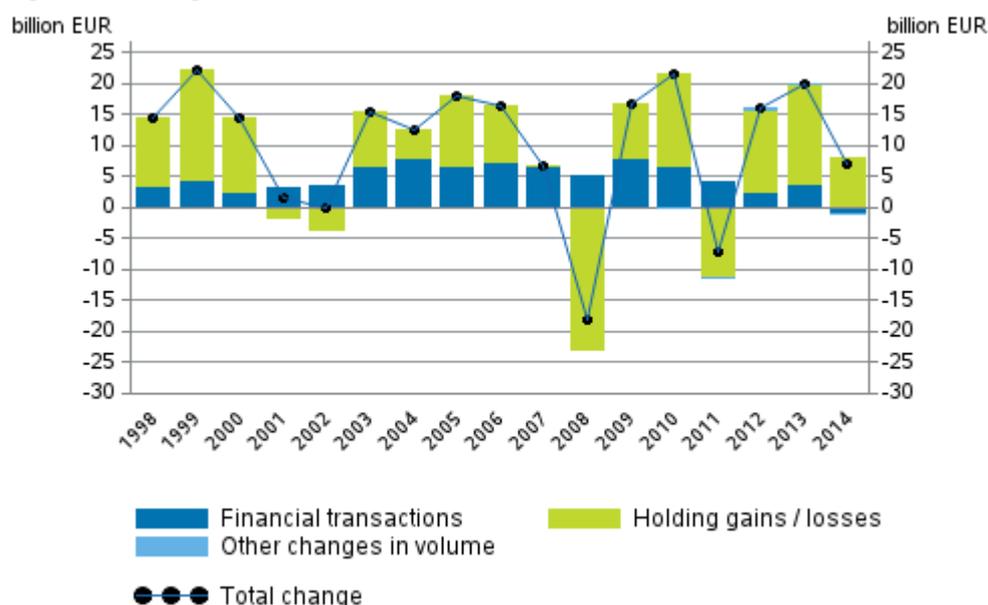
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1. Holding gains helped maintain the growth in households' net financial assets in 2014

Households' financial assets grew by EUR seven billion in 2014. This happened despite the fact that households' net investments in financial assets were close on EUR one billion negative. The growth in financial assets was particularly caused by holding gains generated by higher stock market prices. Altogether, households' holding gains amounted to EUR eight billion in 2014. This was, however, only around one-half of the 2013 level when the rise in stock market prices was even brisker.

When examining the overall development of financial assets and liabilities, holding gains helped keep households' net financial assets on the growth path. As households' borrowing amounted to EUR five billion in 2014, net financial assets grew by EUR two billion and amounted to close on EUR 120 billion.

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



Even though households' net investments as whole in all financial assets decreased in 2014, investment in some financial instruments increased. In terms of deposits, the shift in focus from fixed-term deposits to cash deposits that has been visible for a couple of years continued. Households withdrew nearly EUR four billion from fixed-term deposits while their cash deposits increased by more than EUR three billion.

Households also withdrew assets from quoted shares but continued to acquire mutual fund shares as in previous years. In terms of quoted shares, the net decrease was around EUR two billion while EUR 1.3 billion was invested in mutual fund shares.

Overall, households' financial assets amounted to EUR 262 billion at the end of 2014. Of these, EUR 79 billion were deposits, EUR 65 billion unquoted shares and equity, EUR 48 billion insurance and pension technical reserves, EUR 29 billion quoted shares, and almost EUR 19 billion mutual fund shares. The value of other financial assets held by households was EUR 21 billion. Households' shares in housing companies are not recorded in financial accounts as financial assets.

Households' debts continued to grow, now slightly faster than in 2013. Their loan debt increased by EUR 4.7 billion during 2014, reaching over EUR 132 billion at the end of the year. The indebtedness rate, i.e. the proportion of loans relative to disposable income, rose by 3.7 percentage points to 121.7 per cent. As a result of holding gains, households' financial assets increased more than their debts. Thus households' net financial assets grew by EUR two billion to close on EUR 120 billion.

1.1. General government's financial position remained unchanged

General government's financial position remained roughly at last year's level growing by good EUR one billion in 2014. This is the case despite the fact that the net financial assets of central government declined by EUR 10 billion. At the end of 2014, general government's financial assets stood at EUR 111 billion. The fact that all general government was able to maintain their financial position is explained by an increase of EUR 12 billion in the net financial assets of employment pension schemes that belong to social security funds. The decrease in local government's net financial assets slowed down and the decline amounted only to EUR 0.2 billion.

The weakening of the central government's balance sheet position which started in 2008 steepened. During 2014, central government's net financial assets contracted by EUR 10 billion to EUR -59 billion. The speed actually exceeded the 2012 level when net financial assets decreased by close on EUR eight billion. The main reason for decreasing net financial assets was that the central government accumulated assets by issuing bonds.

During 2014, net financial assets of employment pension schemes increased from EUR 158 billion to EUR 170 billion. The growth in employment pension schemes' net financial assets was caused by considerable holding gains. The fact that the market value of quoted shares and fund shares owned by employment pension schemes grew by more than EUR 10 billion was mainly responsible for the growth in net financial assets in the sector.

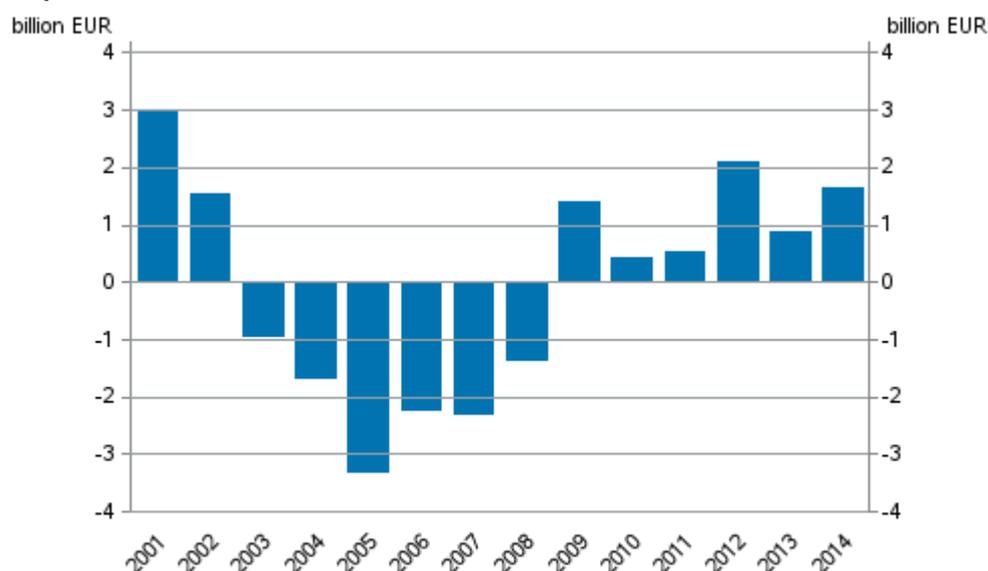
Employment pension schemes' net investments in financial assets decreased from over EUR six billion in 2013 to zero in 2014. In 2014, employment pension schemes' financial asset investments focused on unquoted shares and fund shares while, for example, net transactions in debt securities and quoted shares turned negative.

1.2. Non-financial corporations decreased debt financing

Non-financial corporations' debt financing decreased during 2014. Debt financing refers to the total of loan debts and financing in the form of debt securities. Over the year, non-financial corporations' debt financing decreased from EUR 216 billion to EUR 205 billion. Non-financial corporations reduced both their loan debts and financing in the form of debt securities.

Non-financial corporations doubled their acquisition financing through issuing new equity on the stock market from 2013. In 2014, quoted enterprises issued new shares to the total net value of EUR 1.6 billion. Negative figures for previous years are related to buybacks of own shares.

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



1.3. Growth in domestic mutual funds continued

Domestic mutual funds grew by a total of EUR 10 billion in 2014. One-half of the growth was generated through net investments while the other half consisted of holding gains from funds. Particularly financial and insurance corporations, as well as households invested in investment funds during the year.

1.4. Foreign holdings in Finnish quoted shares rose to 50 per cent

Foreign net investments to Finland were EUR 16 billion. Foreign investors particularly increased their holdings in Finnish debt securities and quoted shares last year. The share of loans in foreign investments was also considerable.

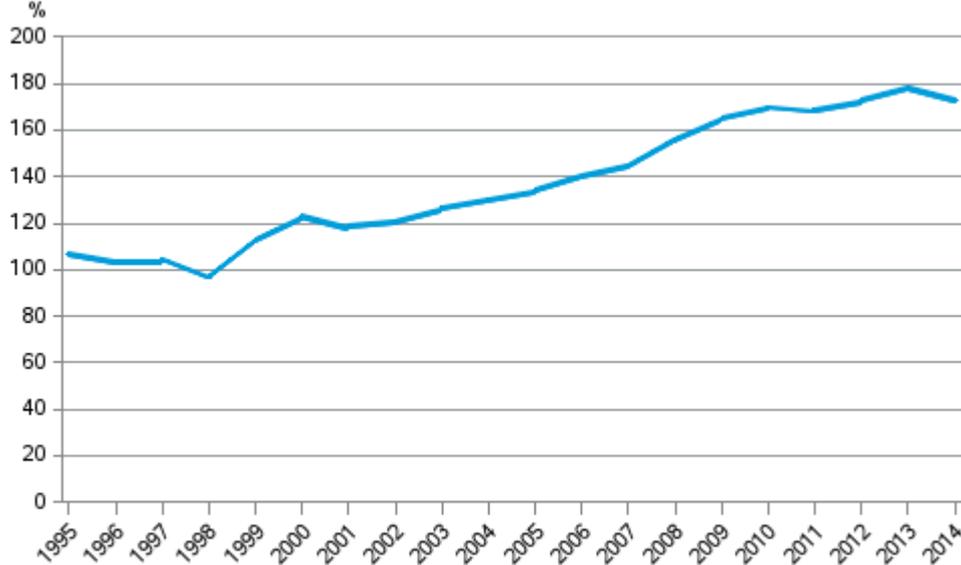
At the end of the year, the value of foreign share holdings in Finnish quoted shares was EUR 79 billion. The proportion of foreign ownership of the value of Finnish quoted shares increased by three percentage points to 50 per cent.

Of foreign investment instruments, particularly bonds and shares were favoured by Finns in 2014. At the end of the year, Finnish units owned EUR 61 billion worth of foreign quoted shares and EUR 79 billion worth of domestic quoted shares. Finns owned EUR 85 billion in foreign fund shares while the level for domestic fund shares was EUR 72 billion. The growth of over EUR 12 billion in foreign fund shares owned by Finns was mainly generated through holding gains as actual net investments of domestic investors in foreign funds was only around EUR one billion.

1.5. Private sector debt decreased

Private sector debt declined by EUR six billion last year. Simultaneously, the GDP share of the debt fell by five percentage points to 172.9 per cent, which is close to the 2012 level. 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.

Figure 3. Non-consolidated private sector debt as percentage of GDP



Appendix tables

Appendix table 1. Financial assets of households, million EUR

Instrument	Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
AF0 Assets and liabilities total	181 232	197 513	204 187	186 063	202 922	224 548	217 309	233 315	254 439	261 562
AF21 Currency	2 509	2 255	2 704	2 978	3 468	3 938	4 735	5 239	5 469	6 069
AF22 Transferable deposits	33 316	32 870	32 573	32 275	38 813	40 327	41 706	46 183	49 793	53 071
AF29 Other deposits	21 799	23 321	30 348	38 325	32 514	35 145	38 538	34 019	30 018	26 281
AF3 Money-market instruments and bonds	2 849	4 354	4 147	3 603	4 288	5 293	4 941	5 633	7 151	8 865
AF4 Loans	655	672	0	0	0	0	0	0	0	0
AF511 Quoted shares	22 750	27 133	27 234	14 771	23 014	30 024	21 906	25 101	29 389	29 194
AF512 Unquoted shares	29 730	31 790	29 733	28 216	32 143	33 801	33 912	40 121	50 028	51 429
AF519 Other equities	9 963	9 983	10 188	10 627	10 647	12 636	12 127	11 525	13 159	13 883
AF52 Mutual fund shares	13 233	18 009	18 217	9 115	12 779	15 463	12 541	14 912	16 424	18 786
AF6 Insurance, pension and standardised guarantee schemes	40 030	42 564	44 118	41 179	39 749	42 500	41 311	44 609	46 777	47 934
AF7 Financial derivatives and employee stock options	264	277	142	30	36	31	18	1	0	0
AF8 Other accounts receivable and payable	4 134	4 285	4 783	4 944	5 471	5 390	5 574	5 972	6 231	6 050

Appendix table 2. Financial liabilities of households, million EUR

Instrument	Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Liabilities total	79 862	91 685	101 245	109 666	113 733	120 633	127 160	133 709	136 757	141 785
Loans	74 527	84 008	93 210	100 057	105 399	112 021	118 264	124 520	127 758	132 421
Other liabilities	5 335	7 677	8 035	9 609	8 334	8 612	8 896	9 189	8 999	9 364

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

Instrument	Year										
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	
AF0 Assets and liabilities total	6 538	6 954	6 510	4 978	7 686	6 331	4 197	2 258	3 359	-892	
AF21 Currency	787	-254	449	274	490	470	797	504	230	600	
AF22 Transferable deposits	2 271	-445	-296	-298	6 542	2 305	1 401	4 402	3 511	3 192	
AF29 Other deposits	1 146	1 522	7 027	7 977	-5 811	1 912	3 391	-4 505	-3 998	-3 726	
AF31 Money-market instruments	-7	28	202	-203	21	16	-13	-7	0	-20	
AF32 Bonds	385	1 481	-228	919	878	293	-273	586	980	339	
AF4 Loans	29	18	-672	0	0	0	0	0	0	0	
AF511 Quoted shares	-311	10	-1 071	450	2 275	692	615	912	182	-2 062	
AF512 Unquoted shares	-2 016	-701	-1 042	-1 277	-1 047	-1 482	-933	-1 960	-664	-506	

Instrument	Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
AF519 Other equities	129	128	57	78	41	60	0	16	51	0
AF52 Mutual fund shares	2 610	3 675	528	-4 058	2 263	206	-1 460	911	1 188	1 249
AF6 Insurance, pension and standardised guarantee schemes	2 257	1 337	1 061	949	1 508	1 940	560	1 001	1 620	194
AF7 Financial derivatives and employee stock options	0	0	0	0	0	0	0	0	0	0
AF8 Other accounts receivable and payable	-742	155	495	167	526	-81	112	398	259	-152

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

Instrument	Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Liabilities total	11 001	11 848	9 714	8 417	4 264	6 540	6 559	6 648	3 198	4 827
Loans	10 365	9 507	9 352	6 844	5 541	6 262	6 275	6 355	3 388	4 464
Other liabilities	633	2 344	358	1 573	-1 277	278	284	293	-190	363

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

Instrument	Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
AF0 Assets and liabilities total	224 824	245 359	272 826	296 831	282 587	313 518	319 870	328 017	327 741	327 066
AF2 Currency and deposits	16 079	17 546	21 897	24 713	24 029	26 213	25 466	27 949	28 374	31 279
AF31 Money-market instruments	3 435	3 074	2 603	2 859	3 985	2 473	1 457	617	785	1 828
AF32 Bonds	2 586	1 218	637	756	755	2 205	1 731	2 745	3 285	2 775
AF4 Loans	67 131	67 598	75 126	84 600	72 793	78 085	81 416	87 499	93 705	78 330
AF511 Quoted shares	9 065	9 760	9 598	5 732	9 604	10 725	8 231	8 913	9 714	10 583
AF512 Unquoted shares	70 975	80 849	90 105	104 198	104 898	120 790	119 706	125 232	116 295	121 619
AF519 Other equities	560	848	820	832	907	1 919	1 230	954	2 073	2 376
AF52 Mutual fund shares	5 612	7 062	6 997	3 422	3 924	4 609	4 006	4 206	4 840	5 844
AF6 Insurance, pension and standardised guarantee schemes	2 474	2 632	2 765	2 818	2 787	2 829	3 019	3 093	3 006	3 462
AF7 Financial derivatives and employee stock options	2 142	2 527	3 777	6 341	4 142	3 858	5 819	5 931	2 418	6 006
AF8 Other accounts receivable and payable	44 765	52 245	58 501	60 560	54 763	59 812	67 789	60 878	63 246	62 964

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

Instrument	Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
AF0 Assets and liabilities total	443 455	492 895	562 576	468 440	474 374	527 330	491 939	506 027	551 891	558 522
AF31 Money-market instruments	6 315	5 925	6 673	5 107	6 298	4 307	5 424	5 217	4 824	4 403
AF32 Bonds	15 186	17 264	17 494	10 810	16 093	23 532	22 937	27 814	31 888	28 716
AF4 Loans	110 611	120 653	138 142	171 373	155 327	160 504	168 033	169 573	178 834	171 760
AF511 Quoted shares	160 025	183 973	224 270	98 442	118 507	142 260	94 879	102 518	127 628	135 879
AF512 Unquoted shares	92 198	100 043	106 689	107 037	109 801	125 203	126 983	131 747	137 611	145 641
AF519 Other equities	16 860	16 872	16 516	17 109	15 873	16 167	13 574	13 868	16 087	13 619
AF7 Financial derivatives and employee stock options	2 931	3 567	3 742	5 837	4 381	4 121	6 362	5 114	2 412	4 373
AF8 Other accounts receivable and payable	39 329	44 598	49 050	52 725	48 094	51 236	53 747	50 176	52 607	54 131
Net financial assets	-218 631	-247 536	-289 750	-171 609	-191 787	-213 811	-172 068	-178 009	-224 149	-231 455

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

Sector	Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
S111 Non-financial corporations excl. housing corporations	-218 631	-247 536	-289 750	-171 609	-191 787	-213 811	-172 068	-178 009	-224 149	-231 455
S112 Housing corporations	-11 264	-11 431	-11 360	-11 605	-12 937	-13 757	-14 111	-14 068	-13 925	-13 827
S121 Central bank	2 792	5 071	4 950	5 393	5 933	8 567	6 971	10 213	5 909	7 561
S1221 Deposit banks	1 646	1 101	1 751	827	-59 313	10 458	7 023	1 394	3 339	3 766
S1222+S1223 Other credit institutions and other monetary financial institutions	-856	-524	-563	590	-428	-6 786	-1 047	191	460	860
S123 Money market funds (MMF)	-32	-33	38	433	186	180	135	56	0	-39
S124 Collective investment schemes, excl. money market funds	-239	-434	-882	-970	-1 415	-556	147	-221	-299	-248
S125+S126+S127 Other financial intermediaries, financial auxiliaries and captive financial institutions and money lenders	-4 065	-4 110	163	-7 643	-13 248	-5 242	-8 602	-7 357	-10 519	-9 756
S128 Insurance corporations	-277	821	-824	-1 918	2 219	3 117	3 207	4 282	3 663	2 806
S129 Pension funds	-963	-909	-687	-919	-725	508	257	-165	-682	4
S1311 Central government	-11 843	-3 114	2 736	-10 894	-15 101	-22 862	-40 216	-47 845	-49 044	-59 150
S1313 Local government	3 278	3 649	3 331	2 358	887	981	1 038	-1 422	-2 488	-2 665
S13141 Employment pension schemes	98 980	112 154	121 621	103 194	120 840	135 901	133 815	147 172	158 303	170 361
S13149 Other social security funds	1 672	2 134	2 432	2 135	1 350	1 532	1 389	2 593	2 763	2 342
S14 Households	101 370	105 828	102 942	76 397	89 189	103 915	90 149	99 606	117 682	119 777
S15 Non-profit institutions serving households	12 498	14 034	13 097	9 306	12 591	14 685	11 841	12 483	16 427	16 632
S2 Rest of the world	25 934	23 299	51 005	4 925	61 760	-16 828	-19 929	-28 902	-7 439	-6 968

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	2011	9 644	7 564	-2 080
	2012	6 443	1 050	-5 392
	2013	9 730	-419	-10 149
	2014	-1 776	6 450	8 226
S121+S122+S123 Monetary financial institutions	2011	134 699	130 606	-4 092
	2012	17 546	21 800	4 254
	2013	-72 917	-70 887	2 030
	2014	10 963	8 338	-2 625
S124 Collective investment schemes, excl. money market funds	2011	-1 945	-1 882	63
	2012	6 462	8 637	2 175
	2013	5 003	6 030	1 027
	2014	5 119	5 784	665
S125+S126+S127 Other financial intermediaries, financial auxiliaries and captive financial institutions and money lenders	2011	1 214	1 449	235
	2012	1 192	1 949	757
	2013	2 802	2 330	-472
	2014	4 432	8 873	4 441
S13 General government	2011	7 939	5 625	-2 314
	2012	10 442	6 209	-4 233
	2013	9 633	5 244	-4 388
	2014	5 667	-1 832	-7 500
S14 Households	2011	6 559	4 197	-2 361
	2012	6 648	2 258	-4 389
	2013	3 198	3 359	161
	2014	4 827	-892	-5 719
S2 Rest of the world	2011	53 398	64 537	11 139
	2012	24 886	30 931	6 044
	2013	-21 916	-8 889	13 027
	2014	11 737	16 077	4 340

Appendix table 9. Statistical discrepancy by sector, million EUR

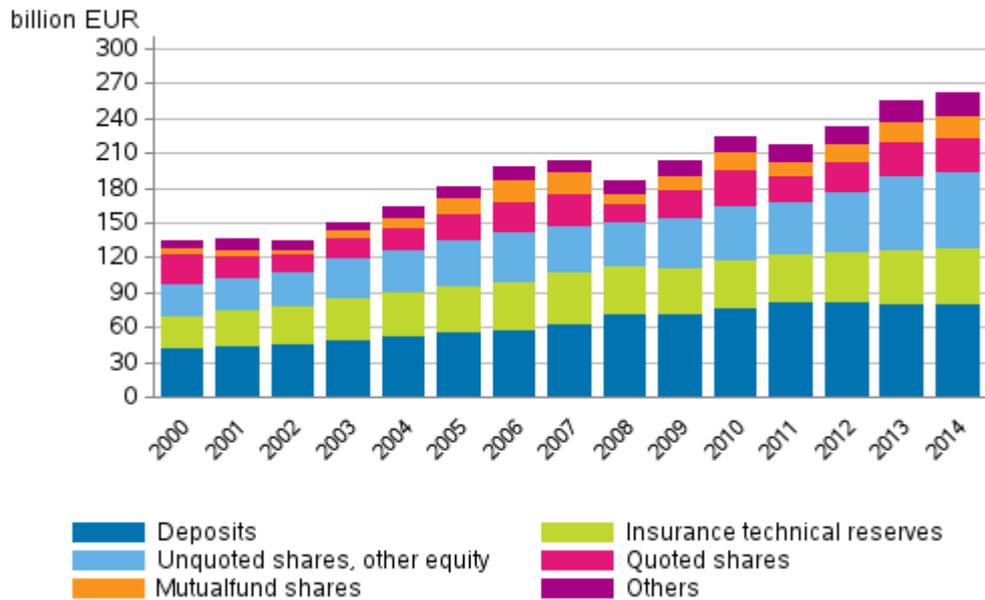
Sector/Instrument		Year									
		2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
S11 Non-financial corporations	Net financial transactions	681	-232	1 382	-8 121	-5 839	6 962	-2 080	-5 392	-10 149	8 226
	Net lending	6 042	7 139	4 779	1 204	7 924	9 772	3 330	4 264	4 352	5 402
	Statistical discrepancy	5 361	7 371	3 397	9 325	13 763	2 809	5 410	9 656	14 501	-2 824
S12 Financial and insurance corporations	Net financial transactions	908	2 718	-1 564	-1 414	-830	223	-4 319	8 574	1 435	733
	Net lending	266	189	92	1 768	849	-133	234	1 019	74	275
	Statistical discrepancy	-642	-2 529	1 656	3 182	1 679	-356	4 553	-7 555	-1 361	-458
S13 General government	Net financial transactions	3 429	6 671	9 374	8 074	-4 755	-5 528	-2 314	-4 233	-4 388	-7 500
	Net lending	4 260	6 781	9 570	8 090	-4 583	-4 904	-1 999	-4 240	-5 145	-6 832
	Statistical discrepancy	830	110	196	15	172	624	315	-6	-756	668
S14 Households	Net financial transactions	-4 462	-4 894	-3 203	-3 439	3 422	-208	-2 361	-4 389	161	-5 719
	Net lending	-4 811	-6 317	-6 459	-5 608	30	-1 375	-3 589	-4 557	-2 727	-3 531
	Statistical discrepancy	-348	-1 423	-3 255	-2 169	-3 392	-1 166	-1 227	-167	-2 888	2 188
S15 Non-profit institutions serving households	Net financial transactions	692	-210	-836	1 078	438	-142	-63	-604	-85	-80
	Net lending	-23	-62	-159	-43	-461	-478	-650	-40	-459	-467
	Statistical discrepancy	-715	148	677	-1 121	-899	-335	-586	564	-374	-387
S2 Rest of the world	Net financial transactions	-1 248	-4 053	-5 152	3 821	7 565	-1 305	11 139	6 044	13 027	4 340
	Net lending	-5 463	-7 034	-7 794	-5 470	-3 850	-2 882	2 674	3 554	3 399	4 289
	Statistical discrepancy	-4 214	-2 980	-2 641	-9 291	-11 415	-1 576	-8 465	-2 490	-9 628	-51

Appendix table 10. Total assets by sector in 2014, billion EUR

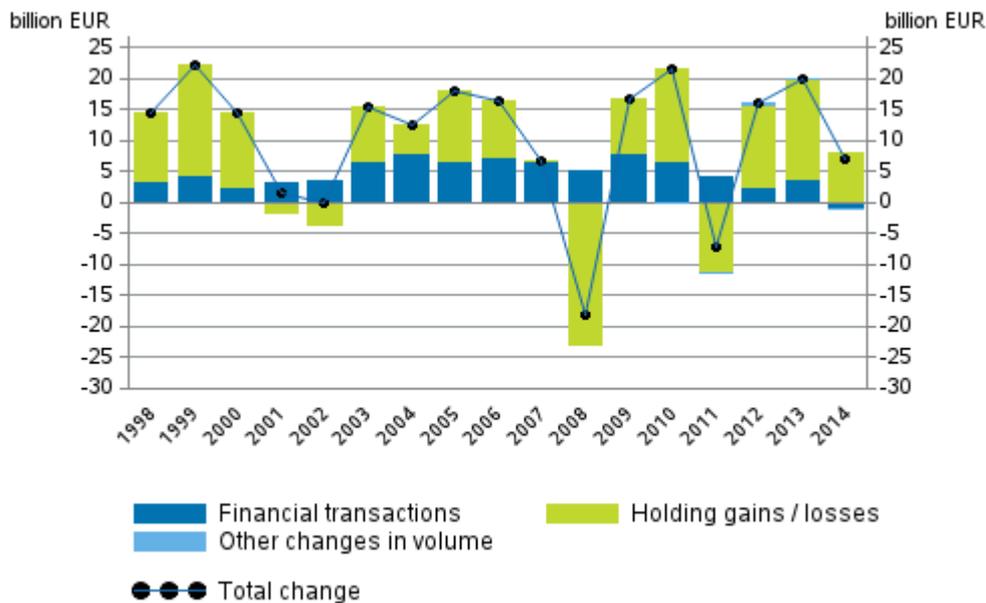
Sector	Assets								Net worth
	Dwellings, other buildings and structures	Machinery, equipment and weapons systems	Other fixed assets	Inventories and valuables	Land	Financial assets	Liabilities		
S1 Total economy	540	79	38	85	193	1 702	1 695	943	
S11 Non-financial corporations	172	61	28	41	39	329	574	95	
S12 Financial and insurance corporations	0	0	1	.	0	827	822	7	
S13 General government	97	12	9	2	35	265	154	267	
S14 Households	259	4	0	42	115	262	142	540	
S15 Non-profit institutions serving households	12	1	0	0	4	19	2	34	

Appendix figures

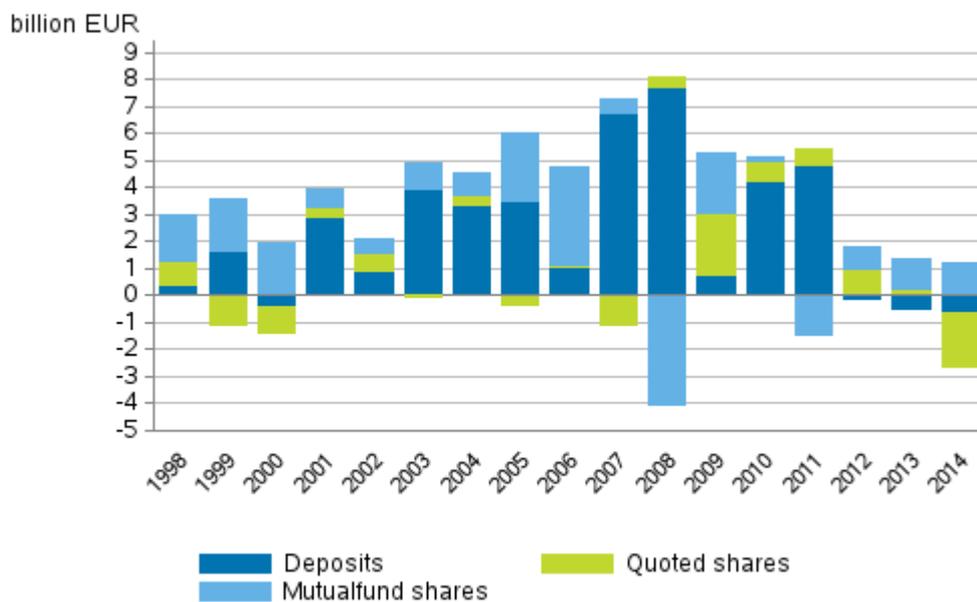
Appendix figure 1. Financial assets of households



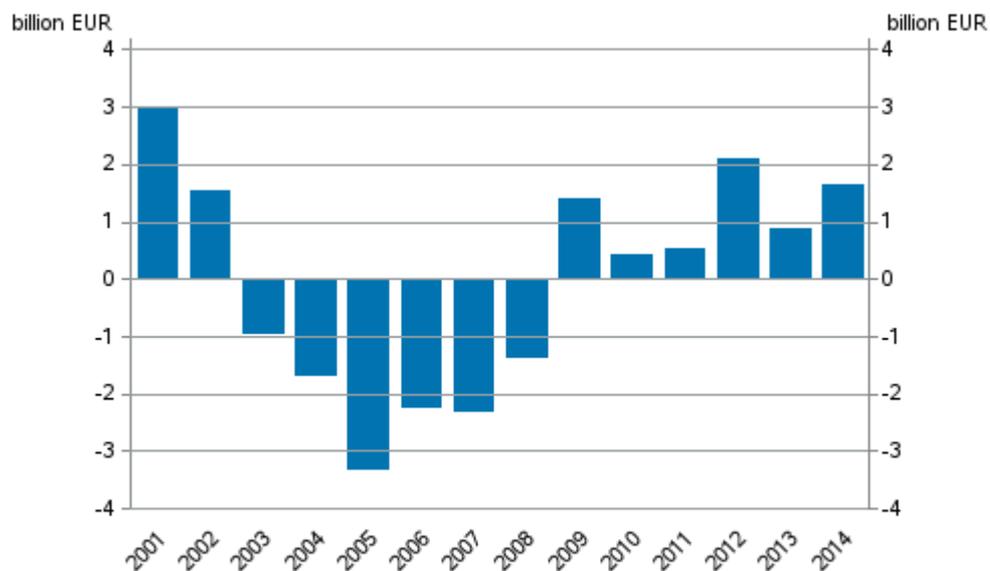
Appendix figure 2. Change in financial assets of households



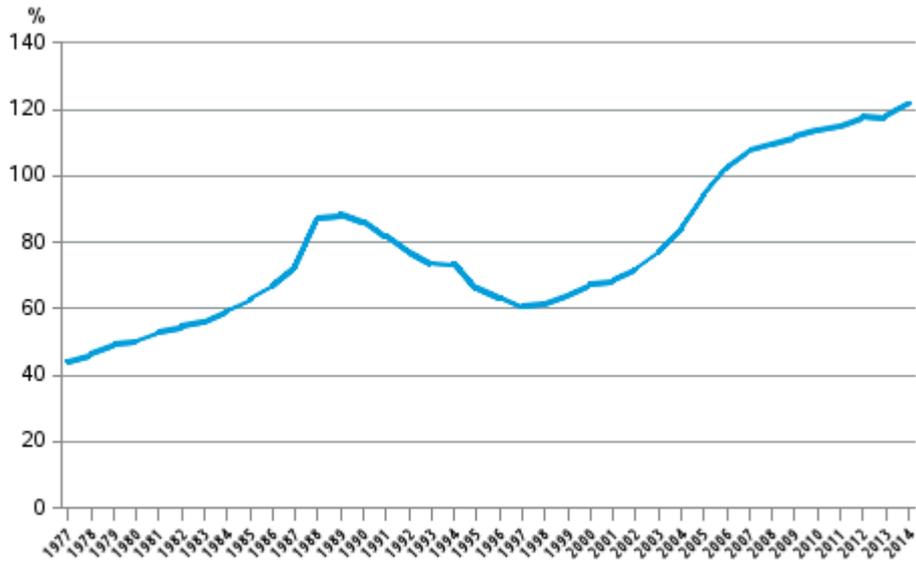
Appendix figure 3. Households' net acquisitions of deposits, quoted shares and mutual funds



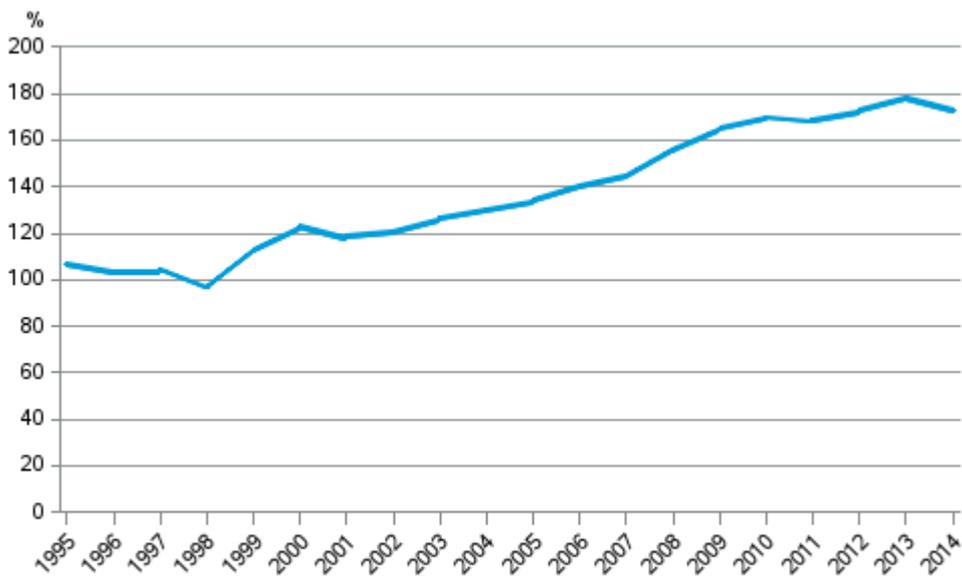
Appendix figure 4. Net emissions of quoted shares by non-financial corporations



Appendix figure 5. Households indebtedness ratio



Appendix figure 6. Private sector debt as percentage of GDP



Appendix figure 7. Households' financial assets and liabilities, non-financial assets and net worth



Inquiries

Peter Parkkonen 029 551 2571
Deputy director in charge:
Mari Ylä-Jarkko

rahoitus.tilinpito@stat.fi
www.stat.fi

Source: Financial Accounts, Statistics Finland