

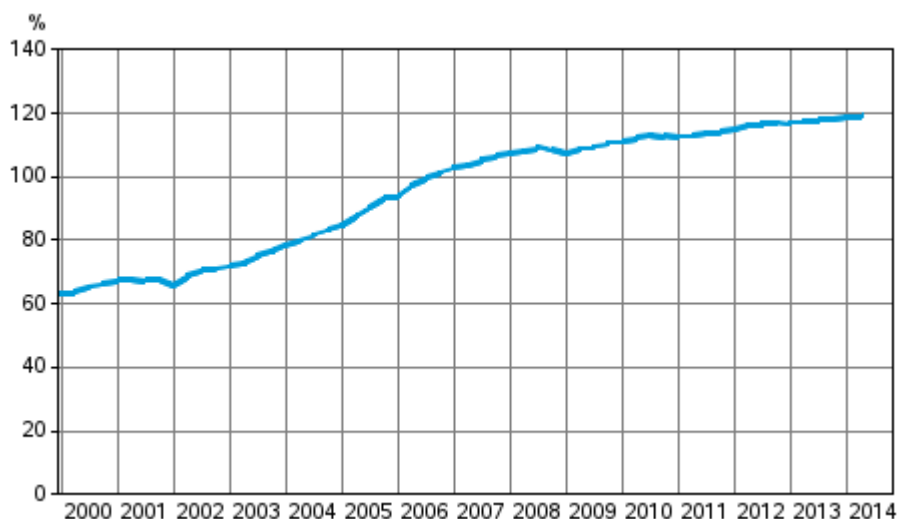
Financial accounts

2014, 2nd quarter

Households' indebtedness ratio was 119.5 per cent in the second quarter of 2014

Households' indebtedness ratio rose to 119.5 per cent in the second quarter of 2014. Indebtedness has increased by 2.0 percentage points from one year ago. These data derive from Statistics Finland's financial accounts statistics.

Households' indebtedness ratio



During the second quarter of 2014, households' loan debts increased by EUR 1.4 billion. Households' disposable income also grew, but in relative terms less. As a result of these changes, households' indebtedness ratio increased to 119.5 per cent. Indebtedness ratio went up by 0.6 percentage points from the previous quarter. Households' indebtedness ratio is calculated as the ratio of their loan debts at the end of a quarter to their total disposable income during the preceding four quarters.

At the end of the second quarter of 2014, households had a total of EUR 253 billion in financial assets and EUR 139 billion in debt. During the quarter, debts increased more than financial assets, as a result of which households' net financial assets decreased, amounting to EUR 114 billion at the end of the quarter. Net financial assets refer to the difference between financial assets and liabilities.

In the second quarter, households invested in deposits and investment fund shares. Households have favoured investment funds for some time as net investments in them have been positive for eight successive quarters. As the low interest rate level prevailed, the shift within deposits from fixed-term deposits to cash deposits continued. By contrast, households' net investments in quoted shares were almost EUR one million in negative.

Non-financial corporations' debt financing, i.e. loan debts and financing in the form of debt securities, grew. Debt financing was increased by taking out more loans. The total level of non-financial corporations' debts also grew because the stock of equity liabilities increased. The increase in equity liabilities was in part affected by an increase in the market value of quoted shares. As non-financial corporations' financial assets simultaneously continued declining, the net financial position of non-financial corporations weakened to EUR -223 billion.

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Appendix table 1. Financial liabilities of Non-financial corporations, million EUR

Instrument	Year/Quarter									
	2012/I	2012/II	2012/III	2012/IV	2013/I	2013/II	2013/III	2013/IV	2014/I	2014/II
Liabilities total	506 548	493 655	496 630	502 380	507 175	509 304	528 577	531 422	531 303	546 497
Money market instruments	5 707	6 207	5 926	5 031	4 395	6 048	5 972	4 824	6 077	6 276
Bonds	23 535	23 699	24 666	26 246	28 136	27 924	29 529	29 694	27 911	26 691
Loans	169 198	168 316	167 379	167 571	168 736	169 409	166 923	163 038	163 606	169 704
Quoted shares	107 073	92 006	96 241	102 518	104 351	101 704	120 842	127 385	126 153	132 884
Unquoted shares and other equities	142 729	143 900	143 772	146 650	147 636	148 628	149 740	150 954	152 395	155 315
Derivative instruments	5 662	6 679	6 475	5 114	3 894	4 961	4 336	3 679	3 688	3 912
Other accounts receivable and payable	52 644	52 848	52 171	49 250	50 027	50 630	51 235	51 848	51 473	51 715
Net financial assets	-190 374	-177 891	-176 768	-182 184	-187 997	-191 352	-205 886	-207 506	-206 112	-223 022

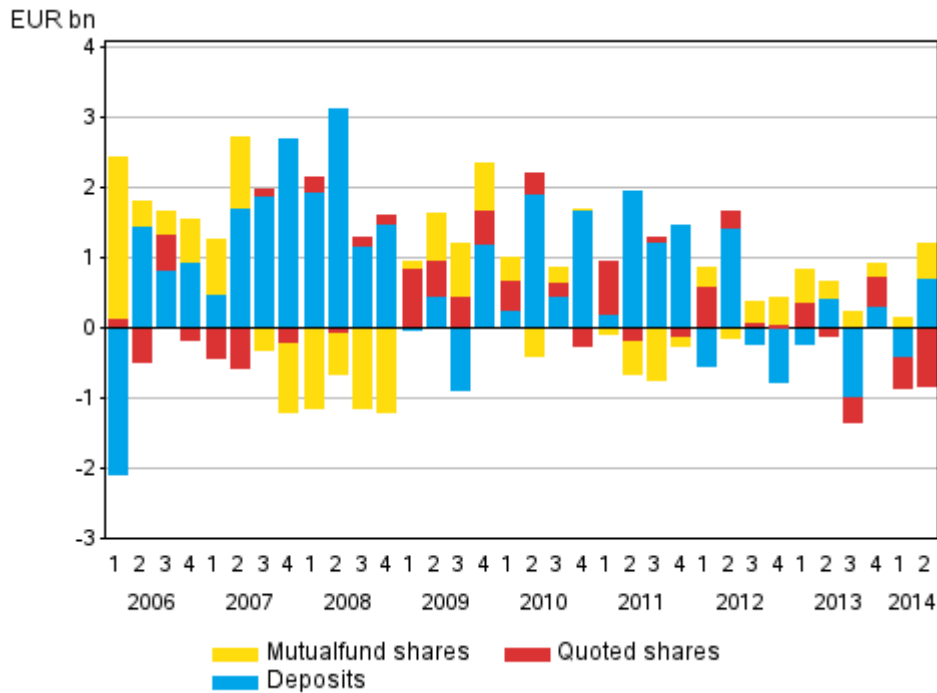
Appendix table 2. Households' disposable income, loan debts and indebtedness ratio

Year/Quarter	Disposable income (sum of four preceding quarters), million EUR	Loan debts, million EUR	Indebtedness ratio, %
2000/I	61 589	38 914	63,2
2000/II	62 556	39 874	63,7
2000/III	62 895	41 127	65,4
2000/IV	63 038	41 864	66,4
2001/I	63 077	42 602	67,5
2001/II	64 381	43 484	67,5
2001/III	65 717	44 312	67,4
2001/IV	66 681	45 062	67,6
2002/I	69 155	45 591	65,9
2002/II	68 093	46 960	69,0
2002/III	68 264	48 172	70,6
2002/IV	70 072	49 794	71,1
2003/I	70 395	50 702	72,0
2003/II	72 339	52 623	72,7
2003/III	73 101	54 864	75,1
2003/IV	73 670	56 232	76,3
2004/I	73 425	57 637	78,5
2004/II	75 088	60 099	80,0
2004/III	75 872	62 096	81,8
2004/IV	77 142	64 211	83,2
2005/I	77 542	65 652	84,7
2005/II	78 098	68 459	87,7
2005/III	78 786	71 192	90,4
2005/IV	78 881	73 695	93,4
2006/I	80 181	75 280	93,9

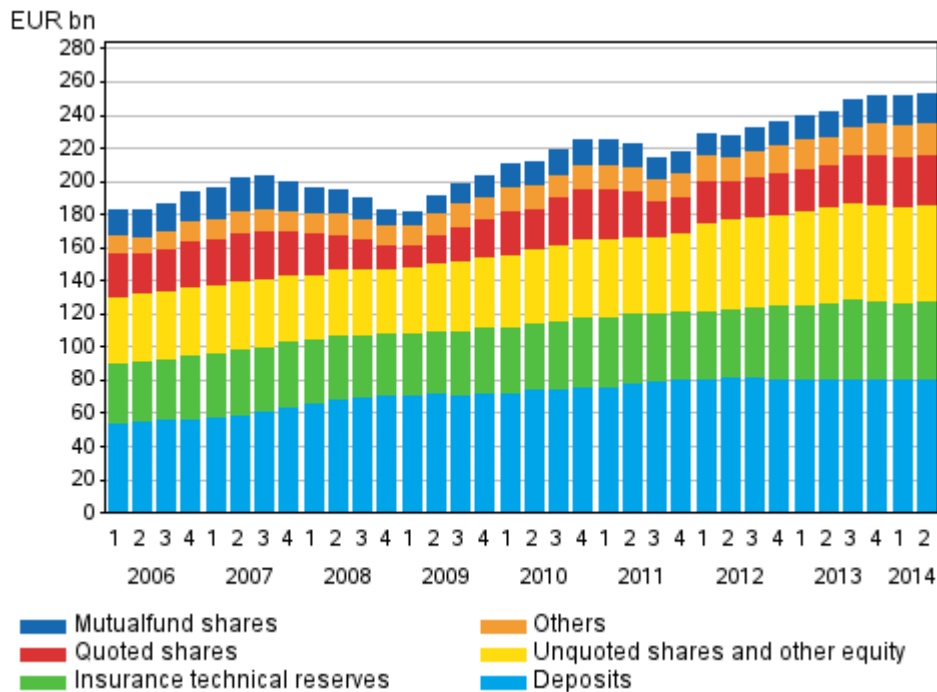
Year/Quarter	Disposable income (sum of four preceding quarters), million EUR	Loan debts, million EUR	Indebtedness ratio, %
2006/II	80 319	78 236	97,4
2006/III	80 910	80 603	99,6
2006/IV	81 988	83 149	101,4
2007/I	82 379	84 879	103,0
2007/II	84 289	87 574	103,9
2007/III	85 522	90 339	105,6
2007/IV	86 606	92 323	106,6
2008/I	87 540	94 076	107,5
2008/II	89 273	96 539	108,1
2008/III	90 048	98 508	109,4
2008/IV	91 423	99 148	108,4
2009/I	92 756	99 791	107,6
2009/II	92 952	101 275	109,0
2009/III	93 911	102 910	109,6
2009/IV	94 282	104 460	110,8
2010/I	95 151	105 769	111,2
2010/II	96 084	107 910	112,3
2010/III	96 965	109 588	113,0
2010/IV	98 413	111 050	112,8
2011/I	99 385	112 005	112,7
2011/II	100 934	114 031	113,0
2011/III	101 812	115 835	113,8
2011/IV	102 782	117 309	114,1
2012/I	103 091	118 519	115,0
2012/II	103 838	120 767	116,3
2012/III	104 821	122 548	116,9
2012/IV	105 244	123 380	117,2
2013/I	106 142	124 361	117,2
2013/II	106 522	125 190	117,5
2013/III	106 851	126 063	118,0
2013/IV	107 365	126 778	118,1
2014/I	107 281	127 546	118,9
2014/II	107 918	128 912	119,5

Appendix figures

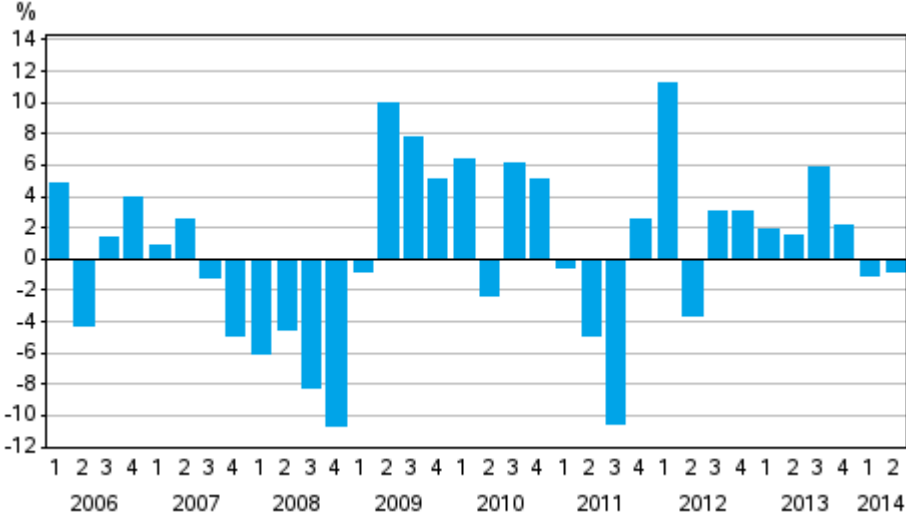
Appendix figure 1. Households' net acquisition of deposits, quoted shares and mutual fund shares



Appendix figure 2. Financial assets of households



Appendix figure 3. Change from the previous quarter in households' net financial assets



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National Accounts 2014

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Source: Financial accounts, Statistics Finland