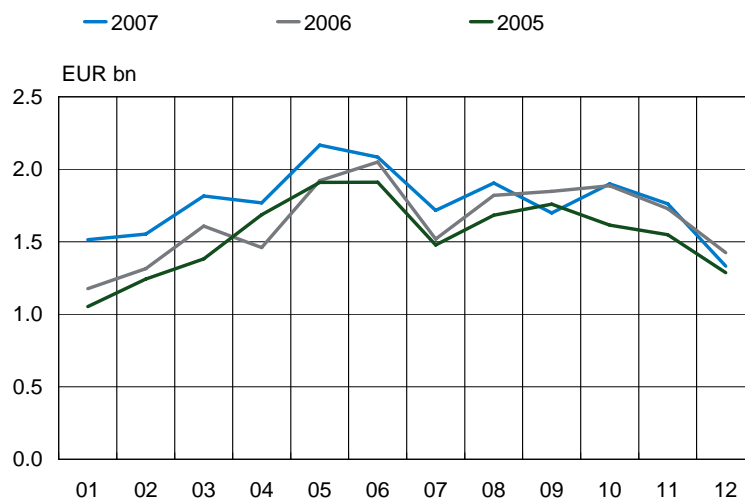


# Money and Banking Statistics

## Annual Review • 2007

New drawdowns on housing loans 2005 – 2007



Source: Bank of Finland.



Bank of Finland  
Financial Markets and Statistics  
Statistics  
14 Feb 2008

## Contents

1	Aggregated balance sheet of monetary financial institutions	4
2	Changes in the MFI sector	6
3	Deposits and other financing	8
3.1	Deposits	8
3.2	Household deposits	9
3.3	Other financing	10
4	Loans to euro area non-MFIs	12
4.1	MFI loans to euro area residents	12
4.2	Loans to households	12
4.3	Loans to non-financial corporations	15
4.4	Foreign currency loans	16
	Appendix 1. Charts	17

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## List of charts

Chart 1. Number of MFIs in the EU, end-2007	7
Chart 2. Euro-denominated deposits by euro non MFIs with Finnish MFIs: annual growth rate and average interest rate on deposit stock	8
Chart 3. Average interest rate on stock of non-MFI deposits and share of Euribor-linked deposits of total deposits	9
Chart 4. Average interest rate on stock of household deposits, by instrument, and 12-month Euribor	9
Chart 5. Monthly change in deposits with agreed maturity and net subscriptions for mutual fund shares	10
Chart 6. Holdings of Finnish money market fund shares by region	11
Chart 7. Money and capital market instruments issued by Finnish MFIs	11
Chart 8. Bonds and money market instruments issued by Finnish MFIs	11
Chart 9. Annual growth in stock of loans to households in euro area and Finland	13
Chart 10. Average interest rate on new business on housing loans with an initial rate fixation of up to 1 year	13
Chart 11. Accumulation of new drawdowns on housing loans, 2005 - 2007	14
Chart 12. New business on housing loans by reference rate	14
Chart 13. Annual growth in stock of loans to non-financial corporations in euro area and Finland	15
Chart 14. Interest rates on new business on corporate loans with an initial rate fixation of up to 1 year, euro area and Finland	16
Chart 15. Stock of foreign currency loans by Finnish MFIs to euro area residents	16
Chart 16. Foreign currency loans by currency, 31 Dec 2007	16
Chart 17. Aggregated balance sheet of Finnish MFIs (excl. Bank of Finland)	17
Chart 18. Loan and deposit stocks of Finnish MFIs and their difference	17
Chart 19. Deposits by euro area non-MFIs with Finnish MFIs by interest rate linkage	17
Chart 20. Averages deposit rates and 12-month Euribor	17
Chart 21. Geographical breakdown of non-MFI deposits with Finnish MFIs	17
Chart 22. Average interest rates on stock of household deposits in Finland and euro area	17
Chart 23. Stock and average interest rate on housing loans	18
Chart 24. Stock of housing loans by reference rate	18
Chart 25. Average interest rate and stock on new drawdowns on housing loans	18
Chart 26. Credit institutions other than banks specialised in mortgage financing	18
Chart 27. Consumer credit to households	18
Chart 28. Stock of loans to housing corporations and its share in total corporate loan stock	18

## List of tables

Table 1. Aggregated balance sheet 1 of Finnish MFIs (excl. Bank of Finland), EUR m	5
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# 1 Aggregated balance sheet of monetary financial institutions

**The annual growth rate of the aggregated balance sheet of Finnish monetary financial institutions (MFIs) excluding the Bank of Finland was approximately 13% in 2007. Credit institutions account for almost 94% of the balance sheet. The remaining share comprises balance sheets of money market funds.**

At the end of 2007 the aggregated balance sheet of Finnish MFIs (excl. Bank of Finland) amounted to EUR 306.5 billion, which is 12.9% higher than a year earlier. MFIs comprise the Bank of Finland, credit institutions and money market funds. This section examines aggregated balance sheet data exclusive of the Bank of Finland figures. The total number of MFIs has been quite stable in recent years.

As for the asset side items, loans to euro area residents, external assets and remaining assets contributed most to the growth of the aggregated MFI balance sheet in 2007. On the liabilities side, money market fund shares, external liabilities and remaining liabilities showed the strongest growth. Increased derivatives transactions were the main driver of the stronger growth of the remaining assets and liabilities.

At the end of 2007 credit institutions accounted for 93.9% of the aggregated balance sheet of MFIs excluding the Bank of Finland and money market

funds for 6.1%. Money market funds' aggregated balance sheet grew 14.7% from a year earlier, slightly faster than that of credit institutions (12.8% year-on-year).

The most significant item of the assets side of the MFI aggregated balance sheet at end 2007 was loans to euro area residents. It constituted 54.6% of the balance sheet total, unchanged from a year earlier. The contribution of external assets was 21.9% and the contribution of other equities with 8.6%. The contribution of remaining assets to the balance sheet increased by 2 percentage points to more than 12.6% in 2007.

The largest item of the liabilities side was deposits of euro area residents. It accounted for 37.8% of the aggregated balance sheet, decreasing by 2 percentage points from 2006. The second largest item was external liabilities with a contribution of more than 18.8%. Debt securities issued by MFIs constituted 16% of the aggregated balance sheet, remaining liabilities 14.7%. The contribution of remaining liabilities to the balance sheet total increased by 2 percentage points.

Table 1. Aggregated balance sheet <sup>1</sup> of Finnish MFIs (excl. Bank of Finland), EUR million

	Credit institutions		Money market funds		Total	
	2006	2007	2006	2007	2006	2007
<b>Assets</b>						
Loans to euro area residents	147 706	166 832	244	601	147 950	167 432
Securities other than shares issued by euro area residents	15 144	14 917	10 310	11 448	25 455	26 366
Shares and other equity issued by euro area residents	5 018	6 122	0	0	5 018	6 122
External assets	56 966	60 593	5 698	6 616	62 664	67 209
Fixed assets	719	708	0	0	719	708
Remaining assets	29 504	38 531	134	136	29 638	38 667
<b>Total assets</b>	<b>255 057</b>	<b>287 703</b>	<b>16 387</b>	<b>18 801</b>	<b>271 444</b>	<b>306 504</b>
<b>Liabilities</b>						
Deposits of euro area residents	108 098	115 732	0	0	108 098	115 732
Debt securities issued held by euro area residents	43 988	49 033	0	0	43 988	49 033
Money market fund shares held by euro area residents	0	0	14 038	16 782	14 038	16 782
Capital and reserves	23 410	22 245	0	0	23 410	22 245
External liabilities	45 552	55 689	2 240	1 929	47 792	57 618
Remaining liabilities	34 009	45 003	108	90	34 117	45 094
<b>Total liabilities</b>	<b>255 057</b>	<b>287 703</b>	<b>16 387</b>	<b>18 801</b>	<b>271 444</b>	<b>306 504</b>

Source: Bank of Finland.

<sup>1</sup> Derivatives are included in items 'Remaining assets' and 'Remaining liabilities'.

## 2 Changes in the MFI sector

**2007 was a year of major changes in the Finnish MFI sector. It was characterised in particular by the entry into Finland of new Nordic financial institutions and in the autumn, a new Finnish bank also emerged.**

In 2007, notably Icelandic banks were active in the Finnish MFI sector with the commencement of operations in Finland as new MFIs in the latter part of 2007 of the Finnish branch of Kaupthing Bank hf., and the Helsinki branch of Landsbanki Islands hf., as too Kaupthing Bank's financing company. The Icelandic company Glitnir entered the Finnish market through the merger and acquisition of FIM Securities Ltd. Services went live in October under the new name of Glitnir Bank Ltd. Another Icelandic bank, Straumur-Burdaras Investment Bank, in turn, acquired a majority of eQ Bank's shares in the spring.

The plan, already published in 2006, of the Danish Danske Bank to acquire Sampo Bank was carried out spring 2007.

Purely domestically motivated changes also occurred in the sector. S-Bank Ltd, a new bank owned by the retailers' S Group, commenced operations in October. The bank's activities deviate from those of other banks in that there are no branches but rather banking takes place in the S Group's retail outlets or via the Internet. As a consequence of the commencement of operations, repayable assets

previously held with savings funds were recorded in money and banking statistics.

In September, the OP Group announced changes of names to reflect the already previously carried out merger between the insurance company Pohjola and the OP Group. The OP Group became OP-Pohjola Group and the former OKO Bank will in March 2008 become Pohjola Bank plc.

During the year under review, a number of mergers also materialised between local cooperative banks: Pyhännän Osuuspankki was merged with Oulun Osuuspankki; Miettilän Osuuspankki with Simpeleen Osuuspankki; and Ruhtinansalmen Osuuspankki with Suomussalmen Osuuspankki. Padasjoen Säästöpankki, a savings bank, changed into Helmi Säästöpankki Oy. SEB Finans AB (publ) Helsingforsfilialen was merged with its parent bank, Skandinaviska Enskilda Banken.

New money market funds also became operational in the Finnish market during the year: Nordea CDO Debt, Danske Euro Interest Fund, eQ short-term fund and Bank of Åland Cash Manager. Part of these money market funds was recorded in the MFI sector due to reclassification.

ABN AMRO Bank N.V., Helsinki branch, started to operate in Finland from the beginning of the year. Previously, the bank had been active in Finland mainly in the form of a financial institution providing investment services.

The number of MFIs in Finland has remained fairly stable in recent years, ie there have been slightly more

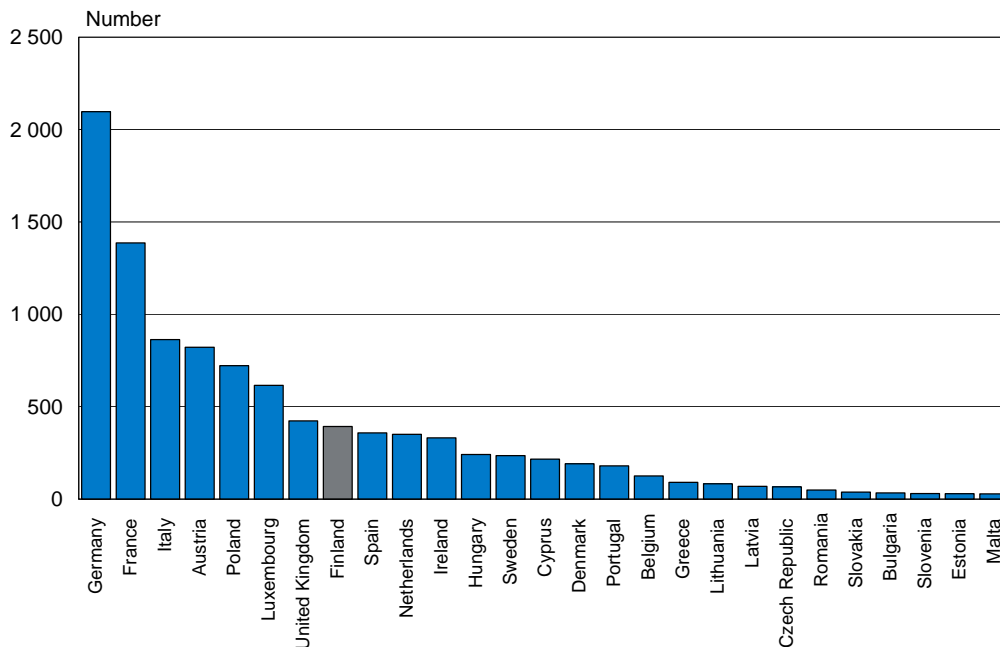
than 390 MFIs. At the end of 2007, the number of MFIs totalled 393, which is two more than in the previous year. Of these MFIs, 360 were credit institutions and 32 money market funds. The Bank of Finland is also included in MFIs.

A comparison among EU-27 member states ranks Finland eighth in terms of the number of MFIs, according to the situation prevailing at the end of 2007. The number of Finnish MFIs is fairly high, if compared with Sweden, for instance, which is a larger

economy than Finland. Sweden registered more than hundred MFIs less than Finland. In Denmark, an economy comparable to Finland in size, there were only about half the number of MFIs registered in Finland.

2007 did not bring any significant changes to these figures. The number of MFIs in Europe has generally been on a moderate downtrend in recent years. The total number of EU-based MFIs was slightly more than 10,000 at the end of 2007.

Chart 1. Number of MFIs<sup>2</sup> in the EU, end-2007



Sources: European Central Bank and national central banks.

<sup>2</sup> The ECB and national central banks maintain a list of MFIs at <http://www.ecb.int/stats/money/mfi/list/html/index.en.html>.

## 3 Deposits and other financing

### 3.1 Deposits

**Annual growth in the stock of deposits at the end of 2007 was exceptionally high in Finland. The bulk of deposits placed by euro area non-MFIs continue to be euro-denominated, fixed-rate or linked to banks' own reference rates.**

In the fourth quarter of 2007, new actors in the banking market tightened competition for household deposits, in particular. Meanwhile, ongoing volatility in international financial markets and the resultant increase in money market rates caused Finnish households to show preference to deposits over other investments. These developments were reflected in a rapid increase in the stock of deposits placed by euro area non-MFIs. In December 2007, the annual rate of growth in euro-denominated deposits by euro area non-MFIs was 13.4%, the highest growth rate since the turn of the Millennium. For the year as a whole, the average annual growth rate of deposits remained at about 8%, up year-on-year by about 1%.

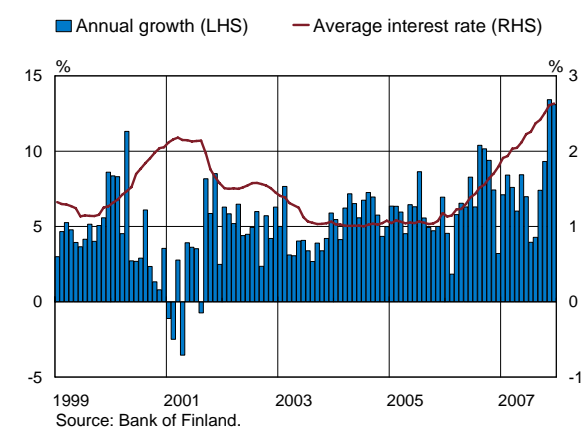
In December 2007, the stock of euro-denominated deposits placed by euro area non-MFIs with Finnish MFIs totalled EUR 95.0 billion, of which households accounted for 69% and non-financial corporations 22%. Of euro area non-MFIs' deposits, about 95% continues to come from Finland. At the beginning of the year, the stock of deposits placed by euro area

residents amounted to EUR 83.6 billion, bringing year-on-year growth to as high as EUR 11.4 billion.

Corresponding growth in the previous year remained at EUR 5.7 billion. Of the annual growth in 2007, about 53% was generated in the last four months.

Including deposits between MFIs, the total deposit stock in November reached EUR 160.9 billion,<sup>3</sup> of which EUR 45 billion was deposited from outside the euro area. The majority of deposits placed from outside Finland are either money market deposits<sup>4</sup> between MFIs or intra-group loans. Deposits between MFIs account for about 38% of the total stock of deposits.

**Chart 2. Euro-denominated deposits by euro non MFIs with Finnish MFIs: annual growth rate and average interest rate on deposit stock**



<sup>3</sup> Besides euro-denominated deposits, also includes deposits in other currencies.

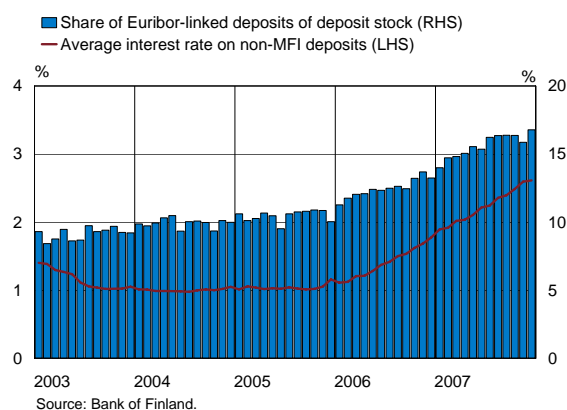
<sup>4</sup> Deposits made in the wholesale money market.



Almost all deposits placed by euro area non-MFIs are euro-denominated. By contrast, of deposits between MFIs, only some 52% were euro-denominated at the end of 2007. Dollar deposits accounted for about 40% and other currencies for 8% of the total.

The average interest rate on deposits placed by euro area non-MFIs has not generally risen as fast as market and lending rates, as almost 84% of the deposits are linked to rates other than Euribor. Market rates rose in the autumn, but eg the prime rates of the largest commercial banks have not been raised since July 2007. Of deposits placed by euro area non-MFIs, more than half were fixed-rate, 27% was linked to banks' own reference rates, about 16% to Euribor rates and some 6% to other reference rates. In recent years, the share of Euribor-linked deposits of the total stock has climbed to the current 16% from about 10%.

**Chart 3. Average interest rate on stock of non-MFI deposits and share of Euribor-linked deposits of total deposits**

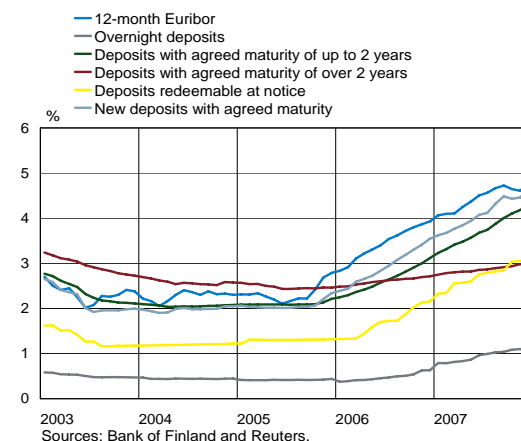


### 3.2 Household deposits

**Tightened competition and rising market rates boosted deposit rates in 2007. International financial market volatility added to the popularity of deposits with agreed maturity among households.**

Traditionally, the bulk of household deposits have been overnight deposits in accounts such as transaction accounts with no fixed term or restriction on withdrawal. Such accounts may be used for making payments and accrue interest at fixed and generally very low rates. In December 2007, the stock of households' overnight deposits totalled EUR 33.8 billion. The annual growth rate of these deposits has tended to decline and was even negative occasionally in 2007. Overnight deposits have probably been unwound and assets transferred to somewhat better yielding fixed-term deposits and deposits redeemable at notice.

**Chart 4. Average interest rate on stock of household deposits, by instrument, and 12-month Euribor**



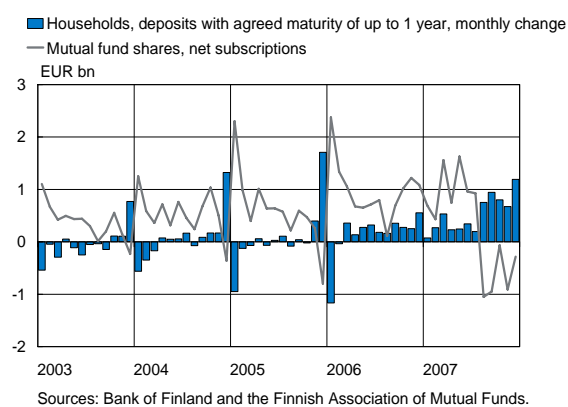
The average interest rate on overnight deposits had risen in December 2007 by close to 0.5 percentage point since the end of 2006. The average interest rate on overnight deposits has been boosted in particular by various deposit accounts which are statistically treated as overnight deposits and intended for short- and long-term saving and which, while not being subject to any fixed term or restriction on withdrawal, do not benefit from as good flexibility<sup>5</sup> as traditional transaction

<sup>5</sup> No payments can be made from the accounts, nor can they be furnished with credit or bank card facilities.

deposits. For the time being, transaction deposits and these other overnight deposits cannot be treated separately in statistics.

Investment and yield accounts are statistically reported under overnight deposits but also under deposits redeemable at notice. However, only deposits with restrictions on monthly withdrawals qualify as redeemable at notice. Household deposits redeemable at notice have been increasing slightly in the last twelve months. The stock in December 2007 stood at about EUR 10.4 billion, with growth registered during 2007 amounting to around EUR 1.3 billion. The average interest rate on deposits redeemable at notice was 3.1% in December 2007. Year-on-year, the average interest rate has increased by about 1 percentage point.

**Chart 5. Monthly change in deposits with agreed maturity and net subscriptions for mutual fund shares**



Particularly short-term deposits with agreed maturity have become increasingly popular among households in recent months. This has probably been due to households' reluctance to keep their savings in mutual funds because of perceived higher uncertainty. The stock of households' deposits with agreed maturity totalled EUR 21.0 billion in December. Of these, deposits with agreed maturity of up to 1 year accounted for some EUR 16.6 billion, deposits with

agreed maturity of over 1 year and up to 2 years about EUR 3.2 billion, and deposits with agreed maturity of over 2 years about EUR 1.3 billion. Deposits with agreed maturity of up to 1 year grew during the year by as much as EUR 6.3 billion, of which EUR 3.6 billion was generated in the last four months. The average interest rate on deposits with agreed maturity in December was 4.21% and that of new deposit with agreed maturity agreements 4.65%. The average interest rates on both the stock and new agreements have risen by about 1.1% during the year.

The market volatility that started in autumn 2007 boosted household deposit volumes in the fourth quarter. It made a contribution especially to the volumes of both deposits with agreed maturity and deposits redeemable at notice. For the first part of the year, the annual rate of growth was similar to that in 2006 on average, ie some 6%.

Market volatility was also reflected in deposit rates, as average interest rates on new deposits rose and declined particularly rapidly in the period from September to December but declined rapidly in response to fluctuating market rates. In contrast, in the early part of the year, deposit rates increased in line with rising market rates and keener competition among banks for deposits.

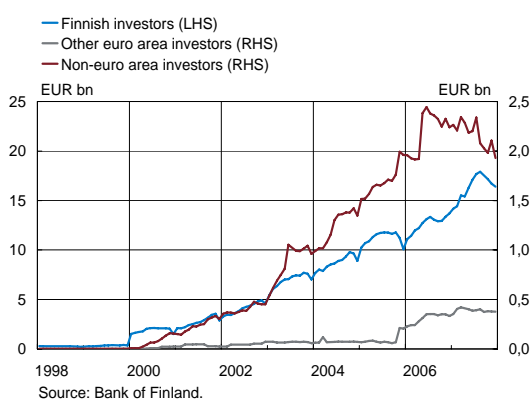
### 3.3 Other financing

**International financial market volatility was reflected in the lower stock of money market fund assets at the end of 2007. An increasingly larger part of MFI securities issues were foreign currency-denominated.**

International financial market volatility, which started in the third quarter of 2007, also affected developments in Finnish money market funds. In the

first part of 2007, the stock of money market fund assets still grew rapidly, with the value of money market fund shares exceeding the threshold of EUR 20 billion in July, for the first time. Subsequently, however, the stock recorded negative monthly growth throughout the rest of the year. In December 2007, the value of money market fund shares had dropped to EUR 18.7 billion.

**Chart 6. Holdings of Finnish money market fund shares by region**

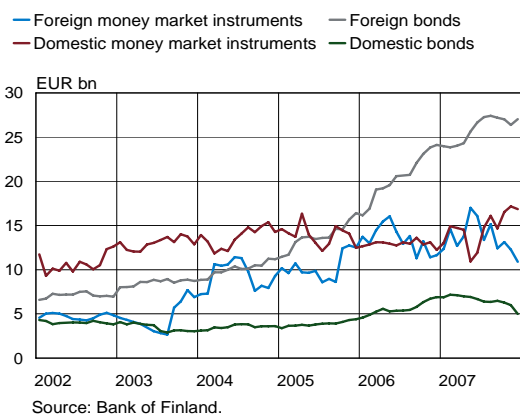


Those withdrawing their holdings from money market funds have mainly been Finnish investors, but the number of other euro area investors has also diminished. However, Finnish investors still hold more than 88% of money market fund shares. About 10% are held by non-euro area investors and only 2% by investors from euro area countries other than Finland.

Of MFI debt instruments, only about 37% continue to be issued domestically. Especially the stock of bonds issued abroad has grown robustly in recent years. In contrast, money market instruments with a maturity of less than 1 year are issued in Finland almost as much as abroad. In the second half of 2007, bond issues, in particular, decreased moderately, at

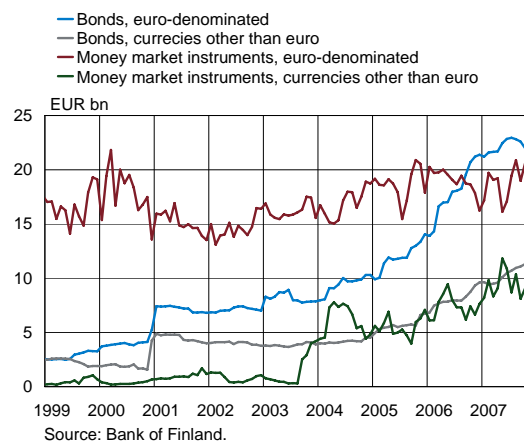
least in part, likely to be the result of the volatile market situation.

**Chart 7. Money and capital market instruments issued by Finnish MFIs**



Of debt instruments issued by MFIs, about 33% were denominated in currencies other than the euro. As late as at the beginning of 2002, this share had been about 20%. Issues in other currencies have mainly been in either pound sterling, the US dollar, the Japanese yen, the Swiss franc or the Swedish krona.

**Chart 8. Bonds and money market instruments issued by Finnish MFIs**



## 4 Loans to euro area non-MFIs

### 4.1 MFI loans to euro area residents

**The annual growth rate of the stock of loans to euro area non-MFIs granted by Finnish MFIs increased slightly in 2007. Over 60% of loans were loans to households.**

The stock of euro-denominated loans granted by Finnish monetary financial institutions (MFIs) to euro area non-MFIs grew slightly faster in 2007 than a year earlier. The stock of loans amounted to EUR 141.5 billion at the end of 2007, which is 11.7% higher than at the end of 2006. The average interest rate on the stock of loans to euro area non-MFIs rose by more than 1 percentage point during the year, reaching 5.29% in December 2007, having stood at 4.49% in December 2006. The stock of loans to euro area non-MFIs comprises MFI loans to households, non-financial corporations, the general government and other financial institutions (excluding MFIs).

At the end of 2007, loans to households accounted for 61.2% of the total loan stock, loans to non-financial corporations for 34.2%. Loans to other financial institutions constituted less than 1% of the total loan stock, loans to the general government a little below 4%. The impact of these two sectors on MFI lending is smaller in Finland than in the euro area

on average, where they contribute almost 9% to the stock of loans to euro area residents.

Including loans to non-euro area non-MFIs and foreign currency loans, the total stock of loans by Finnish MFIs (excl. loans to other MFIs) at end 2007, was EUR 147.7 billion. A total of 96.6% of loans were granted to residents in Finland. Loans to residents in other euro area countries amounted to EUR 1.4 billion, loans to non-euro area countries approximately EUR 3.7 billion. Of non-euro area EU countries, largest loan flows went to Sweden (loan stock EUR 1 billion at end-2007) and Denmark (EUR 0.5 billion). At the end of 2007 the total stock of loans to non-EU countries amounted to EUR 1.5 billion. On the basis of the BIS banking statistics, Norway, Switzerland, Russia and the USA saw the largest loan flows.

### 4.2 Loans to households

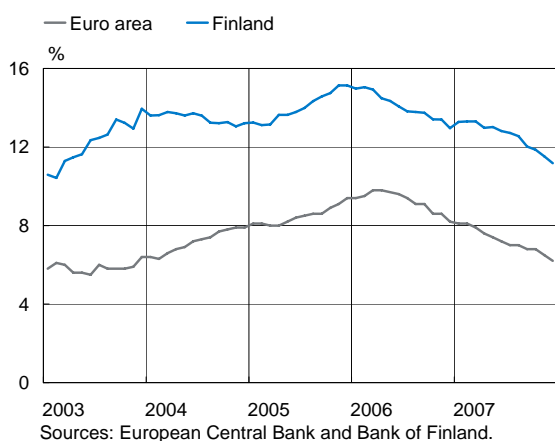
**The stock of loans to households continued to expand at a robust pace, although annual growth rate declined slightly during 2007.**

The stock of loans granted by Finnish MFIs to households totalled EUR 86.6 billion at the end of 2007. Despite the slight decline, the annual growth rate of the household loan stock was still high, reaching 11.2% in December, having stood at 13.0% a year earlier. The average interest rate on the household loan

stock was 5.41% at the end of 2007, having been 4.60% in the previous year.

The annual growth rate of household loan stock has also decreased in the euro area on average. At the end of 2007, the annual growth rate of the stock of household loans in the euro area was 6.2%. It began to ease 6 months later than annual growth in Finland, where moderation started in early 2006. Of individual euro area countries, the annual growth of household loan stock exceeded Finnish rates only in Greece, Spain and Slovenia. In Ireland growth rate was at the same level as in Finland. Germany recorded a fall in the growth of household loan stock in 2007.

**Chart 9. Annual growth in stock of loans to households in euro area and Finland**



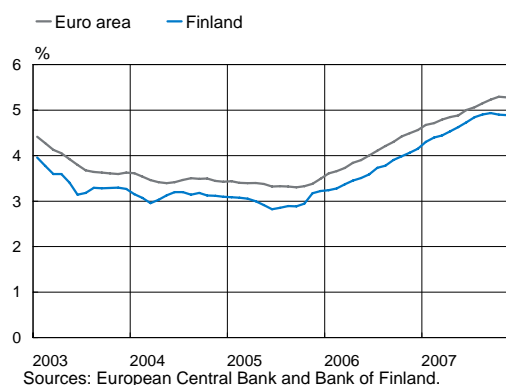
The stock of loans by Finnish MFIs to households for house purchase was EUR 62.2 billion, which accounts for 71.8% of total household loans. The annual growth rate of housing loan stock remained strong throughout 2007, despite a fall from 14.0% to 12.4%. The average interest rate on housing loan stock rose from 4.19% to 4.99% during the year.

MFIs' new business on housing loans amounted on the average to about EUR 2.4 billion per month in 2007. The annual total for new housing loan business was EUR 28.9 billion, which is EUR 1.9 billion more

than a year earlier. New business on housing loans comprises all housing loan contracts concluded for the first time during the reference month and contracts arising from renegotiations of the terms and conditions of existing loan agreements.

New housing loans were primarily tied to rates with an initial fixation period of up to one year in Finland, accounting for approximately 96% of new housing loan business in 2007. This category comprises all loans in which the reference rate is fixed either to Euribor or the bank's own prime rate. At end 2007 the average interest rate on these loan contracts was 4.92% in Finland, which is about 0.40 percentage point lower than the average interest rate on corresponding loans in the euro area on average. The spread between the Finnish and euro area average interest rate widened again towards the end of the year, after having been at its narrowest in summer, over 0.20 percentage point. In 2007 the average interest rate on new housing loans averaged at 4.71% in Finland.

**Chart 10. Average interest rate on new business on housing loans with an initial rate fixation of up to 1 year**

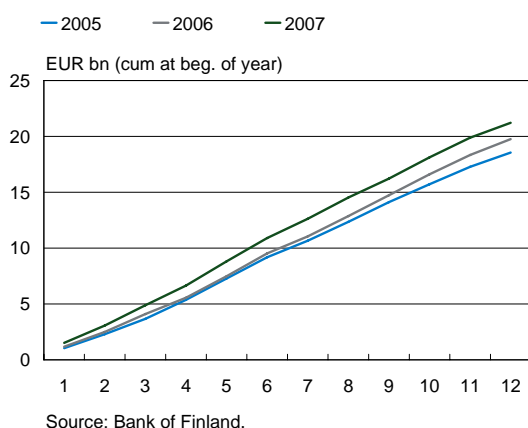


New drawdowns on housing loans include new loans that have been taken out in the reference month regardless of the time of contract conclusion. For example, a loan agreement made for the purpose of

building a detached house can be taken out in several tranches. 'New loan drawdowns' is a national statistical concept, and there can be some variation in banks' recording practices.

New drawdowns on housing loans amounted to EUR 21.2 billion in 2007, up by EUR 1.5 billion from 2006. At the beginning of the year, monthly drawdown volumes were considerably larger than a year earlier, but close to levels recorded in 2006 or even smaller at the end of 2007. The average interest rate on new drawdowns on housing loans rose from 4.42% in January to 4.94% in December and averaged at 4.76% in 2007.

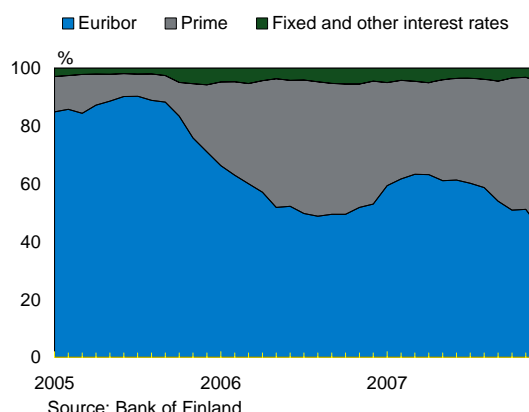
Chart 11. Accumulation of new drawdowns on housing loans, 2005 - 2007



In the first few months of 2007, over 60% of new housing loans used Euribor rates as reference rates. However, the use of Euribor rates decreased towards the end of the year, as money market interest rates rose but MFI prime rates were not increased accordingly. Towards the end of the year large banks did not raise their own prime rates at all. Already in December, 50.7% of new business on housing loans was tied to prime rates. Fixed and other reference rates accounted only for a small proportion, on average 4.1%, of new housing loan business in 2007. The increased use of

prime rates in new loan agreements is reflected relatively slowly in the breakdown of housing loan stock by interest rates. In January, 66% of housing loan stock was fixed to Euribor rates, compared with 61% in December 2007 (see the Appendix).

Chart 12. New business on housing loans by reference rate



The stock of consumer credit to households was EUR 11.2 billion at the end of 2007. The annual growth rate of consumer credit fell during the year from around 12% to 7.9% in December. The average interest rate on consumer credit stock was 7.75% in December. Consumer credit also comprises overdrafts and credit card credit. The average interest rate for this subcategory stood at 11.79% in end 2007.

Other loans to households include loans to sole proprietors, holiday cottage loans and student loans. The volume of other household loans totalled EUR 13.2 billion in December 2007. The annual growth rate declined also in this loan category, falling to 8.3% in December, after having been almost 12% at the beginning of 2007. As for the individual items of other loans to household, student loans amounted to EUR 1.4 billion, loans to sole proprietors approximately

EUR 6.4 billion and holiday cottage loans about EUR 1.9 billion.<sup>6</sup>

The stock of household loans comprises loans to households and loans to non-profit institutions serving households (NPISHs). The latter includes state churches, political parties, sport clubs and various associations and trusts. At the end of 2007 the stock of loans to NPISHs totalled EUR 1.5 billion, which accounts only for 1.7% of the total household loan stock. 71% of loans to NPISHs comprise other loans, 29% housing loans.

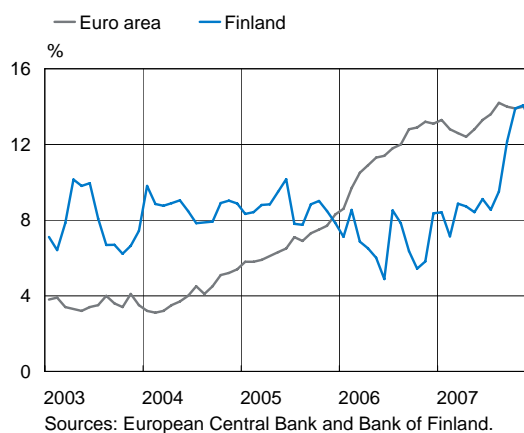
### 4.3 Loans to non-financial corporations

#### The annual growth rate of the stock of loans to non-financial corporations rose in 2007.

Growth in the stock of loans to euro area non-MFIs was fuelled by accelerated annual growth in loans to non-financial corporations during the year. The annual growth rate of corporate loans was around 8% at the beginning of 2007, but accelerated to 14.1% in November. In December the annual growth rate eased slightly to stand at 12.9%. At the end of the year, the stock of corporate loans in Finland grew almost at the same rate as the stock in euro area on average, after having increased clearly slower in Finland than in the euro area during the past two years. Of all euro area countries, only Germany, Austria and Portugal recorded slower corporate lending growth than Finland at end 2007.

<sup>6</sup> Data on the stock of loans to sole proprietors and holiday cottage loan volumes: Statistics Finland, Outstanding credit 2007, 3th quarter.

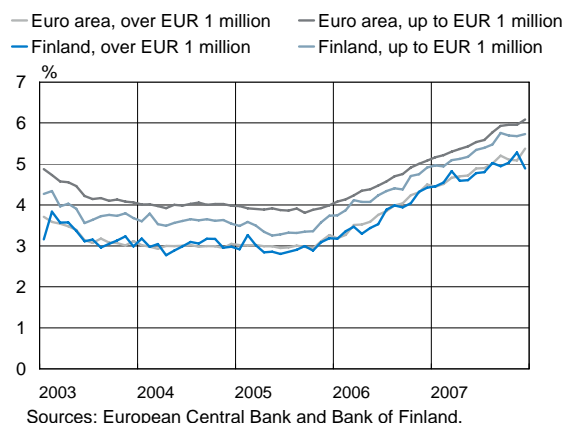
Chart 13. Annual growth in stock of loans to non-financial corporations in euro area and Finland



MFIs' new business on loans to non-financial corporations totalled EUR 42.7 billion in 2007. This exceeds corresponding volumes for 2006 by EUR 8.3 billion. Large loans of over EUR 1 million accounted for 72.9% of new corporate lending business in 2007. The average interest rate on new corporate lending was 4.98%. The average interest rate on loans of over EUR 1 million was 4.83%. The average interest rate on loans of up to EUR 1 million was 5.39%, ie over 0.4 percentage point higher than that on loans exceeding EUR 1 million.

In 2007, on average 94% of new corporate loans were linked to interest rates with an initial fixation period of up to one year in Finland. Hence the reference rates were Euribor rates, prime rates or other short-term interest rates, for instance the Libor. The proportion of other short-term interest rates was considerable, over 20%. The average interest rate on large loans of over EUR 1 million stood at the same level in Finland as the corresponding rate in the euro area on average, whereas the average rate on loans of up to EUR 1 million was lower in Finland than in the euro area on average.

**Chart 14. Interest rates on new business on corporate loans with an initial rate fixation of up to 1 year, euro area and Finland**



At the end of 2007, the stock of loans to housing corporations (included in the corporate sector) was EUR 9 billion, which constitutes 18% of the total stock of loans to non-financial corporations. The proportion of the stock of corporate housing loans to the total corporate lending stock has remained relatively stable in the past two years (see the Appendix).

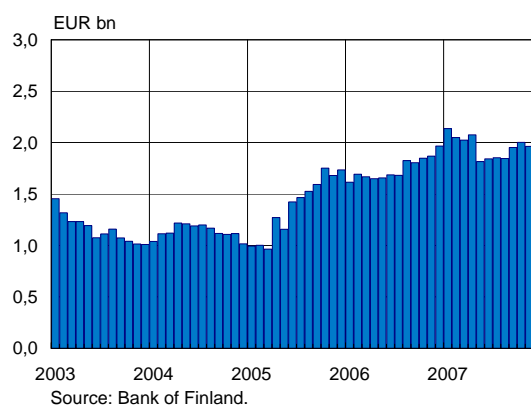
#### 4.4 Foreign currency loans

**Foreign currency loans accounted only for a small part of the total stock of loans to euro area non-MFIs.**

At the end of 2007, the stock of foreign currency loans by Finnish MFIs (excl. loans to other MFIs) totalled EUR 3.9 billion, constituting about 2.6% of the total loan stock. EUR 2.7 billion were loans to euro area non-MFIs, EUR 1.2 billion to non-euro area non-MFIs. The annual growth of the stock of foreign currency loans to euro area non-MFIs was high at the beginning of 2007 (over 20%), but eased towards the

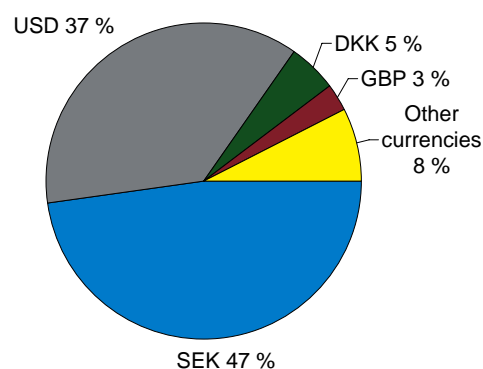
end of the year to close to 10%, before rising again to over 40% in December.

**Chart 15. Stock of foreign currency loans by Finnish MFIs to euro area residents**



At the end of 2007, 48% of foreign currency loans were denominated in Swedish krona, followed by a slightly smaller proportion of loans in US dollars. These currencies constituted 85% of all foreign currency loans.

**Chart 16. Foreign currency loans by currency, 31 Dec 2007**



Source: Bank of Finland.



Appendix 1. Charts

Chart 17. Aggregated balance sheet of Finnish MFIs (excl. Bank of Finland)

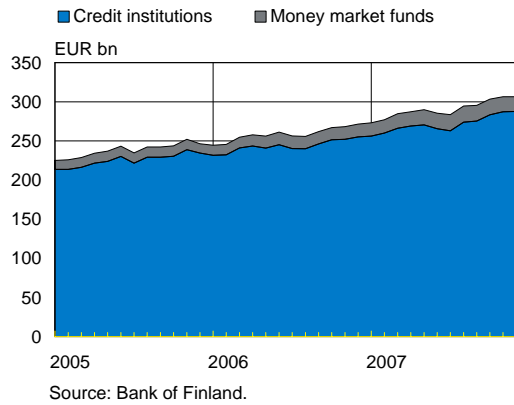


Chart 20. Averages deposit rates and 12-month Euribor

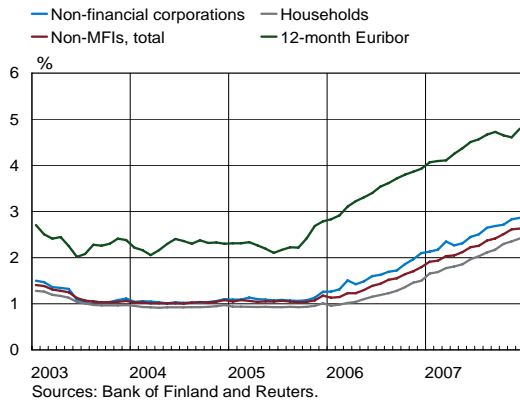


Chart 18. Loan and deposit stocks of Finnish MFIs and their difference

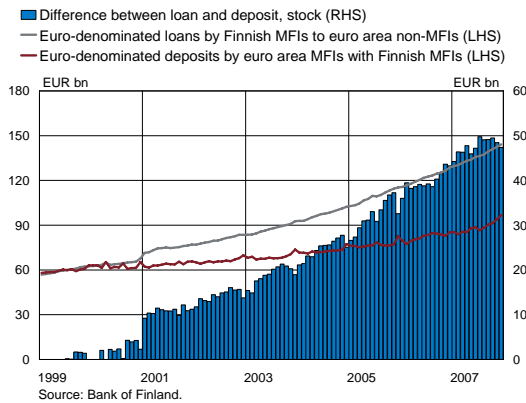


Chart 21. Geographical breakdown of non-MFI deposits with Finnish MFIs

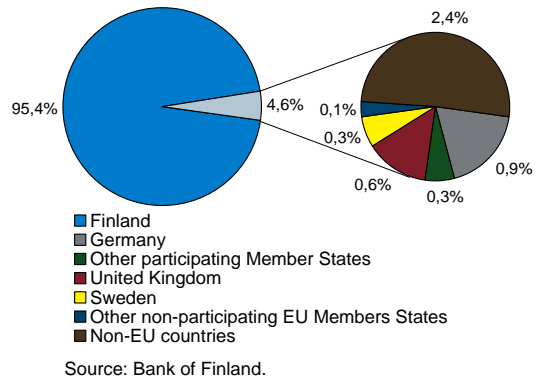


Chart 19. Deposits by euro area non-MFIs with Finnish MFIs by interest rate linkage

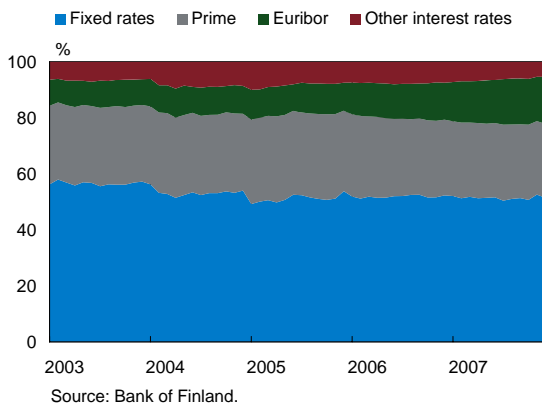


Chart 22. Average interest rates on stock of household deposits in Finland and euro area

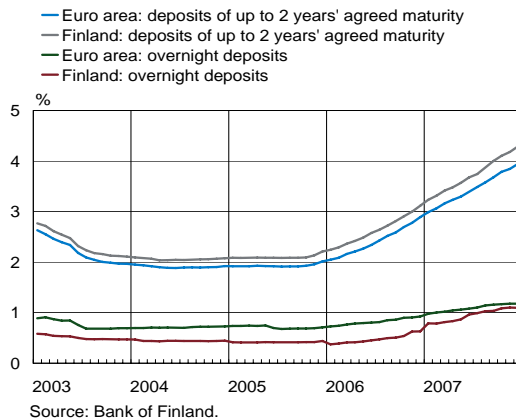


Chart 23. Stock and average interest rate on housing loans

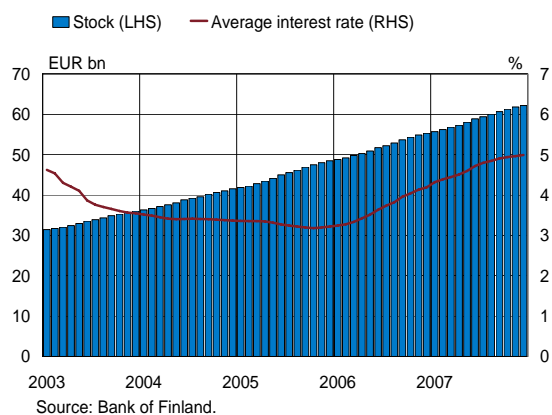


Chart 26. Credit institutions other than banks specialised in mortgage financing

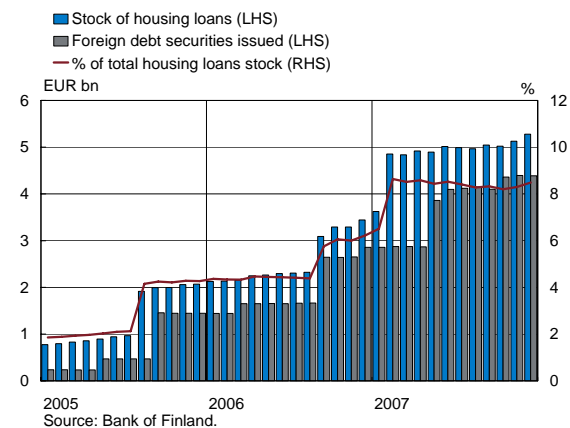


Chart 24. Stock of housing loans by reference rate

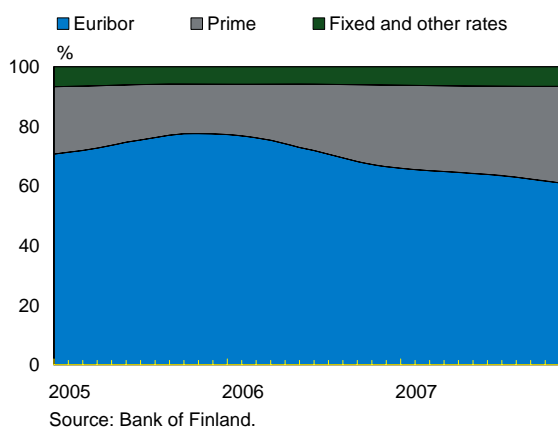


Chart 27. Consumer credit to households

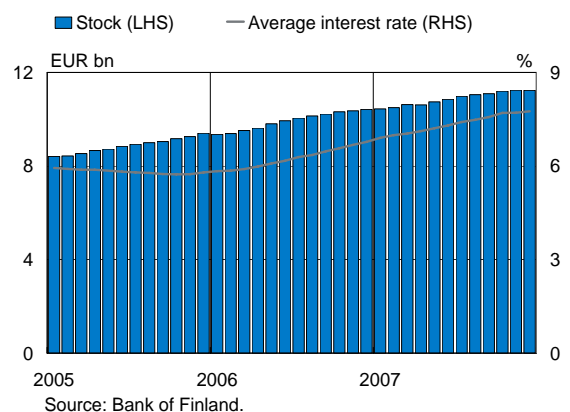


Chart 25. Average interest rate and stock on new drawdowns on housing loans

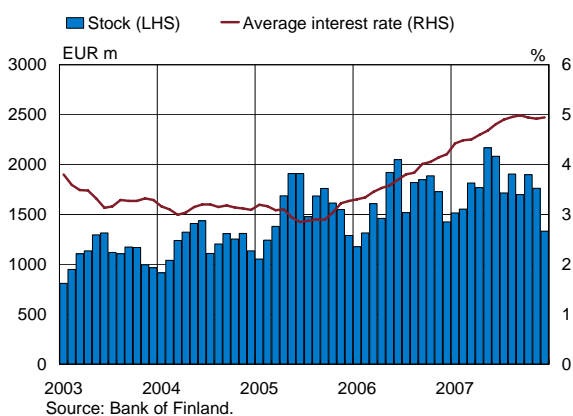


Chart 28. Stock of loans to housing corporations and its share in total corporate loan stock

