

Data are denominated in markkaa prior to January 1999 and in euros from January 1999 onward. The markka's irrevocable fixed conversion factor to the euro is 5.94573 markkaa per euro. Descriptions of the changes in the methodology and presentation of Finland's accounts following the introduction of the euro are shown in the introduction to *IFS* and in the footnotes on the euro area page.

Date of Fund Membership:

January 14, 1958

Standard Sources:

European Central Bank

Bank of Finland

Ministry of Finance

Statistics Finland

Eurostat

Exchange Rates:

Official Rate: (End of Period and Period Average):

Prior to January 1999, the market rate referred to the markka's central bank midpoint rate. In January 1999, the markka became a participating currency within the Eurosystem, and the euro market rate became applicable to all transactions. In 2002, the markka was retired from circulation and replaced by euro banknotes and coins. For additional information, refer to the section on Exchange Rates in the introduction to *IFS* and the footnotes on the euro area page.

International Liquidity:

Beginning in January 1999, *Total Reserves minus Gold (line 11.d)* is defined in accordance with the Eurosystem's statistical definition of international reserves. The international reserves of Finland per the Eurosystem statistical definition at the start of the monetary union (January 1, 1999) in billions of U.S. dollars were as follows: *Total Reserves minus Gold*, \$9,196; *Foreign Exchange*, \$8,025; *SDR holdings*, \$344; *Reserve Position in the Fund*, \$826; *Other Reserve Assets*, \$0; *Gold*, \$575; *Gold (million fine troy ounces)*, 2.002 ounces. *Foreign Exchange (line 1d.d)*: Beginning in January 1995, gold and foreign exchange holdings excluded deposits at the European Monetary Institute (EMI), and the holdings of European currency units (ECUs) issued against these deposits are included in *line 1d.d. Gold (Eurosystem Valuation) (line 1and)* is obtained by converting the value in national currency terms as reported in the country's standard sources, using the prevailing exchange rate, as given in *line de*, *line ae*, or *line we*. In December 1979 gold was revalued at the average daily quotations in London during November 1979 less a discount of 25 percent. From January 1999 onward, gold is revalued at market prices at the end of each month. Memorandum data are provided on *Non-Euro Claims on Euro Area Residents* and *Euro Claims on Non-Euro Area Residents*, which represent positions as of the last Friday in each month. For additional information, refer to the section on International Liquidity in the introduction to *IFS* and on the euro area page.

Central Bank:

Consists of the Bank of Finland, which is part of the Eurosystem beginning in January 1999, only. The classifications of economic sectors and financial instruments used in the accounts are based on the ECB Regulation (ECB/2013/33) concerning the balance sheet of the monetary financial institutions (MFIs) sector. For a description of the accounts, including the difference between national and euro area-wide residency criteria, see the section on *Monetary Statistics for Euro Area* in the introduction to *IFS*. Data are based on a standardized report form (SRF) for central banks, which accords with the concepts and definitions of the IMF's *Monetary and Financial Statistics Manual (MFSM)*, 2000. Departures from the *MFSM* methodology are explained below. Claims in the form of deposits are included in loans. Liabilities in the form of loans are included in deposits.

Currency in Circulation includes banknotes issued by the Eurosystem and allocated to the national central bank and coin issue by the central government. Banknotes issued by the Eurosystem are allocated to individual national central banks using a fixed coefficient, as explained in the section on *Monetary Statistics for Euro Area* in the introduction to *IFS*. Therefore, currency in circulation and its contribution to monetary base and broad money at national level have to be interpreted as notional amounts and not as currency effectively in circulation in the country. Coin issue of central governments is conventionally included in currency in circulation, with contra-entry recorded in *Other Items (Net)*.

Trade credit/advances and settlement accounts are included in *Other Items (Net)* rather than as claims on and liabilities to the corresponding economic sectors.

Further details on methodology are available on the European Central Bank website and in the ECB publication "Manual on MFI balance sheet statistics".

For selected data that are only available on a quarterly basis, monthly data are IMF estimates using linear extrapolation.

Other Depository Corporations:

Comprises the aggregated accounts of all resident units part of the other monetary financial institutions (oMFIs) sector, defined in article 1(a) of ECB Regulation (ECB/2013/33) on the balance sheet of the MFIs sector, which also defines the classifications of economic sectors and financial instruments used in the accounts. The oMFIs sector includes deposit-taking corporations and money market funds. Deposit-taking corporations include credit institutions as defined by EU law, electronic money institutions that are principally engaged in financial intermediation in the form of issuing electronic money, and other financial institutions which are principally engaged in financial intermediation and whose business is to receive deposits and/or close substitutes for deposits from institutional units, not only from MFIs (the degree of substitutability between the instruments issued by other MFIs and the deposits placed with credit institutions shall determine their classification as MFIs); and for their own account, at least in economic terms, to grant loans and/or make investments in securities. For additional information and description of the accounts, including the difference between national and euro area-wide residency criteria, see the section on *Monetary Statistics for Euro Area* in the introduction to *IFS*.

Data are based on a standardized report form (SRF) for other depository corporations, which accords with the concepts and definitions of the IMF's *Monetary and Financial Statistics Manual (MFSM)*. For other depository corporations in Finland, departures from the *MFSM* methodology are explained below.

Claims on non-MFIs in the form deposits are included in loans. Liabilities to both MFIs and non-MFIs in the form of loans received

are included in deposits.

Claims on and liabilities to public nonfinancial corporations are included in claims on and liabilities to other nonfinancial corporations.

Debt securities issued and held by a resident non-MFI counterpart are assumed to be held by other financial corporations.

Money market fund shares issued by oMFIs and held by money holding sectors have been classified as held by the other resident sectors due to the lack of economic sectorization.

Accrued interest on loans and deposits is included in *Other Items (Net)* rather than under the underlying financial instrument.

The ECB Regulation requires recording of loans gross of provisions, however it allows countries with preexisting accounting rules to record loans net of provisions.

Holdings of securities are not always recorded at market price or fair value. The ECB Regulation requires market valuation, however it allows countries with preexisting accounting rules to record holdings of securities using different valuation principles. In general, valuation at amortized cost is prevalent for securities held to maturity.

For December 2001 through May 2010, *Other Deposits Included in Broad Money* includes repurchase agreements between MFIs and central clearing counterparties (CCPs). Beginning in June 2010 onwards, these repurchase agreements are included in *Other Deposits Excluded from Broad Money*.

Trade credit/advances and settlement accounts are included in *Other Items (Net)* rather than as claims on and liabilities to the corresponding economic sectors.

Further details on methodology are available on the European Central Bank website and in the ECB publication "Manual on MFI balance sheet statistics".

For selected data that are only available on a quarterly basis, monthly data are IMF estimates using linear extrapolation.

Depository Corporations:

See notes on central bank and other depository corporations.

Interest Rates:

Discount Rate (End of Period):

Prior to January 1999, the discount rate provided the basis for determining the interest rates charged by commercial banks. Over time, it had minor significance and was used mostly as a reference rate for loans and deposits. Beginning in January 1999, central bank policy rates are discontinued. See Eurosystem policy rate series on the euro area page.

Money Market Rate:

Three-month Helibor rate and, beginning in January 1999, the three-month EURIBOR rate. Monthly data are the average of daily rates for the month.

Deposit Rate:

Stock-weighted average of deposit rates of total deposits with credit institutions at end-of-month.

Deposit Rate (lines 60lhs, 60lhn, 60lcs, and 60lcn):

See notes in the introduction to *IFS* and *Euro-area Interest Rates*.

Lending Rate:

Mean value of the end-of-month lending rates weighted by market value of stocks.

Lending Rate (lines 60phs, 60pns, 60phm, 60phn, 60pcs, and 60pcn):

See notes in the introduction to *IFS* and *Euro-area Interest Rates*.

Government Bond Yield:

Data are period averages of secondary market quotations for a fixed rate serial bond with an average remaining maturity of 10 years. For additional information, refer to the section on interest rates in the introduction to *IFS* and on the euro area page. This rate is used to measure long-term interest rates for assessing convergence among the European Union member states.

Prices, Production, Labor:

Share Prices:

Industrial share price index, base 1948. † Beginning in January 1957, industrial share price index, base 1970. † Beginning in January 1967, industrial share price index, base 1975. † Beginning in January 1987, OMX Helsinki all share price index, base December 28, 1990. Index refers to the average of daily buying quotations.

Prices: Domestic Supply:

Source: Statistics Finland. Basic price index of domestic supply, Weights Reference Period: 2005; Sectoral Coverage: domestic and imported goods; Number of Items in Basket: 850 headings and 4,300 prices; Basis for Calculation: weights are derived from national accounts, Board of Customs foreign trade statistics and Statistics on industrial production.

Producer Manufacturing:

Source: Statistics Finland. Weights Reference Period: 2010; Sectoral Coverage: mining and quarrying, manufacturing and electricity, gas and water supply; Number of Items in Basket: about 2690 items; Basis for Calculation: weights are from national accounts, Board of Customs foreign trade statistics and Statistics on industrial production.

Consumer Prices:

Source: Statistics Finland. Weights Reference Period: calendar year 2010; Geographical Coverage: the whole country; Number of Items in Basket: 51,000 price observations; Basis for Calculation: weights are derived from the National Accounts 2009 updated to 2010 consumption level, covering all households and population groups.

Wages: Hourly Earnings:

Source: Statistics Finland. Weights reference period: 2015; Sectoral Coverage: State, municipalities, manufacturing industries, agriculture and forestry.

Industrial Production:

Source: Statistics Finland. Weights Reference Period: 2010; Sectoral Coverage: industrial sector; Basis for Calculation: the variable weight chain index in which the weights are changed yearly both within the industry and between industries is used.

Industrial Employment:

Index constructed from Statistics Finland data on employment in mining, manufacturing, electricity, gas, and water.

International Transactions:

Export and Import Prices:

Bank of Finland, weights reference period 2010.

Government Finance:

From 1999 onward annual, quarterly, and monthly cash data on central government are as reported by the Bank of Finland. Debt data on central government do not include the outstanding debt of the social security funds and selected extrabudgetary funds.

Data on general government are derived from Eurostat. The fiscal year ends December 31.

National Accounts:

Source: Eurostat. *Line 93i* includes a statistical discrepancy. Data from 1999 onwards are based on *ESA 2010* As indicated by the country, from 1988 onwards data have been revised following the implementation of the *ESA 2008*. Beginning in 1999, euro data are sourced from the Eurostat database. Eurostat introduced chain-linked GDP volume measures to both annual and quarterly data with the release of the third quarter 2005 on November 30, 2005. Chain linked GDP volume measures are expressed in the prices of the previous year and re-referenced to 2010.