

Financial Stability Authority's Sustainability Report 2024

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1 Management's validation

Monitoring related to responsibility and sustainable development began at the Financial Stability Authority (the FFSA) in 2021 by identifying the UN Sustainable Development Goals that are relevant from the perspective of the resolution and deposit guarantee authority. The sub-objectives and indicators to be monitored were selected at the beginning of 2022, when the FFSA prepared its first sustainability report.

In its meeting on 27 November 2024, the Board of Directors of the FFSA-managed extra-budget fund, the Financial Stability Fund, approved the responsibility objectives related to the investment activities of the Deposit Guarantee Fund. These aspects of responsibility in investment activities will be reported as part of the FFSA's sustainability report from 2025 onwards.

The FFSA's management group has participated in identifying and specifying responsibility objectives as the work progresses, and in assessing how the objectives set have been achieved. The management group has participated in the preparation of the FFSA's sustainability report for 2024, in particular by selecting the case examples that provide a comprehensive picture of the diverse development work carried out in 2024. The structure of the 2024 sustainability report has been reformed in accordance with the management group's policies.

The Director General of the FFSA has approved the FFSA's fourth sustainability report on 10 April 2025. The report has been prepared in accordance with the State Treasury's guideline "Sustainability reporting in central government" (VK/3503/2024).

2 Sustainability in the FFSA's operations

2.1 Premise of operations

The Financial Stability Authority is an independent authority established in 2015 and acting as Finland's national resolution and deposit guarantee authority. In summer 2022, the FFSA was tasked with maintaining the National Emergency Supply Account system.

The FFSA's statutory task is to contribute to the stability of financial markets in terms of crisis management capabilities of financial institutions and public authorities and by developing the functioning of the Deposit Guarantee Scheme (DGS), the resolution framework and the contingency arrangements for daily payments.

Crisis preparedness and effective and appropriate regulation are prerequisites for minimising the impacts and costs of bank crises on society. In addition, the FFSA ensures that the administrative fees collected from the institutions are used appropriately for the FFSA's operations in compliance with the law. In addition, as part

of the administrative branch of the Ministry of Finance, the FFSA highlights development targets for developing more efficient public administration.

The Financial Stability Authority manages the Financial Stability Fund which is an off-budget fund of the central government. The fund consists of the Deposit Guarantee Fund and the Resolution Fund. The Financial Stability Fund has a Board of Directors that steers the fund's investment activities and risk management. The Board of Directors of the Financial Stability Fund set goals related to the fund's responsibility in late 2024.

Sustainability is also part of the FFSA's value based operating culture. Everyone working in the FFSA can promote sustainability in their own activities, in cooperation with other authorities and financial institutions that fall within the FFSA's remit. The FFSA employees' commitment to values is measured annually by means of a job satisfaction survey.

The employees of the FFSA must adhere to the FFSA's ethical guidelines in everything they do. The purpose of the guidelines is to ensure the independence and impartiality of the FFSA employees and the high ethical standards of operation that must apply. In addition, the FFSA representatives that participate in the work of the Single Resolution Board (SRB) plenary session, the Resolution Committees of the European Banking Authority (EBA) and the European Securities and Markets Authority (ESMA) are bound by the Code of Ethics that apply to the members of these organisations respectively.

[Read more about the 2030 Agenda for Sustainable Development.](#)¹

2.2 The FFSA's sustainability reporting

Since the beginning of 2022, the FFSA's Chief Economist has been given the responsibility to monitor issues related to sustainability and, in particular, the green transition and to examine which dimensions of the green transition are relevant from the perspective of a resolution and deposit guarantee authority. The Chief Economist coordinates the preparation of the sustainability report at the FFSA. The work on the report begins with examining whether there is a need to change the identified objectives or specify the sub-objectives or indicators that have already been identified.

On the proposal of experts of the Resolution and Deposit Guarantee and Security of Supply units, the management group members in February 2025 selected the case examples that best describe the work done in 2024 to achieve the identified sustainability targets. Experts of the Administrative Services and Financial Stability Fund have retrieved updated information on footprint issues.

With regard to the Financial Stability Fund, the Board of Directors of the Financial Stability Fund decided to integrate the activities of the Financial Stability Fund into the FFSA's responsibility reporting from 2025 onwards. This report presents the responsibility objectives related to the investment activities of the Financial Stability Fund and the Deposit Guarantee Fund, but the handprints will be reported for the first time in the FFSA sustainability report regarding year 2025. The concrete sustainability measures related to the investment activities of the Deposit Guarantee Fund, together with their related indicators, will be defined in the responsible investment policy, which

¹ [Agenda2030 for Sustainable Development](https://kestavakehitys.fi/en/agenda2030) (https://kestavakehitys.fi/en/agenda2030)

the Board of Directors of the Financial Stability Fund is scheduled to approve during 2025.

A draft of the sustainability report was presented to the FFSA management group in April 2025. The sustainability report was finalised based on the comments received.

3 Handprint – Positive impacts of operations

The Financial Stability Authority has identified three goals of the UN 2030 Agenda for Sustainable Development, which are essential for its operations, and which the FFSA can influence positively, i.e., leaving its handprint:

- End poverty in all its forms everywhere (Goal 1)
- Decent work and economic growth (Goal 8)
- Reduced inequalities (Goal 10)

On 27 November 2024, the Board of Directors of the Financial Stability Fund has confirmed that the Fund's primary responsibility objective is UN Sustainable Development goal 8.10: Strengthen the capacity of domestic financial institutions to encourage and expand access to banking, insurance and financial services for all. In addition, the Deposit Guarantee Fund's investment activities will aim to support the following Sustainable Development Goals: Take urgent action to combat climate change and its impacts (Goal 13); and Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels (Goal 16). These goals will be included in the 2025 sustainability report.

3.1 End poverty in all its forms everywhere (Goal 1)

3.1.1 Identifying the goal and targets

The Financial Stability Authority is best placed to contribute to target 1.5: *By 2030, build the resilience of the poor and those in vulnerable situations and reduce their exposure and vulnerability to climate-related extreme events and other economic, social and environmental shocks and disasters.*

The FFSA maintains and promotes a credible resolution framework and a deposit guarantee mechanism to ensure that all depositors have equal access to their deposits in times of economic shocks. One of the objectives of resolution is to safeguard depositors' funds and the customer funds held by institutions. In the event of bankruptcy, the FFSA will ensure, through its activities, that depositors receive their deposits back up to EUR 100,000.

The Emergency Account System, which is the responsibility of the FFSA, will, on the other hand, safeguard key daily payment services in situations where normal payment systems are unavailable, in the event of a serious disruption in society or in emergency conditions.

By carrying out its tasks, the FFSA reduces the vulnerability and exposure of particularly vulnerable persons to incidents and disasters.

3.1.2 Progress metrics

Of the indicators mentioned in the 2030 Agenda for Sustainable Development indicator framework, the most appropriate indicator for the FFSA's selected target is 1.5.2. *Direct economic loss attributed to disasters in relation to global gross domestic product (GDP)*, however, in such a way that "disaster" is limited to a shock linked to, or affecting, the financial system. The institutes under the FFSA's direct jurisdiction are Finnish, and thus the direct impacts of the FFSA's activities mainly affect Finland's GDP.

During the monitoring period, there have been no cases of resolution, deposit guarantee claims or any serious disruption or state of emergency that has warranted deployment of the backup account system in Finland. Hence, it is not possible to determine the value of the selected indicator.

It is worth noting that the purpose of the deposit guarantee and resolution mechanisms is to prevent crises from happening in the first place. Thus, the depositors' faith in the system together with the fact that the risk of a bank run has remained low, can be seen as an attest to the effectiveness of the work done.

3.1.3 Case example: Simulations related to the payment of deposit guarantee claims

In spring 2024, the FFSA participated in a simulation exercises related to the payment of deposit guarantee compensations. The exercises proved that the FFSA is able to pay deposit guarantee compensation within the statutory period of seven working days.

The first simulation exercise focused on the payment of deposit guarantee compensation to depositors in branch countries in the event of a bank going bankrupt. The two-week exercise was carried out in cooperation with the Swedish and Norwegian deposit guarantee authorities. The first week was about testing the cooperation between deposit guarantee authorities, communications with depositors and the compensation payment in the event of the bankruptcy of an imaginary Swedish bank operating in Finland and Norway. In the second week, similar measures were tested in the event of the bankruptcy of an imaginary Finnish bank operating in Sweden and Norway.

Another simulation, the payment of deposit guarantee compensations in Finland, also lasted for two weeks, and in addition to the FFSA, experts representing the Bank of Finland, the Digital and Population Data Services Agency, the Finnish Government Shared Services Centre for Finance and HR (Palkeet), the Ministry of Finance, and the Ministry of Social Affairs and Health participated in the exercise. Some of the experts participated in the simulation exercise in the role of a test depositor. Their task was, for example, to test the communication material produced by the FFSA for depositors, such as the adequacy and clarity of the instructions issued to act in the event of payment of notices and compensations.

3.2 Decent work and economic growth (Goal 8)

3.2.1 Identifying objectives and targets

The Financial Stability Authority is best placed to contribute target 8.10: *Strengthen the capacity of domestic financial institutions to encourage and expand access to banking, insurance and financial services for all.*

The aim of the FFSA's activities is to promote the credibility of the deposit guarantee scheme and the resolution mechanism and to ensure the continuity of daily payment services through the National Emergency Account System. The FFSA prepares for the escalation of problem situations so that in an event of a financial institution running into serious difficulties, the authorities can deal with the situation in a controlled manner. This will minimise the effects of the bank collapsing on the customers, and on the real economy, for example, through a decline in lending. The effective implementation of resolution measures will also help avoid a situation where the problems of one bank could lead to a large-scale banking crisis, which, in turn, could even lead to a long-term recession.

The FFSA regularly draws up a resolution plan for institutions within its remit. For those institutions that would be subject to resolution measures, the FFSA sets out a minimum requirement for own funds and eligible liabilities (MREL), while also identifying possible impediments for resolution. In addition, the FFSA continuously improves its own preparedness by developing its procedures and tools that would be used in case of an institution facing serious problems. Exercises between authorities and with banks play an increasingly central role in developing resolution capabilities.

3.2.2 Progress metrics

In connection with resolution, functions critical to society should continue. Banks' deposit and payment services functions are most commonly defined as critical, as a disruption would have a widespread and rapid impact on customers. In the event of payment of deposit guarantee claims, the deposits must be available to customers within seven working days. The continuity of key daily payment services is also ensured through the National Emergency Account System.

The FFSA can use its measures to ensure that customers have uninterrupted access to banking services. For this reason, it is more appropriate to assess the effectiveness of the FFSA's activities based on the length and scope of the disruption rather than applying the indicator framework of the 2030 Agenda for Sustainable Development, where the indicators are based on the number of bank branches and the availability of banking services (indicators 8.10.1 and 8.10.2).

During the monitoring period, there have been no resolution case, deposit guarantee claims or any serious disruption or state of emergency that required the deployment of the Emergency Account System for daily payments in Finland. Therefore, it is not possible to determine the value of the selected indicators.

However, as with the previous goal, it should be borne in mind that the existence and credibility of deposit guarantee and resolution mechanisms per se create financial stability. Therefore, the absence of disruptions in the financial markets during the monitoring period can be considered an indication of the effectiveness of the work done.

3.2.3 Case example: Nordic and Baltic crisis simulation exercise

The supervisory and resolution authorities of the Nordic and Baltic countries, central banks and ministries of finance have agreed to conduct simulation exercises on financial crises on a regular basis. The first exercise took place in 2019.

The aim of the second exercise organised in September 2024 was to test communication, information sharing and cooperation between authorities in a situation where the financial situation of fictitious banks deteriorated from recovery to resolution and post-resolution. Almost 450 experts from eight countries took part in the exercise.

The exercise showed that cooperation between authorities has developed significantly over the years. At the same time, the exercise improved the authorities' understanding of how the existing operational playbooks, process descriptions and roles and responsibilities should be further specified in order to develop resolution capabilities. The FFSA is continuously promoting this work internally and in cooperation with other authorities.²

3.3 Reduced inequalities (Goal 10)

3.3.1 Identifying the goal and targets

The FFSA is best placed to contribute to target 10.5: *Improve the regulation and monitoring of global financial markets and institutions and strengthen the implementation of such regulations.*

The statutory tasks of the Financial Stability Authority include making proposals and introducing initiatives for the development of rules and regulations on crisis management in the financial sector. The FFSA actively contributes to the development of both national and EU-level legislation in the banking sector with a view to strengthening financial stability through a regulatory framework. The FFSA operates under the European Financial Supervisory System and contributes to the preparation of EU regulation within the framework of the European Banking Authority's Resolution Committee and the European Securities and Markets Authority's Resolution Committee.

3.3.2 Progress metrics

The financial stability indicators mentioned in the indicator framework (indicator 10.5.1) are influenced by a number of factors, and the FFSA's ability to influence them is limited. Thus, the FFSA finds it more appropriate to monitor the indicator derived from the sub-objective "legislative proposals in which the FFSA has been actively involved".

The FFSA participated actively in national legislative work in 2024. The most significant projects during the year were the reform of EU crisis management and deposit guarantee legislation and the reform of national credit institution legislation. The FFSA participated in the formulation of a national position on EU matters in three different

² FFSA's news release 1 April 2025: [Effective simulation exercises improve crisis management capabilities](#)

preparatory sub-committees of the EU committee and as an expert of the Parliamentary Economic Committee.

A list of all statements issued by the FFSA in 2024 has been published on the FFSA's website in a press release.³

3.3.3 Case example: Reform of the credit institution legislation

In summer 2024, the Ministry of Finance appointed a working group tasked with proposing amendments to the legislation on credit institutions in order to take into account changes made at the EU level in prudential regulation. The changes relate to the floor used for the calculation of risk-weighted exposures based on Basel III standards, the assessment of the reliability and competence of the management of the bank and the way credit institutions should take sustainability risks into account in their operations. The working group must also prepare proposals on how the provisions on the structure, steering and supervision of consortia, for example, should be specified.

The working group started their work in September 2024 and will continue until the end of 2025. The FFSA has a member in the working group.

4 Footprint – negative impacts of operations

The most significant identified negative impacts of the operations of the FFSA are caused by official travel, premises and IT equipment and services.

The carbon footprint of FFSA employees' air travel in 2024, calculated using the Trust Carbo method, was 38,460 kg of CO₂-eq. In 2024, FFSA employees flew to international meetings a total of 60 times. There were no domestic flights in 2024, there were 19 flights to Brussels, 16 to another Nordic country, 24 to other parts of Europe, and one to outside Europe. The total number of flight kilometres was approximately 214,230, or an average of 7,934 kilometres per employee. In 2023, each employee flew approximately 5,900 kilometres on average. Contact meetings with, for example, the SRB and official colleagues in other Nordic countries are essential for the performance of the FFSA's tasks. However, it should be noted that most international meetings are still held remotely.

FFSA employees can use the Smartum commuting benefit for public transport services. This contributes to reducing the carbon footprint created by FFSA employees in commuting. FFSA employees can also use the Smartum benefit for sports and cultural services, which increases well-being and coping at work.

The size of the FFSA's footprint is affected by the equipment used, the maintenance of data centres required for IT services and other services. The equipment in use and services related to information technology and administration are procured from the Government ICT Centre Valtori.

³ FFSA's news release 31 December 2024 (in Finnish), [Rahoitusvakausturvasto – kooste 2024](#))

The FFSA's office space is rented from Keva. The LED lighting in the premises is energy efficient, and ventilation, cooling and electricity, and cable networks have been upgraded to meet the current requirements. In 2024, Keva's measures aimed at energy savings included optimising ventilation and temperature control. In 2024, the property used 100% renewable electricity sourced by Keva, mainly from a Finnish wind power farm. In its own properties, Keva is implementing an environmental strategy aimed at zeroing emissions from energy use by 2030. In 2024, 36.8% of the property's heat consumption was circulating heat from Helen's Eco Heat Bio product.

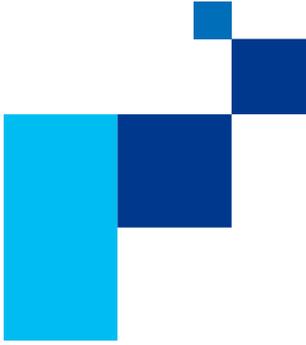
The FFSA uses central government service providers as much as possible in its procurements. Group actors are specialised in procurements and thus are better equipped than the FFSA to take sustainability issues into account in procurement.⁴ In 2024, 40% of the volume of purchase invoices related to other than travel came from group operators.

In addition, the FFSA utilises central government centralised framework agreements for procurements that comply with joint procurement. In 2024, joint procurement accounted for 9% of the FFSA's total procurement. In 2024, 100% of joint procurements were awarded through contracts with a financial responsibility label, 10.9% through contracts with an environmental label and 0.7% through contracts with a social responsibility label. According to Hansel's calculations, the carbon footprint of the FFSA's purchase invoices related to other than travelling was 297,681 CO₂-eq in 2024.

5 Conclusion

The work of the Financial Stability Authority on sustainability issues continues. For the first time in 2025, the FFSA will assess the progress made in achieving its sustainability objectives. The FFSA will also continue its work on the credibility and further development of the deposit guarantee and resolution framework and the contingency arrangements for daily payments. For example, in 2025, the FFSA will conduct several exercises to test the FFSA's crisis management capabilities. The exercises provide valuable information on how development work should be targeted in the future.

⁴ Further information about the sustainability work of central government's service providers can be found on their websites/sustainability reports: Valtori (<https://valtori.fi/vastuullisuus>), Palkeet (https://palkeet.fi/wp-content/uploads/2025/04/Palkeet-Kestavyysraportti-2024_valmis.pdf), Haus (<https://haus.fi/vaikuttavuus-ja-vastuullisuus/>) ja Hansel (<https://www.hansel.fi/hankintatietoa/hankintojen-vastuullisuus/>).



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