

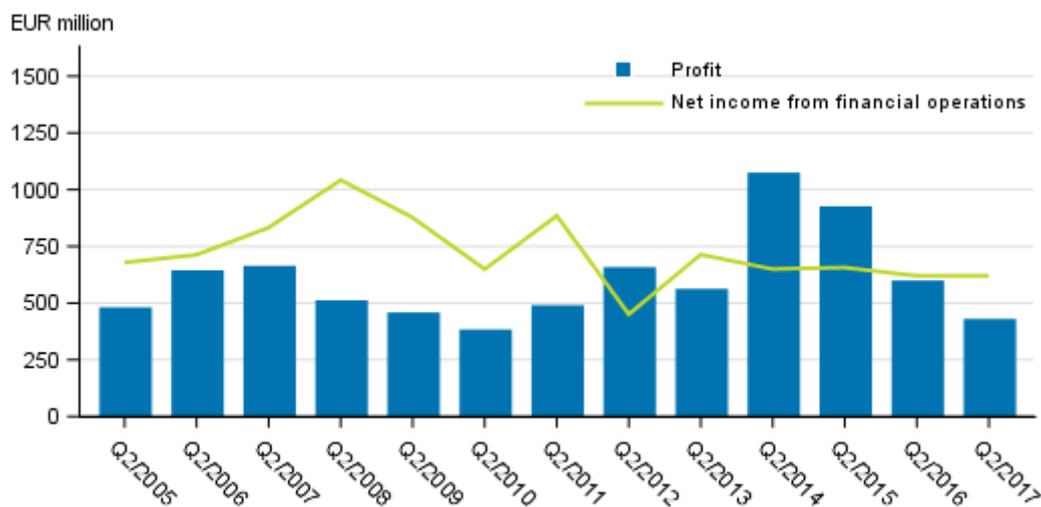
Financial statement statistics on credit institutions

2017, 2nd quarter

Operating profit of banks operating in Finland fell in the second quarter of 2017, net income from financial operations remained unchanged

The net income from financial operations of credit institutions engaged in banking in Finland amounted to EUR 621 million in the second quarter of 2017 and operating profit to EUR 430 million. Compared with the previous year, net income from financial operations grew by EUR one million and operating profit decreased by EUR 169 million. These data derive from Statistics Finland's financial statement statistics on credit institutions.

Net income from financial operations and operating profit of banks operating in Finland, 2nd quarter 2005 to 2017, EUR million



Interest income and expenses

The interest income of credit institutions engaged in banking in Finland amounted to EUR 1.1 billion in the second quarter, down by nearly EUR 73 million from one year ago. Interest expenses also diminished by EUR 73 million to EUR 508 million. The 6,0 per cent fall in interest income and the 12.6 per cent decrease in interest expenses turned the long contracted net income from financial operations to a growth of 0,2 per cent.

Administrative expenses

Administrative expenses is the single largest expenditure item of banks operating in Finland. Over the second quarter, the administrative expenses of banks amounted to EUR 725 million, which is EUR eight million less than one year previously. Wages and salaries made up 47.2 per cent of administrative expenses. Compared with the second quarter of 2016, combined wages and salaries diminished by EUR 24 million to EUR 342 million.

Operating profit

Operating profit, or profit from continuing operations before taxes, was EUR 430 million. Relative to EUR 599 million in 2016, operating profit went down by EUR 169 million, or by 28.2 per cent. In particular, distinctly decreased gains on financial assets and liabilities held for trading explain the decrease in operating profit. Variations in operating profit by quarter can generally be large.

Balance sheet

The aggregate value of the balance sheets was EUR 360 billion. The balance sheet was 35.8 per cent down from one year ago. The share of equity of the balance sheet total was 4.7 per cent, or nearly EUR 17 billion. Last year, banks' equity amounted to EUR 27 billion.

A company restructuring made in the Finnish banking sector in the first quarter of 2017 explains a majority of the unexceptionally large changes in the balance sheets and, in particular, in equity.

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Appendix table 1. Profit and loss accounts of banks operating in Finland 1.1.- 30.6.2017, EUR thousands

	1.1.- 30.6.2017				
	Commercial banks	Foreign banks	Co-operative banks total	Savings banks total	Banks total
Interest income	984 274	681 969	435 173	101 581	2 202 997
Interest expenses	606 629	411 812	55 107	20 592	1 094 140
NET INCOME FROM FINANCIAL OPERATIONS	377 645	270 157	380 066	80 989	1 108 857
(Expenses on share capital repayable on demand)	.. ¹⁾
Dividend income	43 100	222	260 682	4 924	308 928
Fee and comission income	304 705	499 967	268 117	53 999	1 126 789
(Fee and comission expenses)	77 816	61 918	31 994	8 225	179 954
Gains or (-) losses on derecognition of financial assets and liabilities not measured at fair value through profit or loss, net	17 641	52 564	17 663	17 168	105 035
Gains or (-) losses on financial assets and liabilities held for trading, net	114 872	-56 703	928	56	59 153
Gains or (-) losses on financial assets and liabilities designated at fair value through profit or loss, net	-167	..	165	..	333
Gains or (-) losses from hedge accounting, net	-1 067	..	3	-46	33 798
Exchange differences [gain or (-) loss], net	1 688	12 462	-48	-130	13 971
Gains or (-) losses on derecognition of non financial assets, net	..	605	..	286	..
Other operating income	43 588	140 194	55 477	9 905	249 164
(Other operating expenses)	30 477	9 153	82 191	21 630	143 451
TOTAL OPERATING INCOME, NET	793 730	883 641	869 056	137 295	2 683 721
(Administrative expenses)	394 161	587 239	376 720	73 771	1 431 891
of which: Wages, salaries and fees (including staff-related cost)	163 397	310 415	177 261	36 376	687 449
of which: Other administrative expenses	230 764	276 824	199 460	37 395	744 443
(Depreciation)	21 467	24 344	15 867	3 623	65 302
(Provisions or (-) reversal of provisions)	1 230	-2 587	..	..	-1 357
(Impairment or (-) reversal of impairment on financial assets not measured at fair value through profit or loss)	17 175	13 083	10 203	6 865	47 326
(Impairment or (-) reversal of impairment of investments in subsidiaries, joint ventures and associates)	..	..	..	..	..
(Impairment or (-) reversal of impairment on non-financial assets)	..	8 254	3 917	..	12 253
Negative goodwill recognised in profit or loss	..	..	..	..	..
Share of profit or (-) loss in investments in subsidiaries, joint ventures and associates.	..	..	..	..	..
Profit or (-) loss from non-current assets and disposal groups classified as held for sale not qualifying as discontinued operations	..	..	..	..	..
PROFIT OR (-) LOSS BEFORE TAX FROM CONTINUING OPERATIONS	359 614	265 295	462 349	53 036	1 140 294
(Appropriations)	..	..	..	..	..

	1.1.- 30.6.2017				
	Commercial banks	Foreign banks	Co-operative banks total	Savings banks total	Banks total
(Tax expense or (-) income related to profit or loss from continuing operations)	..	..	..	..	..
PROFIT OR (-) LOSS AFTER TAX FROM CONTINUING OPERATIONS	284 778	187 224	422 544	37 168	931 715
Extraordinary profit or (-) loss after tax	..	..	..	..	..
PROFIT OR (-) LOSS AFTER TAX FROM DISCONTINUING OPERATIONS	..	..	..	..	..
PROFIT OR (-) LOSS FOR THE YEAR	284 778	187 224	422 544	37 168	931 715

1) Data not available or too uncertain for presentation, or subject to secrecy

Appendix table 2. Balance sheets of banks operating in Finland 1.1.- 30.6.2017, EUR thousands

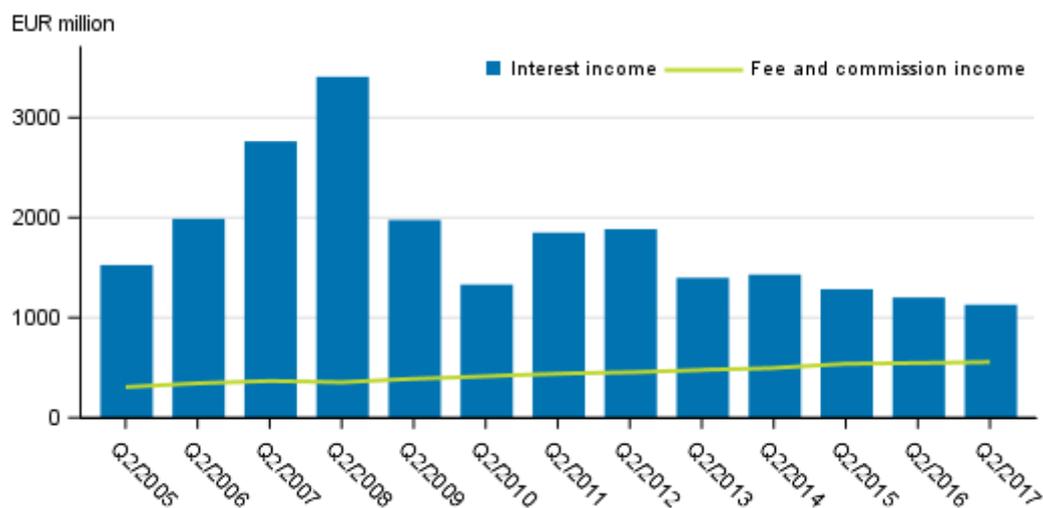
	1.1.- 30.6.2017				
	Commercial banks	Foreign banks	Co-operative banks total	Savings banks total	Banks total
ASSETS					
Cash, cash balances at central banks and other demand deposits	16 880 743	74 349 156	2 120 842	712 983	94 063 724
Financial assets held for trading	8 091 827	7 228 954	65 073	.. ¹⁾	15 385 951
Financial assets designated at fair value through profit or loss	..	..	4 240	9 740	505 669
Available-for-sale financial assets	15 571 931	7 153 542	6 632 367	1 629 674	30 987 514
Loans and receivables	66 733 227	74 409 191	61 059 704	8 286 384	210 488 505
Held-to-maturity investments	812 751	..	26 923	22 326	862 000
Derivatives - Hedge accounting (assets)	562 024	..	93 957	67 681	775 569
Fair value changes of the hedge items in portfolio hedge of interest rate risk (assets)	..	..	..	..	..
Investments in subsidiaries, joint ventures and associates	1 309 205	..	18 657	10 925	1 346 623
Investments of investment service companies in subsidiaries, joint ventures and associates	..	..	..	..	..
Tangible assets	34 767	86 395	761 979	128 882	1 012 023
Intangible assets	198 031	449 044	8 388	21 353	676 816
Other assets	1 644 299	1 525 608	75 409	79 627	3 324 943
Non-current assets held for sale and transferable item groups	..	..	..	..	..
Tax assets	48 296	19 131	21 513	1 490	90 430
TOTAL ASSETS	112 176 463	165 697 208	70 889 052	10 971 160	359 733 883
LIABILITIES					
Financial liabilities held for trading	5 319 976	204 525	41 190	..	5 565 691
Financial liabilities designated at fair value through profit or loss	..	..	..	..	1 934 447
Financial liabilities measured at amortised cost	93 580 097	162 407 576	59 540 806	9 518 857	325 047 337
Derivatives - Hedge accounting (liabilities)	508 454	..	15 497	..	630 143
Fair value changes of the hedge items in portfolio hedge of interest rate risk (liabilities)	..	..	..	49 333	142 602
Provisions	4 744	89 500	11 977	..	106 511
Tax liabilities	25 833	74 364	14 565	18 178	132 939
Share capital repayable on demand	..	..	..	..	..
Other Liabilities	5 001 714	1 870 866	2 093 389	409 407	9 375 377
Liabilities included in disposal groups classified as held for sale	..	..	..	..	..
Depreciation difference	..	..	..	..	..
Voluntary provisions	..	..	..	..	..
TOTAL LIABILITIES	106 232 121	164 985 117	61 718 907	9 998 903	342 935 047
Equity	907 939	85 190	3 371 078	113 643	4 477 849
Share premium	558 792	..	..	..	569 112
Equity instruments issued other than capital	..	..	..	..	..
Other equity	26 404	..	..	..	26 974

	1.1.- 30.6.2017				
	Commercial banks	Foreign banks	Co-operative banks total	Savings banks total	Banks total
Accumulated other comprehensive income	88 712	..	57 278	55 319	255 480
Retained earnings	2 891 075	223 299	3 259 088	430 761	6 804 222
Revaluation reserves	..	..	..	..	..
Other reserves	1 187 177	161 636	2 060 159	325 047	3 734 019
(-) Treasury shares	..	..	..	..	..
Profit or loss allocated to shareholders of the parent company	284 778	187 224	422 544	37 168	931 714
(-) Interim dividends	..	..	..	..	..
Minority interests (non-controlling owners' interests)	..	..	..	..	..
TOTAL EQUITY	5 944 342	712 091	9 170 146	972 257	16 798 837
TOTAL EQUITY AND TOTAL LIABILITIES	112 176 463	165 697 208	70 889 053	10 971 160	359 733 884

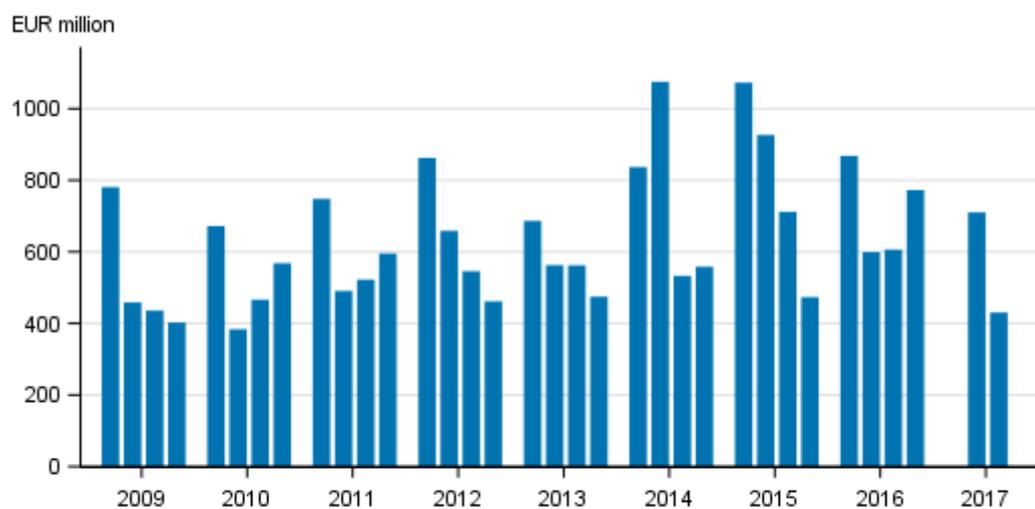
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Figures

Appendix figure 1. Interest income and commission income of banks operating in Finland, 2nd quarter 2005 to 2017, EUR million



Appendix figure 2. Operating profit of banks operating in Finland, by quarter in 2009 to 2017, EUR million



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Source: Credit institutions' annual accounts, Statistics Finland