

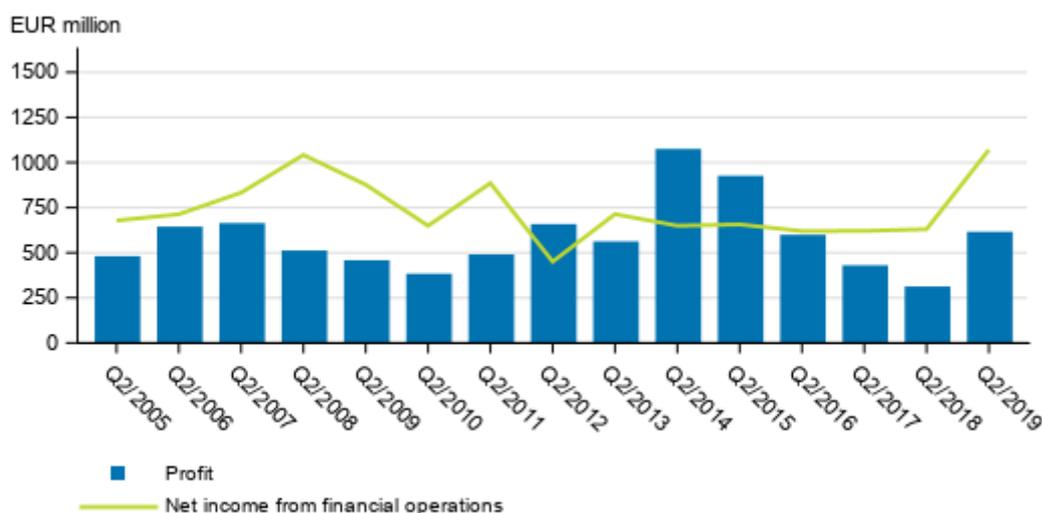
Financial statement statistics on credit institutions

2019, 2nd quarter

Operating profit of banks operating in Finland was EUR 616 million in the second quarter of 2019

In the second quarter of 2019, the net income from financial operations of credit institutions engaged in banking in Finland amounted to EUR 1,069 million and their operating profit to EUR 616 million. Finland's bank sector grew as the result of a significant company restructuring in the fourth quarter of 2018, which means that the data in this release are not fully comparable with previous releases. 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 2019, EUR million



Interest income and expenses

In the second quarter of 2019, credit institutions engaged in banking in Finland accumulated EUR 1,397 million in interest income. Their interest expenses, in turn, amounted to EUR 327 million. The net income from financial operations calculated as the difference between these was EUR 1,069 million. Compared to the respective quarter in 2018, net income from financial operations of Finnish commercial banks increased considerably. In terms of foreign banks, their net income from financial operations decreased compared to the same quarter in the year before. This was significantly affected by the company restructuring made in the Finnish banking sector in the fourth quarter of 2018.

Administrative expenses

Administrative expenses are a significant expense item for banks operating in Finland. Banks' administrative expenses amounted to EUR 1.3 billion in the second quarter. Compared to the corresponding quarter last year, administrative expenses increased by EUR 514 million. The share of wages and salaries in administrative expenses grew to 65.3 per cent, while they had been 50.7 per cent in the first quarter of 2019. Because of a significant company restructuring, the administrative expenses after the fourth quarter of 2018 are not really comparable with earlier quarters

Operating profit

The operating profit, or profit from continuing operations before taxes, was EUR 616 million in the second quarter of 2019. Compared to the corresponding quarter in 2018, the operating profit is almost double. The operating profit grew particularly due to interest and commission income. Because of a significant company restructuring, the operating profit after the fourth quarter of 2018 is not really comparable with the operating profit of earlier quarters.

Balance sheet

The aggregate value of the balance sheets of banks was some EUR 717 billion. Of this, the share of equity was around EUR 43 billion which is, on average, six per cent of the balance sheet total. Cooperative banks belonging to OP Financial Group had the biggest share of equity in the balance sheet, around 12.2 per cent. Foreign banks, in turn, had the lowest share of equity in the balance sheet, around 0.4 per cent. On average, the share of equity in the aggregate of the balance sheets for all banks operating in Finland rose by 1.8 percentage points from one year back. The large company restructuring made in the Finnish banking sector in the fourth quarter of 2018 had a considerable effect on banks' balance sheet total and own equity.

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Appendix table 1. Profit and loss accounts of banks operating in Finland 1.1.- 30.6.2019, EUR thousands

| | 1.1.- 30.6.2019 | | | | |
|--|------------------|----------------|--------------------------|---------------------|------------------|
| | Commercial banks | Foreign banks | Co-operative banks total | Savings banks total | Banks total |
| Interest income | 3 254 663 | 331 537 | 452 047 | 105 425 | 4 143 671 |
| (Interest expenses) | 1 852 693 | 103 381 | 33 940 | 14 476 | 2 004 491 |
| NET INCOME FROM FINANCIAL OPERATIONS | 1 401 969 | 228 156 | 418 107 | 90 949 | 2 139 181 |
| (Expenses on share capital repayable on demand) | .. | .. | .. | .. | .. |
| Dividend income | 32 398 | .. | 265 542 | .. | 310 846 |
| Fee and comission income | 1 368 835 | 240 507 | 256 694 | 63 683 | 1 929 719 |
| (Fee and comission expenses) | 355 320 | 58 892 | 31 563 | 9 882 | 455 658 |
| Gains or (-) losses on derecognition of financial assets and liabilities not measured at fair value through profit or loss, net | 116 788 | .. | .. | 704 | 115 605 |
| Gains or (-) losses on financial assets and liabilities held for trading, net | 116 771 | 11 835 | .. | .. | 132 055 |
| Gains or losses on financial assets outside the trading fund that are mandatorily measured at fair value through profit or loss, net | 709 959 | .. | .. | 32 478 | 748 224 |
| Gains or (-) losses on financial assets and liabilities designated at fair value through profit or loss, net | -594 658 | .. | -1 670 | .. | -596 342 |
| Gains or (-) losses from hedge accounting, net | -9 969 | .. | .. | -539 | -10 514 |
| Exchange differences [gain or (-) loss], net | 197 525 | 5 072 | .. | .. | 202 611 |
| Gains or (-) losses on derecognition of non-financial assets, net | .. | -43 | -54 | 217 | .. |
| Other operating income | 237 264 | 49 014 | 32 420 | 12 603 | 331 302 |
| (Other operating expenses) | 46 169 | 7 420 | 95 599 | 27 755 | 176 943 |
| TOTAL OPERATING INCOME, NET | 3 174 851 | 471 917 | 852 991 | 169 905 | 4 669 664 |
| (Administrative expenses) | 2 187 556 | 271 441 | 400 950 | 85 976 | 2 945 923 |
| of which: (Personnel expenses) | 1 353 915 | 129 343 | 158 805 | 38 560 | 1 680 623 |
| of which:(Other administrative expenses) | 833 641 | 142 098 | 242 145 | 47 416 | 1 265 300 |
| (Depreciation) | 293 932 | 12 010 | 11 554 | 6 100 | 323 596 |
| Gains or (-) losses caused by changes made, net | .. | .. | .. | .. | .. |
| (Provisions or (-) reversal of provisions) | 112 020 | 1 613 | 127 | 208 | 113 968 |
| (Impairment or (-) reversal of impairment on financial assets not measured at fair value through profit or loss) | 42 758 | 17 631 | 16 123 | 4 287 | 80 799 |
| (Impairment or (-) reversal of impairment of investments in subsidiaries, joint ventures and associates) | .. | .. | .. | .. | .. |
| (Impairment or (-) reversal of impairment on non-financial assets) | 8 879 | .. | 1 305 | .. | 10 875 |
| 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 | .. | .. | .. | .. | .. |

| | 1.1.- 30.6.2019 | | | | |
|--|------------------|---------------|--------------------------|---------------------|-------------|
| | Commercial banks | Foreign banks | Co-operative banks total | Savings banks total | Banks total |
| PROFIT OR (-) LOSS BEFORE TAX FROM CONTINUING OPERATIONS | 1 232 882 | 176 897 | 422 931 | 72 690 | 1 905 402 |
| (Tax expense or (-) income related to profit or loss from continuing operations) | 176 963 | 33 883 | 35 389 | 28 616 | 274 851 |
| PROFIT OR (-) LOSS AFTER TAX FROM CONTINUING OPERATIONS | 1 055 919 | 143 014 | 387 543 | 44 075 | 1 630 551 |
| Profit or (-) loss after tax from discontinuing operations | .. | .. | .. | .. | .. |
| PROFIT OR (-) LOSS FOR THE YEAR | 1 055 919 | 143 014 | 387 543 | 44 075 | 1 630 551 |

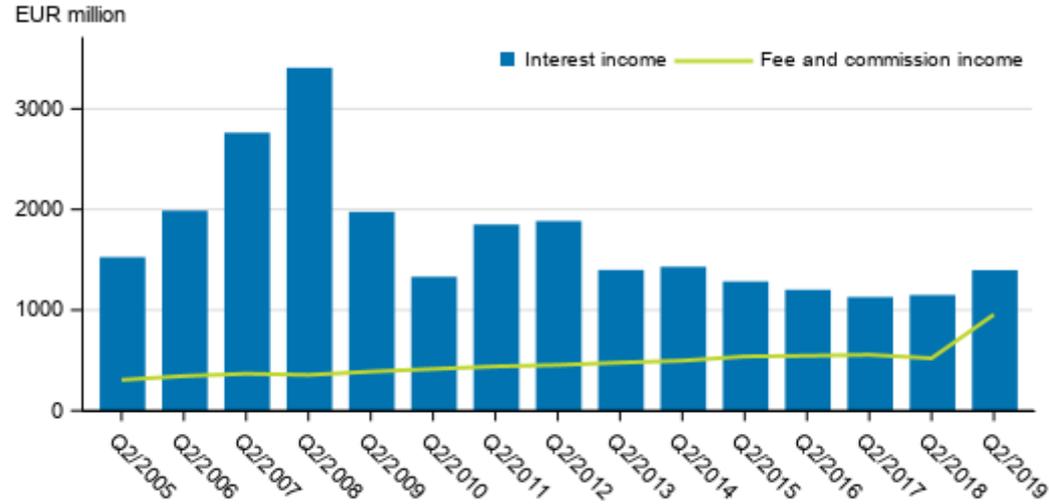
Appendix table 2. Balance sheets of banks operating in Finland 1.1.- 30.6.2019, EUR thousands

| | 1.1.- 30.6.2019 | | | | |
|---|--------------------|-------------------|--------------------------|---------------------|--------------------|
| | Commercial banks | Foreign banks | Co-operative banks total | Savings banks total | Banks total |
| ASSETS | . | . | . | . | . |
| Cash, cash balances at central banks and other demand deposits | 59 823 434 | 60 597 404 | 1 260 277 | 612 312 | 122 293 428 |
| Financial assets held for trading | 112 282 453 | 1 268 139 | 142 798 | .. | 113 693 391 |
| Financial assets outside the trading inventory that are mandatorily measured at fair value through profit or loss | 24 482 113 | .. | .. | 516 852 | 25 239 019 |
| Financial assets designated at fair value through profit or loss | .. | .. | .. | .. | 825 973 |
| Financial assets measured at fair value through other comprehensive income | 40 703 673 | .. | 6 143 522 | .. | 47 971 646 |
| Financial liabilities measured at amortised cost | 236 633 896 | 36 201 767 | 74 686 916 | 9 732 689 | 357 255 268 |
| Derivatives - Hedge accounting (assets) | 2 998 569 | .. | 258 315 | 78 620 | 3 335 504 |
| Fair value changes of the hedge items in portfolio hedge of interest rate risk (assets) | .. | .. | .. | .. | .. |
| Investments in subsidiaries, joint ventures and associates | 15 528 918 | .. | 17 469 | .. | 15 783 893 |
| Tangible assets | 1 176 035 | 124 737 | 630 896 | 124 822 | 2 056 491 |
| Intangible assets | 2 673 403 | 9 757 | 10 500 | 36 121 | 2 729 781 |
| Tax assets | 531 393 | 46 283 | 35 231 | 4 378 | 617 285 |
| Other assets | 24 161 543 | 474 444 | 62 230 | 53 255 | 24 751 471 |
| Non-current assets held for sale and transferable item groups | .. | .. | .. | .. | .. |
| TOTAL ASSETS | 521 606 058 | 99 258 470 | 83 472 633 | 12 298 988 | 716 636 149 |
| LIABILITIES | . | . | . | . | . |
| Financial liabilities held for trading | 98 025 735 | .. | 116 653 | .. | 99 500 432 |
| Financial liabilities designated at fair value through profit or loss | .. | .. | .. | .. | 3 443 960 |
| Financial liabilities measured at amortised cost | 364 377 193 | 95 872 716 | 70 727 441 | 10 674 313 | 541 651 664 |
| Derivatives - Hedge accounting (liabilities) | 1 109 252 | .. | 183 741 | .. | 1 295 282 |
| Fair value changes of the hedge items in portfolio hedge of interest rate risk (liabilities) | 1 501 461 | .. | .. | 65 902 | 1 567 363 |
| Provisions | 1 041 296 | 31 133 | 9 781 | 1 567 | 1 083 776 |
| Tax liabilities | 233 221 | 52 693 | 37 685 | 10 779 | 334 379 |
| Share capital repayable on demand | .. | .. | .. | .. | .. |
| Other Liabilities | 21 173 582 | 1 146 637 | 2 291 267 | 422 300 | 25 033 785 |
| Liabilities included in disposal groups classified as held for sale | .. | .. | .. | .. | .. |
| TOTAL LIABILITIES | 490 468 922 | 98 898 000 | 73 366 567 | 11 177 151 | 673 910 641 |
| Equity | 4 880 517 | .. | 3 602 450 | .. | 8 630 511 |
| Share premium | 558 792 | .. | .. | .. | 569 112 |
| Equity instruments issued other than capital | .. | .. | .. | .. | .. |
| Other equity | 129 003 | .. | .. | .. | 129 527 |
| Accumulated other comprehensive income | -187 016 | .. | 192 154 | .. | 27 454 |

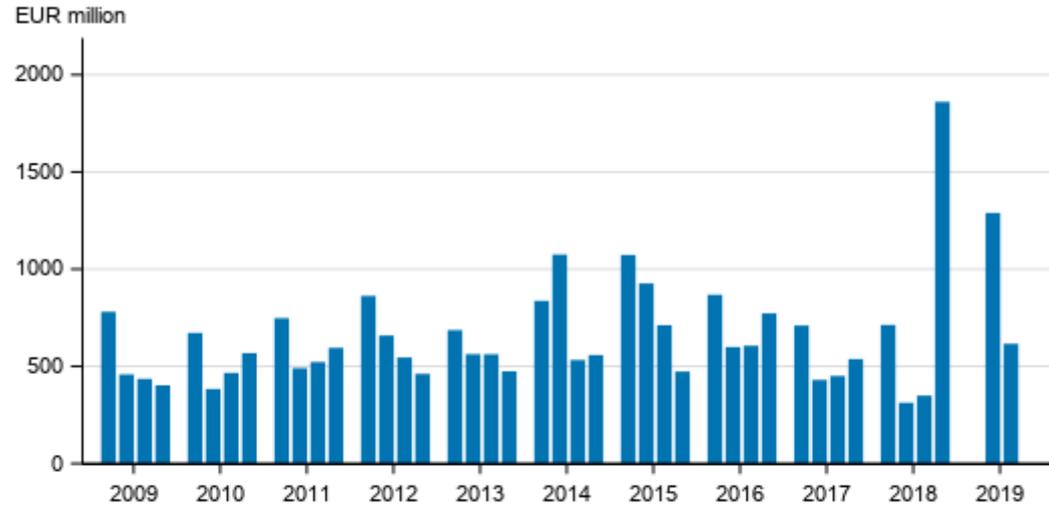
| | 1.1.- 30.6.2019 | | | | |
|--|--------------------|-------------------|--------------------------|---------------------|--------------------|
| | Commercial banks | Foreign banks | Co-operative banks total | Savings banks total | Banks total |
| Retained earnings | 23 150 845 | 198 038 | 3 833 350 | 551 886 | 27 734 119 |
| Uudelleenarvostus_rahastot | .. | .. | .. | .. | .. |
| Other reserves | 799 340 | .. | 2 090 568 | .. | 3 262 013 |
| (-) Treasury shares | .. | .. | .. | .. | .. |
| Profit or loss allocated to shareholders of the parent company | 1 055 919 | 143 013 | 387 543 | 44 075 | 1 630 550 |
| (-) Interim dividends | .. | .. | .. | .. | .. |
| Minority interests (non-controlling owners' interests) | .. | .. | .. | .. | .. |
| TOTAL EQUITY | 31 137 135 | 360 469 | 10 106 066 | 1 121 837 | 42 725 508 |
| TOTAL EQUITY AND TOTAL LIABILITIES | 521 606 058 | 99 258 470 | 83 472 633 | 12 298 988 | 716 636 149 |

Figures

Appendix figure 1. Interest income and commission income of banks operating in Finland, 2nd quarter 2005 to 2019, EUR million



Appendix figure 2. Operating profit of banks operating in Finland, by quarter in 2009 to 2019, EUR million



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Source: Credit institutions' annual accounts, Statistics Finland