

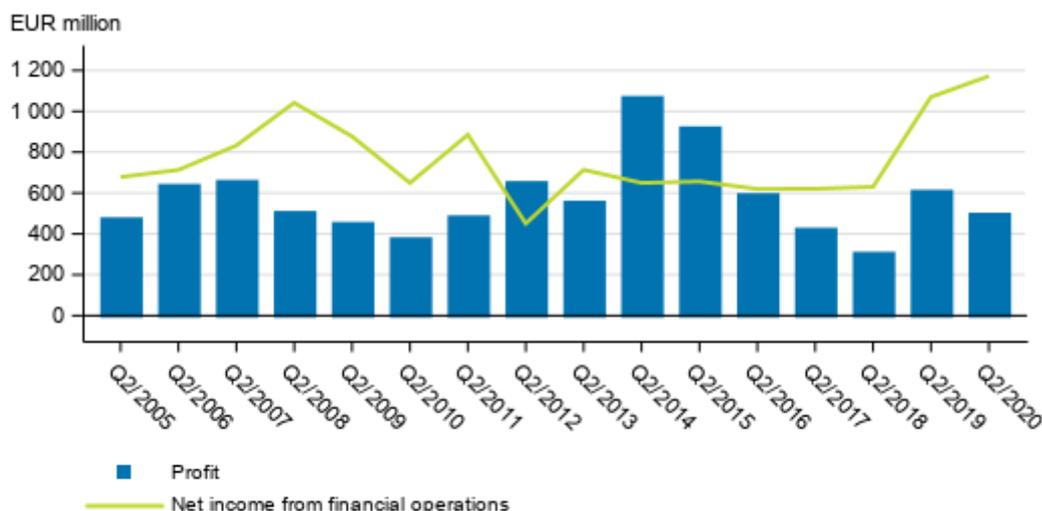
Financial statement statistics on credit institutions

2020, 2nd quarter

Net income from financial operations of banks operating in Finland increased and operating profit decreased in the second quarter of 2020

In the second quarter of 2020, the net income from financial operations of credit institutions engaged in banking in Finland amounted to EUR 1.2 billion and their operating profit to EUR 504 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 2020, EUR million



Interest income and expenses

In the second quarter of 2020, credit institutions engaged in banking in Finland accumulated EUR 1,662 million in interest income. Their interest expenses, in turn, amounted to EUR 490 million. The net income from financial operations calculated as the difference between these was EUR 1,172 million, which was EUR 102 million more than one year earlier. Net income went up by EUR 25 million from the previous quarter.

Administrative expenses

Administrative expenses are a significant expense item for banks operating in Finland. In the second quarter, banks had EUR 1,180 million in administrative expenses, which was EUR 103 million less than in the corresponding quarter of the year before. Relative to the quarter one year ago, administrative expenses decreased among bank groups especially for Finnish commercial banks. Wages and salaries made up EUR 774 million or 65.6 per cent of administrative expenses.

Operating profit/loss

The operating profit, or profit from continuing operations before taxes, was EUR 504 million in the second quarter of 2020. The decrease was EUR 112 million from EUR 616 million in the second quarter of 2019. The operating profit was weakened especially by reductions in value directed to profit and loss account items and credit loss reserves.

Balance sheet

The aggregate value of the balance sheets of banks was EUR 751 billion. Of this, the share of equity was, on average, 5.9 per cent or EUR 44 billion. Cooperative banks belonging to OP Financial Group had the biggest share of equity in the balance sheet, around 11.4 per cent and foreign banks the smallest, around 0.4 per cent. On average, the share of equity in the aggregate of the balance sheets for all banks operating in Finland fell by 0.10 percentage points from one year back.

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Appendix table 1. Profit and loss accounts of banks operating in Finland 1.1.- 30.6.2020, EUR thousands

	1.1.- 30.6.2020				
	Commercial banks	Foreign banks	,Co-operative banks total	Savings banks total	Banks total
Interest income	2 555 447	379 284	453 246	104 025	3 492 002
(Interest expenses)	1 013 922	121 698	27 598	9 804	1 173 022
NET INCOME FROM FINANCIAL OPERATIONS	1 541 524	257 587	425 647	94 221	2 318 980
(Expenses on share capital repayable on demand)	1)2) ..	..	..	..	..
Dividend income	26 570	..	265 343	..	298 433
Fee and comission income	1 279 507	241 644	240 953	67 796	1 829 899
(Fee and comission expenses)	347 420	41 042	23 309	9 133	420 905
Gains or (-) losses on derecognition of financial assets and liabilities not measured at fair value through profit or loss, net	55 010	..	..	8 152	61 030
Gains or (-) losses on financial assets and liabilities held for trading, net	116 632	12 908	..	..	151 646
Gains or losses on financial assets outside the trading fund that are mandatorily measured at fair value through profit or loss, net	49 445	..	..	-12 578	29 206
Gains or (-) losses on financial assets and liabilities designated at fair value through profit or loss, net	571 433	..	-21 639	..	549 773
Gains or (-) losses from hedge accounting, net	..	..	528	433	-33 912
Exchange differences [gain or (-) loss], net	-329 176	6 204	50	48	-322 874
Gains or (-) losses on derecognition of non-financial assets, net	..	..	237	-3 326	-3 136
Other operating income	262 173	27 588	31 911	10 668	332 340
(Other operating expenses)	33 573	10 425	84 739	13 897	142 633
TOTAL OPERATING INCOME, NET	3 157 172	493 297	848 497	148 880	4 647 846
(Administrative expenses)	1 857 756	319 867	425 520	89 342	2 692 484
of which: (Personnel expenses)	1 245 960	134 258	169 913	36 833	1 586 964
of which:(Other administrative expenses)	611 797	185 608	255 606	52 509	1 105 520
(Cash contributions to resolution funds and deposit guarantee schemes)	..	..	25 534	8 233	258 239
(Depreciation)	266 984	12 632	11 276	6 797	297 689
Gains or (-) losses caused by changes made, net	..	..	..	..	..
(Provisions or (-) reversal of provisions)	141 201	-20 141	-53	599	121 606
(Impairment or (-) reversal of impairment on financial assets not measured at fair value through profit or loss)	660 127	81 713	69 808	20 839	832 487
(Impairment or (-) reversal of impairment of investments in subsidiaries, joint ventures and associates)	..	..	..	..	..
(Impairment or (-) reversal of impairment on non-financial assets)	..	..	..	..	..
Negative goodwill recognised in profit or loss	..	..	..	..	..
Share of profit or (-) loss in investments in subsidiaries, joint ventures and associates.	..	..	..	..	..

	1.1.- 30.6.2020				
	Commercial banks	Foreign banks	,Co-operative banks total	Savings banks total	Banks total
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	709 000	99 168	313 412	22 199	1 143 779
(Tax expense or (-) income related to profit or loss from continuing operations)	9 086	16 310	6 796	5 483	37 675
PROFIT OR (-) LOSS AFTER TAX FROM CONTINUING OPERATIONS	699 914	82 858	306 616	16 716	1 106 103
Profit or (-) loss after tax from discontinuing operations	..	..	..	..	..
PROFIT OR (-) LOSS FOR THE YEAR	699 914	82 858	306 616	16 716	1 106 103

1) .. No observations.

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

Appendix table 2. Balance sheets of banks operating in Finland 1.1.- 30.6.2020, EUR thousands

	1.1.- 30.6.2020				
	Commercial banks	Foreign banks	Co-operative banks total	Savings banks total	Banks total
ASSETS	.	.	.	.	.
Cash, cash balances at central banks and other demand deposits	77 997 998	57 623 349	2 294 447	896 794	138 812 588
Financial assets held for trading	120 276 566	¹⁾²⁾ ..	23 749	..	122 630 828
Financial assets outside the trading inventory that are mandatorily measured at fair value through profit or loss	..	..	..	..	..
Financial assets designated at fair value through profit or loss	..	..	..	..	505 726
Financial assets measured at fair value through other comprehensive income	..	..	..	..	..
Financial liabilities measured at amortised cost	..	..	..	..	..
Derivatives - Hedge accounting (assets)	..	..	305 268	72 012	3 868 620
Fair value changes of the hedge items in portfolio hedge of interest rate risk (assets)	98 518	..	..	..	98 518
Investments in subsidiaries, joint ventures and associates	..	..	15 412	7 687	15 438 243
Tangible assets	1 134 351	106 393	599 771	113 525	1 954 040
Intangible assets	1 942 680	23 197	13 208	39 370	2 018 455
Tax assets	820 475	65 801	38 215	7 036	931 527
Other assets	4 668 168	277 639	73 667	42 228	5 061 703
Non-current assets held for sale and transferable item groups	..	..	..	..	..
TOTAL ASSETS	546 342 824	100 059 358	91 088 299	13 298 067	750 788 548
LIABILITIES	.	.	.	.	.
Financial liabilities held for trading	99 662 783	..	151 799	..	102 073 524
Financial liabilities designated at fair value through profit or loss	..	..	..	..	..
Financial liabilities measured at amortised cost	392 468 129	96 139 988	77 754 351	11 640 769	578 003 236
Derivatives - Hedge accounting (liabilities)	1 289 162	..	232 842	..	1 522 599
Fair value changes of the hedge items in portfolio hedge of interest rate risk (liabilities)	1 805 304	..	..	62 113	1 867 417
Provisions	1 287 032	46 501	9 882	2 295	1 345 710
Tax liabilities	23 326	55 121	47 045	6 465	131 957
Share capital repayable on demand	..	..	..	..	..
Other Liabilities	11 591 368	962 021	2 606 693	434 332	15 594 414
Liabilities included in disposal groups classified as held for sale	..	..	..	..	..
TOTAL LIABILITIES	514 146 907	99 689 822	80 802 611	12 146 569	706 785 910
Equity	..	..	3 520 447	123 618	8 559 357
Share premium	558 792	..	..	..	569 112
Equity instruments issued other than capital	..	..	..	..	..
Other equity	136 640	..	..	..	137 171
Accumulated other comprehensive income	..	..	233 652	10 158	-119 148

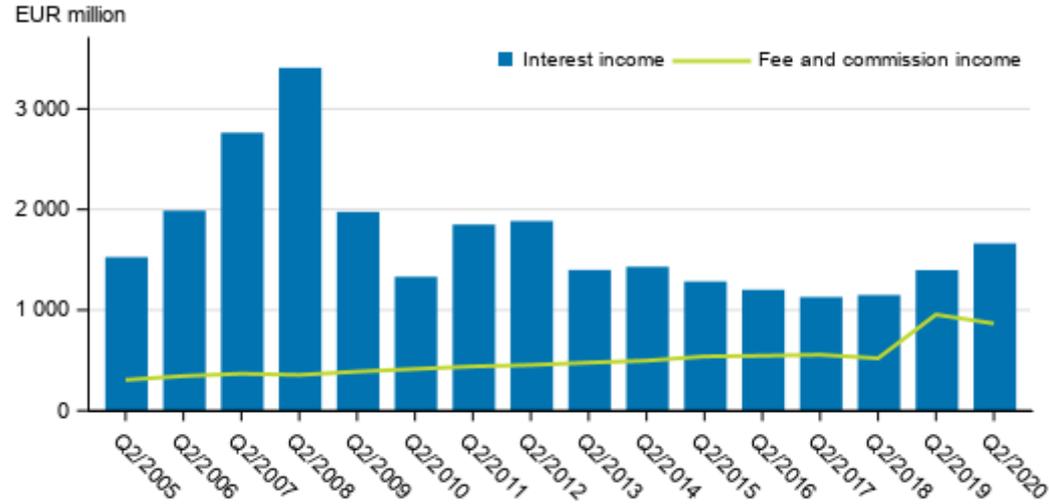
	1.1.- 30.6.2020				
	Commercial banks	Foreign banks	Co-operative banks total	Savings banks total	Banks total
Retained earnings	23 483 681	264 959	4 131 984	580 688	28 461 312
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Other reserves	2 063 201	410 054	4 566 282
(-) Treasury shares	20 564
Profit or loss allocated to shareholders of the parent company	699 914	82 858	306 616	16 716	1 106 103
(-) Interim dividends	..	..	..	..	..
Minority interests (non-controlling owners' interests)	..	..	..	..	..
TOTAL EQUITY	32 195 917	369 536	10 285 688	1 151 498	44 002 638
TOTAL EQUITY AND TOTAL LIABILITIES	546 342 824	100 059 358	91 088 299	13 298 067	750 788 548

1) .. No observations.

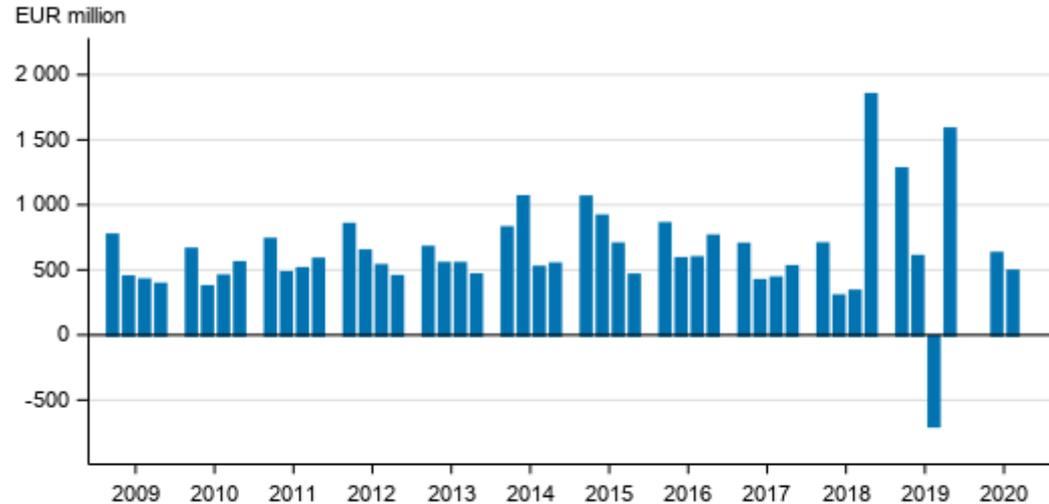
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Figures

Appendix figure 1. Interest income and commission income of banks operating in Finland, 2nd quarter 2005 to 2020, EUR million



Appendix figure 2. Operating profit of banks operating in Finland, by quarter in 2009 to 2020, EUR million



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Source: Credit institutions' annual accounts, Statistics Finland