

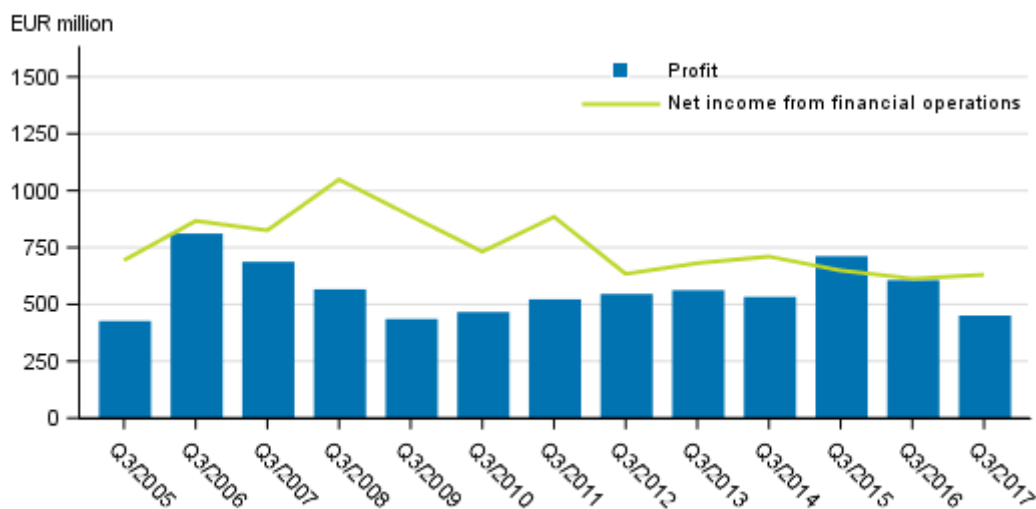
# Financial statement statistics on credit institutions

2017, 3rd quarter

## Net income from financial operations of banks operating in Finland grew, but operating profit decreased in the third quarter of 2017

In the third quarter of 2017, the net income from financial operations of credit institutions engaged in banking in Finland amounted to EUR 630 million and their operating profit was EUR 451 million. The net income from financial operations went up by EUR 17 million and the operating profit declined by EUR 155 million from one year ago. 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, 3rd quarter 2005 to 2017, EUR million



## Interest income and expenses

Credit institutions engaged in banking in Finland accumulated EUR 1.3 billion in interest income in the third quarter, which was EUR 118 million more than one year previously. Interest expenses, in turn, increased by EUR 101 million year-on-year to EUR 650 million. Thus the net income from financial operations calculated as the difference between interest income and expenses grew by EUR 17 million or around three per cent. Measured in percentages, interest income grew by 10 per cent and expenses by 18 per cent.

## Administrative expenses

Administrative expenses are the single largest expenditure item of banks operating in Finland. In the third quarter, banks had EUR 672 million in administrative expenses, which was EUR 13 million more than in the year before. Wages and salaries represented 45.8 per cent of administrative expenses. Compared to the third quarter of 2016, total wages and salaries decreased by EUR 20 million to EUR 307 million.

## Operating profit

The operating profit, or profit from continuing operations before taxes, was EUR 451 million. Compared with the EUR 606 million last year, the operating profit decreased by EUR 155 million or 26 per cent. In particular, clearly decreased gains on financial assets and liabilities held for trading explain the drop in the operating profit. Fluctuations in the operating profit by quarter can be large.

## Balance sheet

The aggregate value of the balance sheets was EUR 372 billion. The balance sheet was 33.2 per cent down from one year ago. The share of own equity in the total of the balance sheets was 4.6 per cent or around EUR 17 billion. Banks' own equity declined by EUR 10 billion year-on-year.

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 tables

**Appendix table 1. Profit and loss accounts of banks operating in Finland 1.1.- 30.9.2017, EUR thousands**

	1.1.- 30.9.2017				
	Commercial banks	Foreign banks	Co-operative banks total	Savings banks total	Banks total
Interest income	1 466 108	1 206 990	657 883	152 534	3 483 515
Interest expenses	889 519	744 653	80 518	29 830	1 744 520
NET INCOME FROM FINANCIAL OPERATIONS	576 589	462 337	577 366	122 704	1 738 996
(Expenses on share capital repayable on demand)	.. <sup>1)</sup>	..	..	..	..
Dividend income	44 408	393	261 928	5 087	311 816
Fee and comission income	448 556	714 978	389 018	81 960	1 634 512
(Fee and comission expenses)	122 842	97 722	46 590	12 573	279 728
Gains or (-) losses on derecognition of financial assets and liabilities not measured at fair value through profit or loss, net	21 330	52 272	20 385	21 089	115 076
Gains or (-) losses on financial assets and liabilities held for trading, net	158 194	-31 396	1 145	..	127 812
Gains or (-) losses on financial assets and liabilities designated at fair value through profit or loss, net	187	..	133	277	940
Gains or (-) losses from hedge accounting, net	-319	..	-1	-30	34 105
Exchange differences [gain or (-) loss], net	1 870	17 894	-47	-192	19 525
Gains or (-) losses on derecognition of non financial assets, net	..	683	..	325	..
Other operating income	63 246	212 561	74 500	13 470	363 778
(Other operating expenses)	45 827	13 095	119 985	31 111	210 018
TOTAL OPERATING INCOME, NET	1 145 454	1 353 702	1 158 071	200 877	3 858 105
(Administrative expenses)	579 291	865 913	551 218	106 981	2 103 404
of which: Wages, salaries and fees (including staff-related cost)	239 524	450 767	252 317	52 288	994 896
of which: Other administrative expenses	339 767	415 146	298 901	54 693	1 108 507
(Depreciation)	33 292	38 192	23 100	5 495	100 079
(Provisions or (-) reversal of provisions)	446	-7 816	..	..	-7 370
(Impairment or (-) reversal of impairment on financial assets not measured at fair value through profit or loss)	19 334	24 576	18 047	7 040	68 997
(Impairment or (-) reversal of impairment of investments in subsidiaries, joint ventures and associates)	..	..	..	..	..
(Impairment or (-) reversal of impairment on non-financial assets)	..	923	12 437	..	13 477
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	512 439	443 902	553 269	81 361	1 590 971
(Appropriations)	..	..	..	..	..

	1.1.- 30.9.2017				
	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	402 780	338 050	496 087	57 425	1 294 342
Extraordinary profit or (-) loss after tax	..	..	..	..	..
PROFIT OR (-) LOSS AFTER TAX FROM DISCONTINUING OPERATIONS	..	..	..	..	..
PROFIT OR (-) LOSS FOR THE YEAR	402 780	338 050	496 087	57 425	1 294 342

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.- 30.9.2017, EUR thousands**

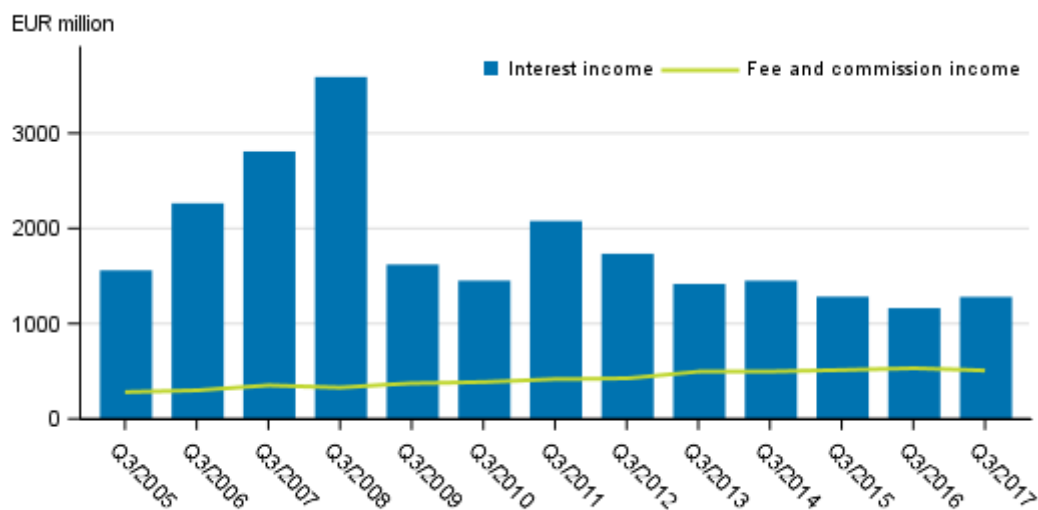
	1.1.- 30.9.2017				
	Commercial banks	Foreign banks	Co-operative banks total	Savings banks total	Banks total
<b>ASSETS</b>					
Cash, cash balances at central banks and other demand deposits	15 899 122	94 159 163	1 799 588	627 615	112 485 488
Financial assets held for trading	7 458 282	6 802 674	61 394	.. <sup>1)</sup>	14 322 398
Financial assets designated at fair value through profit or loss	..	..	4 147	9 923	811 054
Available-for-sale financial assets	15 446 463	6 577 115	6 639 844	1 638 311	30 301 733
Loans and receivables	67 691 789	67 595 371	62 730 463	8 318 511	206 336 134
Held-to-maturity investments	834 510	..	26 249	18 515	879 274
Derivatives - Hedge accounting (assets)	505 152	..	84 020	65 552	684 782
Fair value changes of the hedge items in portfolio hedge of interest rate risk (assets)	..	..	..	..	..
Investments in subsidiaries, joint ventures and associates	1 309 172	7 839	18 207	11 057	1 346 275
Investments of investment service companies in subsidiaries, joint ventures and associates	..	..	..	..	..
Tangible assets	38 320	91 829	773 981	128 851	1 032 981
Intangible assets	196 284	478 915	8 649	22 216	706 064
Other assets	1 332 998	1 234 922	104 329	201 781	2 874 029
Non-current assets held for sale and transferable item groups	..	..	..	..	..
Tax assets	47 801	20 936	18 258	1 327	88 321
<b>TOTAL ASSETS</b>	<b>111 299 594</b>	<b>177 451 077</b>	<b>72 269 129</b>	<b>11 043 705</b>	<b>372 063 506</b>
<b>LIABILITIES</b>					
Financial liabilities held for trading	4 539 367	216 246	42 285	..	4 797 898
Financial liabilities designated at fair value through profit or loss	..	..	..	..	1 843 692
Financial liabilities measured at amortised cost	93 947 019	174 073 561	60 805 388	9 576 395	338 402 363
Derivatives - Hedge accounting (liabilities)	438 183	..	17 719	..	529 827
Fair value changes of the hedge items in portfolio hedge of interest rate risk (liabilities)	..	..	..	46 671	133 124
Provisions	..	80 454	11 427	..	95 665
Tax liabilities	34 643	75 911	18 161	20 115	148 830
Share capital repayable on demand	..	..	..	..	..
Other Liabilities	4 621 243	1 777 209	2 035 301	398 957	8 832 709
Liabilities included in disposal groups classified as held for sale	..	..	..	..	..
Depreciation difference	..	..	..	..	..
Voluntary provisions	..	..	..	..	..
<b>TOTAL LIABILITIES</b>	<b>105 227 124</b>	<b>176 580 072</b>	<b>62 931 266</b>	<b>10 045 647</b>	<b>354 784 109</b>
Equity	907 939	..	3 439 348	113 643	4 518 908
Share premium	558 792	..	..	..	569 112
Equity instruments issued other than capital	..	..	..	..	..
Other equity	26 562	..	..	..	27 133

	1.1.- 30.9.2017				
	Commercial banks	Foreign banks	,Co-operative banks total	Savings banks total	Banks total
Accumulated other comprehensive income	98 710	..	58 138	60 911	277 167
Retained earnings	2 891 234	253 361	3 274 888	430 713	6 850 196
Revaluation reserves	..	..	..	..	..
Other reserves	1 186 988	161 636	2 069 402	325 047	3 743 073
(-) Treasury shares	..	..	..	..	..
Profit or loss allocated to shareholders of the parent company	402 780	338 051	496 087	57 425	1 294 342
(-) Interim dividends	..	..	..	..	..
Minority interests (non-controlling owners interests)□	..	..	..	..	..
TOTAL EQUITY	6 072 470	871 005	9 337 863	998 059	17 279 397
TOTAL EQUITY AND TOTAL LIABILITIES	111 299 594	177 451 077	72 269 129	11 043 705	372 063 506

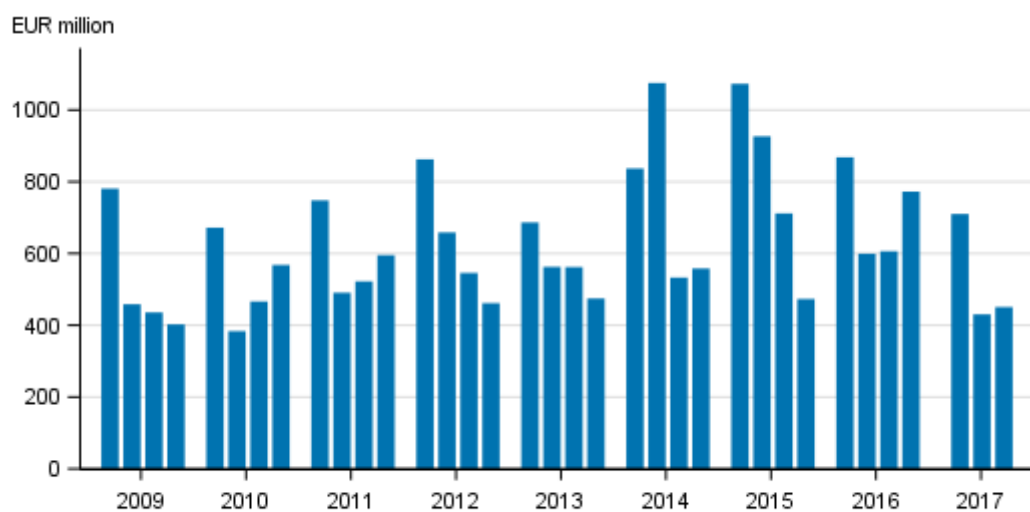
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# Figures

**Appendix figure 1. Interest income and commission income of banks operating in Finland, 3rd 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