

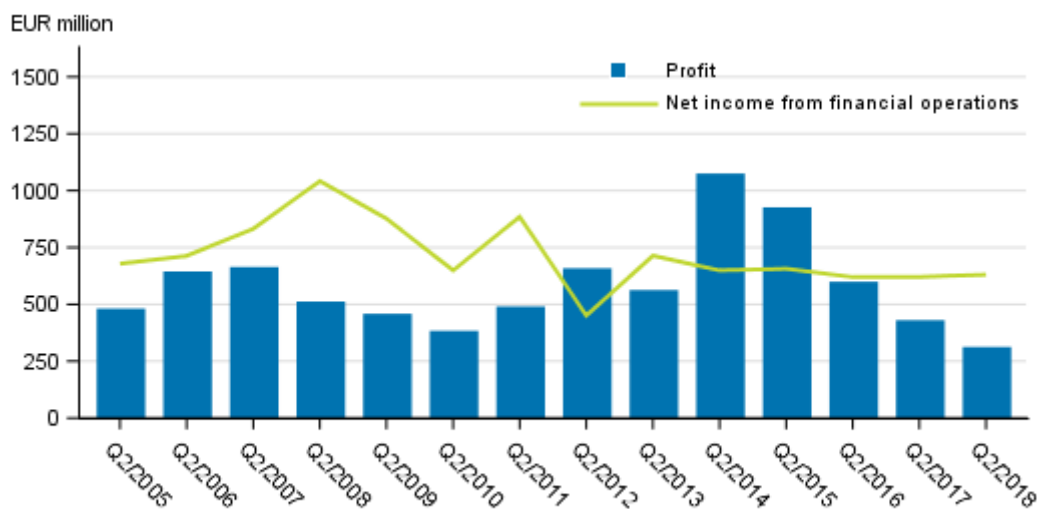
# Financial statement statistics on credit institutions

2018, 2st quarter

## Net income from financial operations of banks operating in Finland increased, but operating profit decreased in the second quarter of 2018

In the second quarter of 2018, the net income from financial operations of credit institutions engaged in banking in Finland amounted to EUR 630 million and their operating profit to EUR 313 million. Compared to the corresponding quarter of the previous year, net income from financial operations increased by EUR nine million and operating profit decreased by EUR 118 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 2018, EUR million



## Interest income and expenses

In the second quarter of 2018, credit institutions engaged in banking in Finland accumulated EUR 1.1 billion in interest income and EUR 519 million in interest expenses. The net income from financial operations calculated as the difference between these was EUR 630 million. Compared to the corresponding quarter of the year before, the net income from financial operations increased by EUR nine million, that is, around 1.5 per cent. Due to the renewed FINREP reporting practices of credit institutions, the net income from financial operations is not, however, in all respects fully comparable between 2018 and previous years.

## Administrative expenses

Administrative expenses are the single largest expenditure item of banks operating in Finland. In the second quarter, banks had EUR 769 million in administrative expenses, which was EUR 43 million more than in the year before. Wages and salaries represented 43.1 per cent of administrative expenses. Compared to the second quarter of 2017, total wages and salaries decreased by EUR 11 million to EUR 331 million.

## Operating profit

The operating profit, or profit from continuing operations before taxes, was EUR 313 million. Compared to the second quarter of the previous year the operating profit diminished by EUR 118 million. Due to the renewed FINREP reporting practices of credit institutions, the operating profit is not, however, in all respects fully comparable between 2018 and previous years.

## Balance sheet

The aggregate value of the balance sheets was EUR 364 billion. The balance sheet was 1.2 per cent higher than one year ago. The share of own equity in the total of the balance sheets was 4.1 per cent or around EUR 15 billion. Compared to the corresponding quarter of the previous year, banks' own equity declined by EUR 1.8 billion. Due to the renewed FINREP reporting practices of credit institutions, the balance sheet items are not, however, in all respects fully comparable between 2018 and previous years.

A company restructuring made in the Finnish banking sector in the first quarter of 2018 explains part of the unexceptionally large changes in the profit and loss account and 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.- 30.6.2018, EUR thousands**

	1.1.- 30.6.2018				
	Commercial banks	Foreign banks	Co-operative banks total	Savings banks total	Banks total
Interest income	753 682	1 060 560	428 637	101 612	2 344 491
(Interest expenses)	510 893	603 822	38 462	16 767	1 169 945
NET INCOME FROM FINANCIAL OPERATIONS	242 789	456 738	390 175	84 845	1 174 547
(Expenses on share capital repayable on demand)	..	..	..	..	..
Dividend income	34 522	..	263 201	..	302 827
Fee and comission income	183 222	568 648	245 256	59 562	1 056 689
(Fee and comission expenses)	70 376	83 259	24 680	8 756	187 070
Gains or (-) losses on derecognition of financial assets and liabilities not measured at fair value through profit or loss, net	17 693	12 789	590	2 259	33 331
Gains or (-) losses on financial assets and liabilities held for trading, net	127 001	14 623	3 957	..	145 582
Gains or losses on financial assets outside the trading fund that are mandatorily measured at fair value through profit or loss, net	..	..	-496	-7 471	-7 313
Gains or (-) losses on financial assets and liabilities designated at fair value through profit or loss, net	-115	..	-340	..	-460
Gains or (-) losses from hedge accounting, net	-1 419	..	-50	-88	-10 369
Exchange differences [gain or (-) loss], net	-43 570	6 685	7	72	-36 806
Gains or (-) losses on derecognition of non-financial assets, net	..	612	..	1 202	..
Other operating income	28 763	102 997	34 635	9 472	175 868
(Other operating expenses)	40 974	8 317	94 820	23 045	167 155
TOTAL OPERATING INCOME, NET	480 112	1 061 192	817 775	122 746	2 481 825
(Administrative expenses)	231 211	735 931	393 218	79 718	1 440 078
of which: (Personnel expenses)	105 696	341 140	164 320	38 104	649 260
of which:( Other administrative expenses)	125 515	394 791	228 898	41 614	790 818
(Depreciation)	23 579	33 687	14 799	4 611	76 676
Gains or (-) losses caused by changes made, net	..	..	..	..	..
(Provisions or (-) reversal of provisions)	-291	-7 017	-504	98	-7 714
(Impairment or (-) reversal of impairment on financial assets not measured at fair value through profit or loss)	-27 169	4 456	-24 864	-220	-47 796
(Impairment or (-) reversal of impairment of investments in subsidiaries, joint ventures and associates)	..	..	..	..	..
(Impairment or (-) reversal of impairment on non-financial assets)	..	..	4 560	..	4 548
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.- 30.6.2018				
	Commercial banks	Foreign banks	Co-operative banks total	Savings banks total	Banks total
PROFIT OR (-) LOSS BEFORE TAX FROM CONTINUING OPERATIONS	252 827	303 800	430 566	38 539	1 025 733
(Tax expense or (-) income related to profit or loss from continuing operations)	60 908	51 506	30 506	12 555	155 475
PROFIT OR (-) LOSS AFTER TAX FROM CONTINUING OPERATIONS	191 920	252 294	400 060	25 984	870 258
Profit or (-) loss after tax from discontinuing operations	..	..	..	..	..
PROFIT OR (-) LOSS FOR THE YEAR	191 920	252 294	400 060	25 984	870 258

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.- 30.6.2018, EUR thousands**

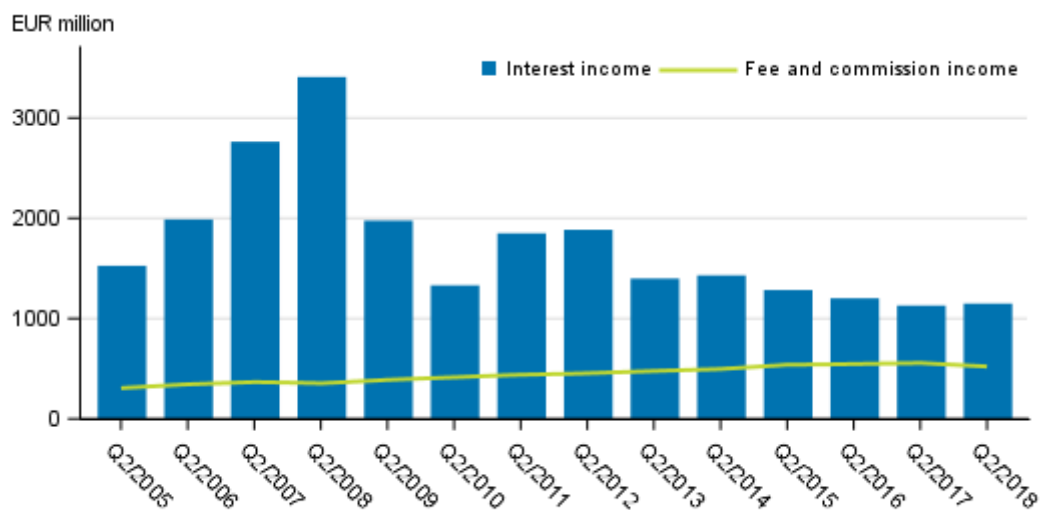
	1.1.- 30.6.2018				
	Commercial banks	Foreign banks	Co-operative banks total	Savings banks total	Banks total
ASSETS	.	.	.	.	.
Cash, cash balances at central banks and other demand deposits	18 266 712	73 797 953	1 620 981	675 508	94 361 155
Financial assets held for trading	4 521 831	1 582 715	85 478	..	6 190 024
Financial assets outside the trading inventory that are mandatorily measured at fair value through profit or loss	507 330	7 376 211	6 117 375	607 783	14 608 699
Financial assets designated at fair value through profit or loss	..	..	8 232	..	583 604
Financial assets measured at fair value through other comprehensive income	15 061 018	..	..	1 032 981	21 749 267
Financial liabilities measured at amortised cost	46 391 922	96 444 236	67 518 347	8 868 949	219 223 453
Derivatives - Hedge accounting (assets)	265 257	..	..	55 735	508 516
Fair value changes of the hedge items in portfolio hedge of interest rate risk (assets)	..	..	..	..	..
Investments in subsidiaries, joint ventures and associates	1 165 185	209 453	15 577	10 017	1 400 232
Tangible assets	26 362	94 957	681 217	123 222	925 758
Intangible assets	195 780	570 626	7 987	33 812	808 206
Tax assets	15 352	90 229	18 052	4 190	127 822
Other assets	993 243	2 475 326	79 574	134 616	3 682 759
Non-current assets held for sale and transferable item groups	..	..	..	..	..
TOTAL ASSETS	87 701 673	188 488 192	76 466 846	11 546 814	364 203 524
LIABILITIES	.	.	.	.	.
Financial liabilities held for trading	3 314 279	1 451 286	51 635	..	4 817 199
Financial liabilities designated at fair value through profit or loss	..	..	..	..	..
Financial liabilities measured at amortised cost	76 965 293	182 702 043	64 588 693	10 089 505	334 345 534
Derivatives - Hedge accounting (liabilities)	330 234	..	49 052	..	490 335
Fair value changes of the hedge items in portfolio hedge of interest rate risk (liabilities)	..	..	..	38 703	129 498
Provisions	7 904	102 982	10 802	2 635	124 324
Tax liabilities	35 007	64 798	16 361	7 439	123 604
Share capital repayable on demand	..	..	..	..	..
Other Liabilities	3 415 061	2 836 154	2 120 325	380 526	8 752 067
Liabilities included in disposal groups classified as held for sale	..	..	..	..	..
TOTAL LIABILITIES	84 117 989	187 710 017	66 837 110	10 522 869	349 187 985
Equity	802 165	..	3 520 596	118 643	4 499 384
Share premium	558 792	..	..	..	569 112
Equity instruments issued other than capital	..	..	..	..	..
Other equity	..	..	..	..	25 821
Accumulated other comprehensive income	60 071	..	..	15 305	175 746

	1.1.- 30.6.2018				
	Commercial banks	Foreign banks	Co-operative banks total	Savings banks total	Banks total
Retained earnings	1 008 655	263 670	3 580 339	517 644	5 370 309
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Other reserves	937 896	161 636	2 078 514	336 048	3 514 095
(-) Treasury shares	..	..	..	..	..
Profit or loss allocated to shareholders of the parent company	191 919	252 294	400 060	25 984	870 257
(-) Interim dividends	..	..	..	..	..
Minority interests (non-controlling owners' interests)	..	..	..	..	..
<b>TOTAL EQUITY</b>	<b>3 583 684</b>	<b>778 175</b>	<b>9 629 736</b>	<b>1 023 945</b>	<b>15 015 540</b>
<b>TOTAL EQUITY AND TOTAL LIABILITIES</b>	<b>87 701 673</b>	<b>188 488 192</b>	<b>76 466 846</b>	<b>11 546 814</b>	<b>364 203 525</b>

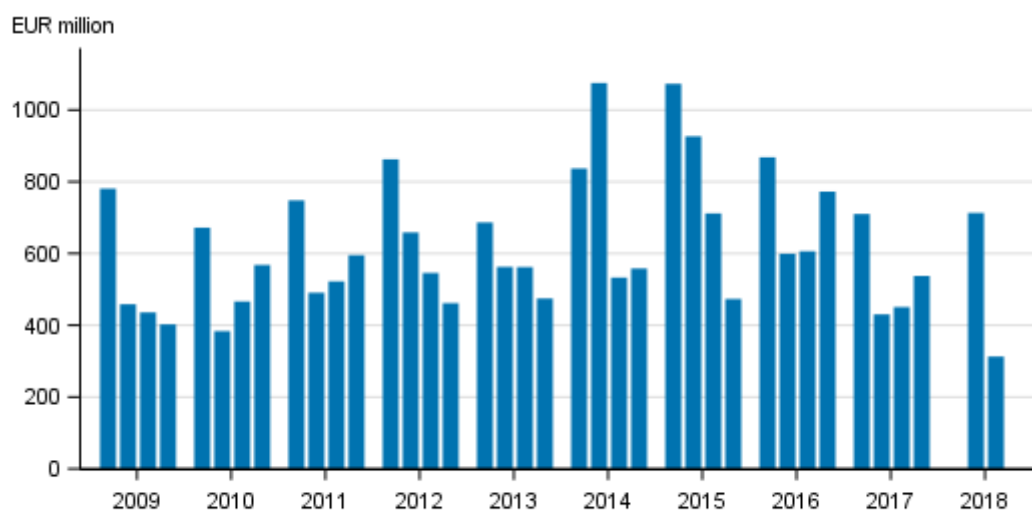
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# Figures

**Appendix figure 1. Interest income and commission income of banks operating in Finland, 2nd quarter 2005 to 2018, EUR million**



**Appendix figure 2. Operating profit of banks operating in Finland, by quarter in 2009 to 2018, EUR million**





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Source: Credit institutions' annual accounts, Statistics Finland