

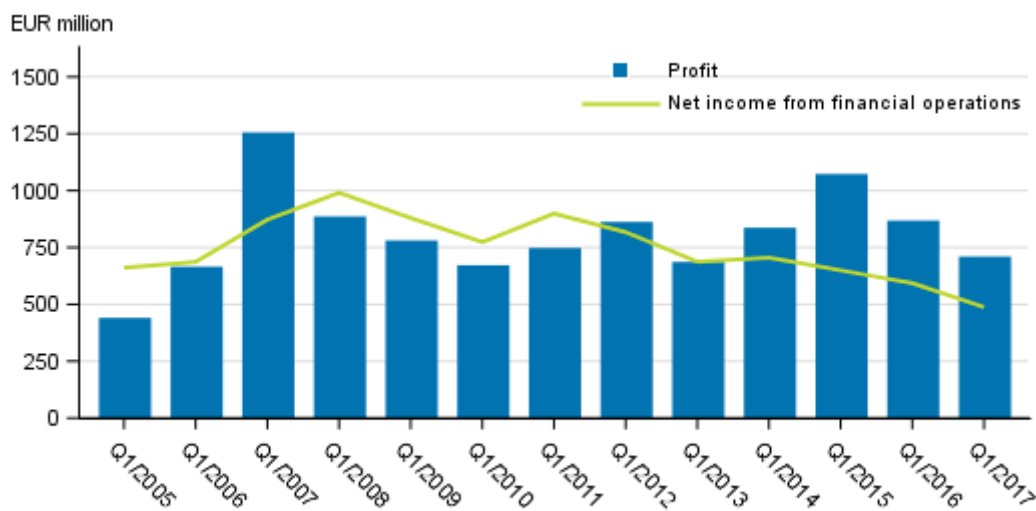
# Financial statement statistics on credit institutions

2017, 1st quarter

## Net income from financial operations and operating profit of banks operating in Finland decreased in the first quarter of 2017

The net income from financial operations of credit institutions engaged in banking in Finland amounted to EUR 488 million in the first quarter of 2017 and operating profit was EUR 710 million. The net income from financial operations and operating profit contracted by 18 per cent from the respective quarter of the year before. 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, 1st quarter 2005 to 2017, EUR million



## Interest income and expenses

The interest income of banks operating in Finland was EUR 1.1 billion in the first quarter, which was EUR 181 million less than the EUR 1.3 billion in the corresponding period in 2016. From the previous quarter, the drop amounted to EUR 52 million. Over the quarter, interest expenses amounted to EUR 586 million, which is EUR 76 million and 11.5 per cent less than one year previously. From the previous quarter, interest expenses grew by EUR 32 million.

## Commission income

Commission income amounted to EUR 571 million in the first quarter, which is EUR 37 million more than one year earlier. Compared to the previous quarter, commission income went up by EUR 26 million.

## Administrative expenses

Administrative expenses is the single largest expenditure item of banks operating in Finland. They remained almost on level with the corresponding quarter in 2016 rising from EUR 703 million to EUR 707 million. The biggest sub-item among administrative expenses, wages and salaries, declined from EUR 363 million in 2016 to EUR 345 million. Compared to the previous quarter, administrative expenses decreased by EUR 95 million.

## Operating profit

Operating profit, or profit from continuing operations before taxes, was EUR 710 million in the first quarter of the year. Compared to the previous quarter, operating profit went down by EUR 62 million and by EUR 158 million from one year ago. In addition to net income from financial operations, especially dividend income, gains on financial assets and liabilities held for trading, and other operating income decreased clearly compared to one year ago. The considerable drop in commission expenses helped level the decline in the operating profit.

## Balance sheet

The aggregate value of the balance sheets was EUR 375 billion. The balance sheet was 33.4 per cent down from EUR 563 billion one year ago. The share of own equity in the total of the balance sheets was 4.4 per cent in the first quarter. Equity decreased by EUR 10 billion from the previous year, from EUR 26.6 billion to EUR 16.6 billion. In the previous quarter, equity amounted to EUR 27.1 billion.

A company restructuring made in the Finnish banking sector 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.- 31.3.2017, EUR thousands**

	1.1.- 31.3.2017				
	Commercial banks	Foreign banks	Co-operative banks total	Savings banks total	Banks total
Interest income	485 372	320 728	217 295	50 452	1 073 846
Interest expenses	303 398	244 080	27 795	10 559	585 831
NET INCOME FROM FINANCIAL OPERATIONS	181 974	76 648	189 500	39 893	488 015
(Expenses on share capital repayable on demand)	.. <sup>1)</sup>	..	..	..	..
Dividend income	25 293	..	258 474	3 050	286 706
Fee and comission income	149 530	253 105	142 351	26 095	571 081
(Fee and comission expenses)	35 429	31 334	13 949	3 951	84 663
Gains or (-) losses on derecognition of financial assets and liabilities not measured at fair value through profit or loss, net	12 627	50 946	8 119	9 914	81 607
Gains or (-) losses on financial assets and liabilities held for trading, net	63 099	-59 139	555	72	4 587
Gains or (-) losses on financial assets and liabilities designated at fair value through profit or loss, net	1 144	..	88	..	-447
Gains or (-) losses from hedge accounting, net	-856	..	-5	1	34 928
Exchange differences [gain or (-) loss], net	1 068	2 096	-13	-15	3 136
Gains or (-) losses on derecognition of non financial assets, net	..	..	..	..	..
Other operating income	25 157	67 054	35 616	2 368	130 195
(Other operating expenses)	17 929	4 187	41 289	8 281	71 686
TOTAL OPERATING INCOME, NET	405 678	389 784	579 485	69 114	1 444 060
(Administrative expenses)	194 617	283 336	192 832	35 979	706 765
of which: Wages, salaries and fees (including staff-related cost)	80 409	154 857	92 679	17 386	345 331
of which: Other administrative expenses	114 208	128 480	100 153	18 594	361 434
(Depreciation)	10 653	11 761	7 922	1 728	32 064
(Provisions or (-) reversal of provisions)	263	-4 648	..	..	-4 385
(Impairment or (-) reversal of impairment on financial assets not measured at fair value through profit or loss)	5 903	1 931	654	-787	7 701
(Impairment or (-) reversal of impairment of investments in subsidiaries, joint ventures and associates)	..	..	..	..	..
(Impairment or (-) reversal of impairment on non-financial assets)	..	..	350	..	3 881
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	194 241	105 861	377 727	32 194	710 023
(Appropriations)	..	..	..	..	..

	1.1.- 31.3.2017				
	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	155 781	83 549	354 337	22 119	615 785
Extraordinary profit or (-) loss after tax	..	..	..	..	..
PROFIT OR (-) LOSS AFTER TAX FROM DISCONTINUING OPERATIONS	..	..	..	..	..
PROFIT OR (-) LOSS FOR THE YEAR	155 781	83 549	354 337	22 119	615 785

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.- 31.3.2017, EUR thousands**

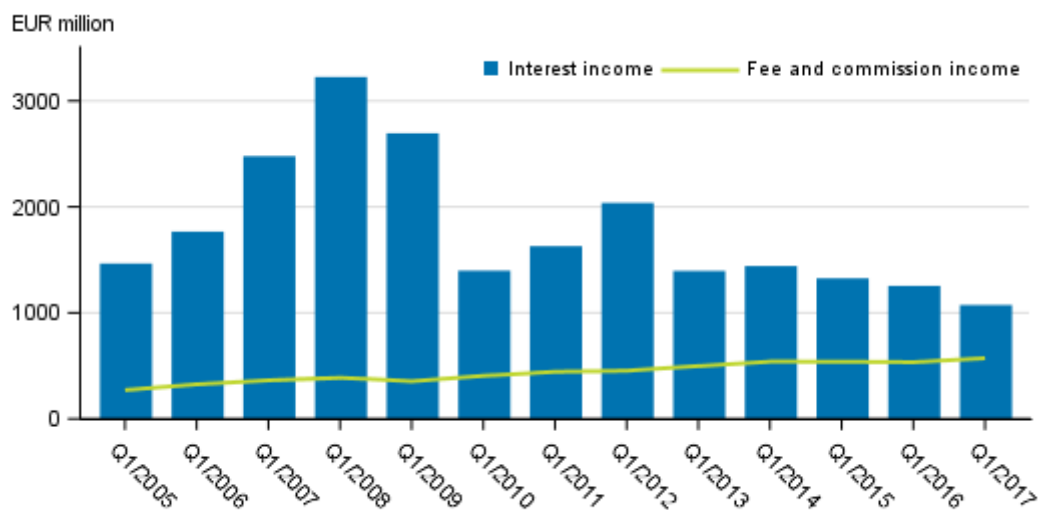
	1.1.- 31.3.2017				
	Commercial banks	Foreign banks	Co-operative banks total	Savings banks total	Banks total
ASSETS	.	.	.	.	.
Cash, cash balances at central banks and other demand deposits	18 063 872	89 926 489	1 905 810	561 289	110 457 460
Financial assets held for trading	8 525 179	7 361 789	90 926	.. <sup>1)</sup>	15 978 024
Financial assets designated at fair value through profit or loss	..	..	4 401	10 115	597 180
Available-for-sale financial assets	15 814 847	7 416 578	6 706 026	1 571 145	31 508 596
Loans and receivables	65 400 236	73 522 024	59 662 114	8 297 132	206 881 505
Held-to-maturity investments	869 444	..	38 477	22 340	930 262
Derivatives - Hedge accounting (assets)	872 935	..	108 180	72 593	1 113 907
Fair value changes of the hedge items in portfolio hedge of interest rate risk (assets)	..	..	..	..	..
Investments in subsidiaries, joint ventures and associates	1 308 677	..	18 661	10 933	1 346 107
Investments of investment service companies in subsidiaries, joint ventures and associates	..	..	..	..	..
Tangible assets	32 262	78 696	774 828	128 044	1 013 829
Intangible assets	196 440	410 479	8 053	19 275	634 247
Other assets	2 017 007	1 598 642	163 717	236 359	4 015 725
Non-current assets held for sale and transferable item groups	..	..	..	..	..
Tax assets	61 560	3 887	40 740	1 787	107 974
TOTAL ASSETS	113 569 336	180 795 715	69 521 932	10 931 143	374 818 126
LIABILITIES	.	.	.	.	.
Financial liabilities held for trading	5 793 096	665 601	44 709	..	6 503 444
Financial liabilities designated at fair value through profit or loss	..	..	..	..	14 059 007
Financial liabilities measured at amortised cost	94 891 157	163 769 070	58 056 063	9 482 204	326 198 495
Derivatives - Hedge accounting (liabilities)	340 864	..	8 512	..	471 373
Fair value changes of the hedge items in portfolio hedge of interest rate risk (liabilities)	..	..	..	55 197	163 196
Provisions	4 932	81 616	12 295	482	99 325
Tax liabilities	18 254	135 351	21 664	19 516	194 786
Share capital repayable on demand	..	..	..	..	..
Other Liabilities	4 915 352	2 930 721	2 282 859	411 116	10 540 048
Liabilities included in disposal groups classified as held for sale	..	..	..	..	..
Depreciation difference	..	..	..	..	..
Voluntary provisions	..	..	..	..	..
TOTAL LIABILITIES	107 710 601	180 119 818	60 428 194	9 971 059	358 229 673
Equity	907 939	85 190	3 286 135	113 643	4 392 906
Share premium	558 792	..	..	..	569 112
Equity instruments issued other than capital	..	..	..	..	..
Other equity	26 250	..	..	..	26 820

	1.1.- 31.3.2017				
	Commercial banks	Foreign banks	Co-operative banks total	Savings banks total	Banks total
Accumulated other comprehensive income	83 231	..	76 337	55 368	269 434
Retained earnings	2 940 052	290 453	3 320 945	437 328	6 988 778
Revaluation reserves	..	..	..	..	..
Other reserves	1 187 318	161 637	2 055 985	321 307	3 726 246
(-) Treasury shares	..	..	..	..	..
Profit or loss allocated to shareholders of the parent company	155 781	83 549	354 337	22 119	615 785
(-) Interim dividends	..	..	..	..	..
Minority interests (non-controlling owners' interests)	..	..	..	..	..
<b>TOTAL EQUITY</b>	<b>5 858 735</b>	<b>675 897</b>	<b>9 093 739</b>	<b>960 084</b>	<b>16 588 454</b>
<b>TOTAL EQUITY AND TOTAL LIABILITIES</b>	<b>113 569 336</b>	<b>180 795 715</b>	<b>69 521 933</b>	<b>10 931 143</b>	<b>374 818 127</b>

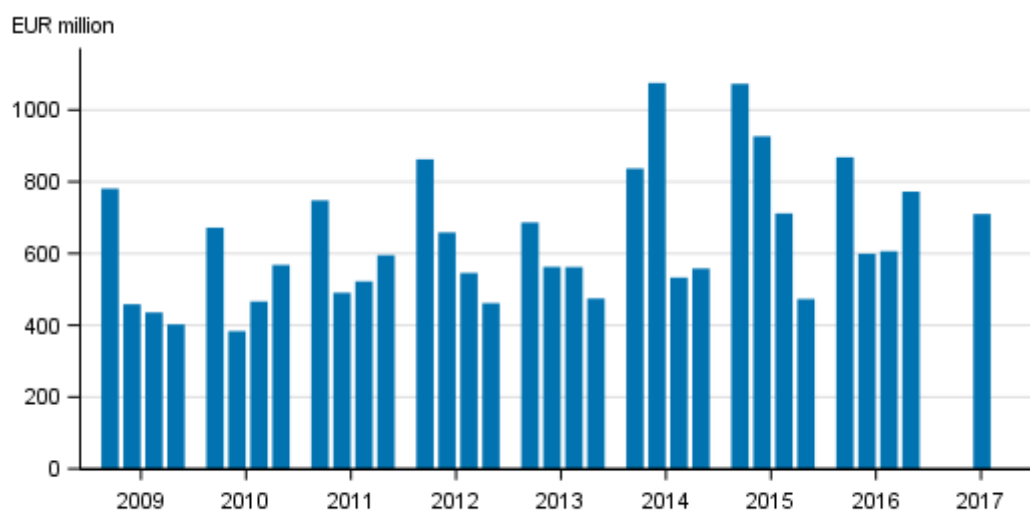
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# Figures

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