

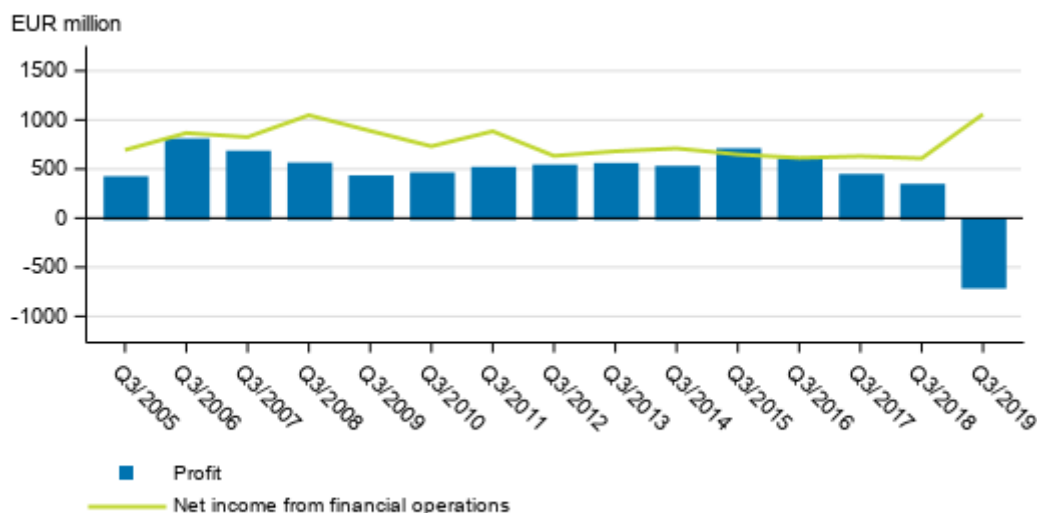
# Financial statement statistics on credit institutions

2019, 3rd quarter

## Operating loss of banks operating in Finland was EUR 0,7 billion in the third quarter of 2019

In the third quarter of 2019, the net income from financial operations of credit institutions engaged in banking in Finland amounted to some EUR 1.1 billion and their operating loss was EUR 0.7 billion. Finland's bank sector grew as the result of a significant company restructuring in the fourth quarter of 2018, which means that the data for the quarters after this are not fully comparable with previous quarters. 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 2019, EUR million**



## Interest income and expenses

In the third quarter of 2019, credit institutions engaged in banking in Finland accumulated EUR two billion in interest income. Their interest expenses amounted to EUR 0.9 billion. The net income from financial operations calculated as the difference between these was about EUR 1.1 billion. Compared to the respective quarter in 2018, net income from financial operations increased especially for Finnish commercial banks. In terms of foreign banks, their net income from financial operations decreased compared to the same quarter in the year before. This was 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 around EUR 1.4 billion in the third quarter. Wages and salaries represented 59.2 per cent of administrative expenses, while in the second quarter of 2019 wages and salaries represented 65.3 per cent of administrative expenses. Because of a significant company restructuring, the administrative expenses after the fourth quarter of 2018 are poorly comparable with earlier quarters.

## Operating profit/loss

The operating loss, or loss from continuing operations before taxes, was EUR 697 million in the third quarter of 2019. The operating loss is exceptional relative to previous quarters, and the loss increased especially due to one-off items. Because of a significant company restructuring, the operating profit after the fourth quarter of 2018 is poorly comparable with the operating profit of earlier quarters.

## Balance sheet

The aggregate value of the balance sheets of banks was some EUR 725 billion. Of this, the share of equity was around EUR 42 billion which was, on average, 5.8 per cent of the balance sheet total. Cooperative banks belonging to OP Financial Group had the biggest share of equity in the balance sheet total, around 12.3 per cent. Foreign banks, in turn, had the lowest share of equity in the balance sheet total, some 0.4 per cent. 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 tables

**Appendix table 1. Profit and loss accounts of banks operating in Finland 1.1.- 30.9.2019, EUR thousands**

	1.1.- 30.9.2019				
	Commercial banks	Foreign banks	,Co-operative banks total	Savings banks total	Banks total
Interest income	4 770 734	505 416	671 942	158 184	6 106 277
(Interest expenses)	2 682 769	156 033	49 754	20 355	2 908 910
NET INCOME FROM FINANCIAL OPERATIONS	2 087 965	349 383	622 188	137 830	3 197 366
(Expenses on share capital repayable on demand)	..	..	..	..	..
Dividend income	32 689	..	261 565	..	307 325
Fee and comission income	2 029 325	372 098	364 372	96 971	2 862 766
(Fee and comission expenses)	520 226	89 586	47 101	14 909	671 821
Gains or (-) losses on derecognition of financial assets and liabilities not measured at fair value through profit or loss, net	146 861	..	..	1 210	146 351
Gains or (-) losses on financial assets and liabilities held for trading, net	584 740	19 251	6 704	..	610 694
Gains or losses on financial assets outside the trading fund that are mandatorily measured at fair value through profit or loss, net	883 747	..	..	36 228	928 191
Gains or (-) losses on financial assets and liabilities designated at fair value through profit or loss, net	-724 916	..	-7 185	..	-732 131
Gains or (-) losses from hedge accounting, net	-16 010	..	..	-939	-16 895
Exchange differences [gain or (-) loss], net	-105 733	7 762	-16	192	-97 795
Gains or (-) losses on derecognition of non-financial assets, net	..	-26	..	638	..
Other operating income	379 136	80 870	46 051	14 946	521 003
(Other operating expenses)	61 415	11 278	127 278	38 113	238 083
TOTAL OPERATING INCOME, NET	4 715 627	731 582	1 128 014	241 764	6 816 987
(Administrative expenses)	3 175 841	416 484	585 598	121 642	4 299 566
of which: (Personnel expenses)	2 010 260	191 793	225 854	54 735	2 482 641
of which:( Other administrative expenses)	1 165 582	224 692	359 744	66 908	1 816 925
(Depreciation)	447 497	18 420	17 372	9 347	492 636
Gains or (-) losses caused by changes made, net	..	..	..	..	..
(Provisions or (-) reversal of provisions)	365 494	20 145	265	309	386 213
(Impairment or (-) reversal of impairment on financial assets not measured at fair value through profit or loss)	365 267	44 681	16 433	7 332	433 714
(Impairment or (-) reversal of impairment of investments in subsidiaries, joint ventures and associates)	..	..	..	..	..
(Impairment or (-) reversal of impairment on non-financial assets)	716 703	..	2 030	..	719 568
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.- 30.9.2019				
	Commercial banks	Foreign banks	,Co-operative banks total	Savings banks total	Banks total
PROFIT OR (-) LOSS BEFORE TAX FROM CONTINUING OPERATIONS	348 051	251 684	506 315	102 489	1 208 539
(Tax expense or (-) income related to profit or loss from continuing operations)	-14 739	44 325	53 781	38 875	122 241
PROFIT OR (-) LOSS AFTER TAX FROM CONTINUING OPERATIONS	362 790	207 360	452 534	63 615	1 086 298
Profit or (-) loss after tax from discontinuing operations	..	..	..	..	..
PROFIT OR (-) LOSS FOR THE YEAR	362 790	207 360	452 534	63 615	1 086 298

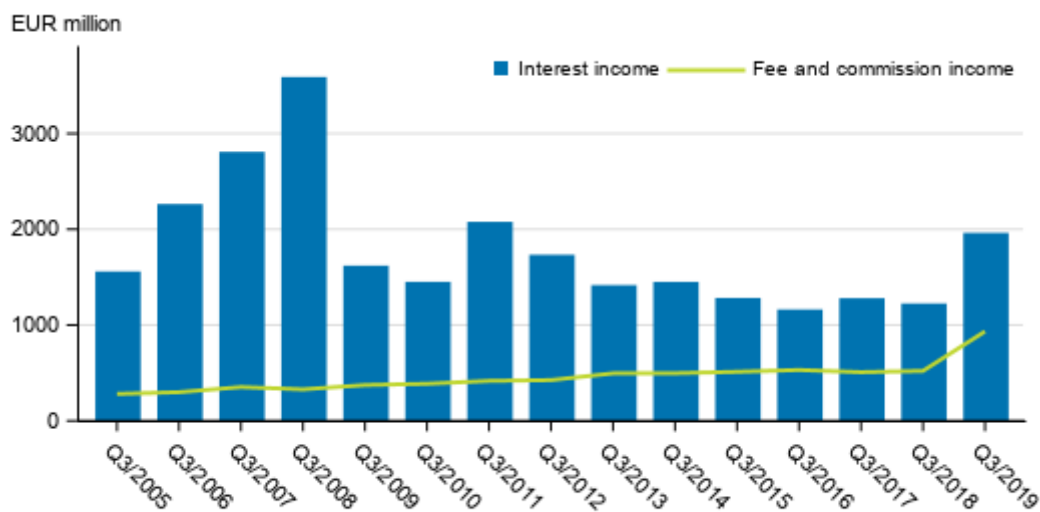
**Appendix table 2. Balance sheets of banks operating in Finland 1.1.- 30.9.2019, EUR thousands**

	1.1.- 30.9.2019				
	Commercial banks	Foreign banks	Co-operative banks total	Savings banks total	Banks total
ASSETS	.	.	.	.	.
Cash, cash balances at central banks and other demand deposits	49 804 586	67 637 157	951 728	673 422	119 066 893
Financial assets held for trading	122 742 791	..	165 346	..	124 422 302
Financial assets outside the trading inventory that are mandatorily measured at fair value through profit or loss	23 462 650	..	..	473 380	24 174 358
Financial assets designated at fair value through profit or loss	..	..	..	..	837 028
Financial assets measured at fair value through other comprehensive income	40 840 677	..	6 035 445	..	47 994 950
Financial liabilities measured at amortised cost	238 671 290	35 344 909	74 533 280	9 828 188	358 377 667
Derivatives - Hedge accounting (assets)	3 777 207	..	332 488	91 202	4 200 896
Fair value changes of the hedge items in portfolio hedge of interest rate risk (assets)	..	..	..	..	97 075
Investments in subsidiaries, joint ventures and associates	15 508 030	..	16 945	..	15 770 282
Tangible assets	1 124 239	134 189	623 177	125 482	2 007 088
Intangible assets	1 965 789	11 253	10 605	35 006	2 022 653
Tax assets	1 069 564	52 469	31 894	3 139	1 157 066
Other assets	24 702 263	538 280	62 500	52 719	25 355 762
Non-current assets held for sale and transferable item groups	..	..	..	..	..
TOTAL ASSETS	524 261 809	105 816 080	82 989 278	12 416 851	725 484 019
LIABILITIES	.	.	.	.	.
Financial liabilities held for trading	103 306 514	..	141 602	..	104 890 096
Financial liabilities designated at fair value through profit or loss	..	..	..	..	3 193 621
Financial liabilities measured at amortised cost	359 818 489	102 293 014	70 248 781	10 744 267	543 104 551
Derivatives - Hedge accounting (liabilities)	868 108	..	211 234	..	1 082 047
Fair value changes of the hedge items in portfolio hedge of interest rate risk (liabilities)	1 807 122	..	..	77 761	1 884 883
Provisions	1 401 910	49 935	9 176	1 667	1 462 689
Tax liabilities	323 742	51 752	58 474	12 194	446 162
Share capital repayable on demand	..	..	..	..	..
Other Liabilities	23 544 974	1 202 221	2 174 624	437 094	27 358 913
Liabilities included in disposal groups classified as held for sale	..	..	..	..	..
TOTAL LIABILITIES	493 907 576	105 395 805	72 843 893	11 275 688	683 422 963
Equity	4 880 517	..	3 581 044	..	8 608 379
Share premium	558 792	..	..	..	569 112
Equity instruments issued other than capital	..	..	..	..	..
Other equity	133 333	..	..	..	133 863
Accumulated other comprehensive income	-308 619	..	257 568	..	-25 211

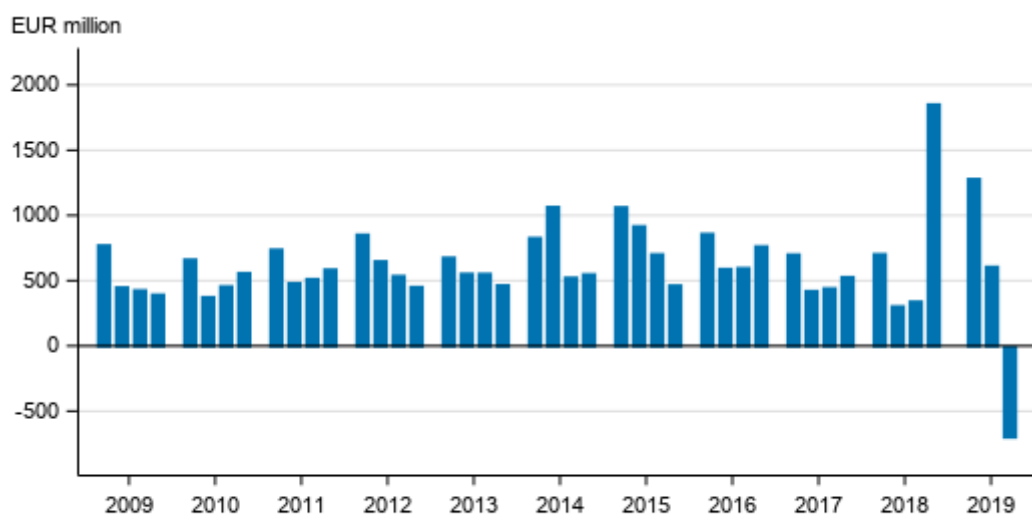
	1.1.- 30.9.2019				
	Commercial banks	Foreign banks	Co-operative banks total	Savings banks total	Banks total
Retained earnings	23 196 756	197 698	3 770 894	549 284	27 714 633
Uudelleenarvostus_rahastot	..	..	..	..	..
Other reserves	801 527	..	2 083 345	..	3 256 567
(-) Treasury shares	..	..	..	..	20 876
Profit or loss allocated to shareholders of the parent company	362 790	207 359	452 534	63 615	1 086 298
(-) Interim dividends	..	..	..	..	..
Minority interests (non-controlling owners' interests)	..	..	..	..	..
<b>TOTAL EQUITY</b>	<b>30 354 233</b>	<b>420 274</b>	<b>10 145 386</b>	<b>1 141 163</b>	<b>42 061 056</b>
<b>TOTAL EQUITY AND TOTAL LIABILITIES</b>	<b>524 261 809</b>	<b>105 816 080</b>	<b>82 989 279</b>	<b>12 416 851</b>	<b>725 484 019</b>

# Figures

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