

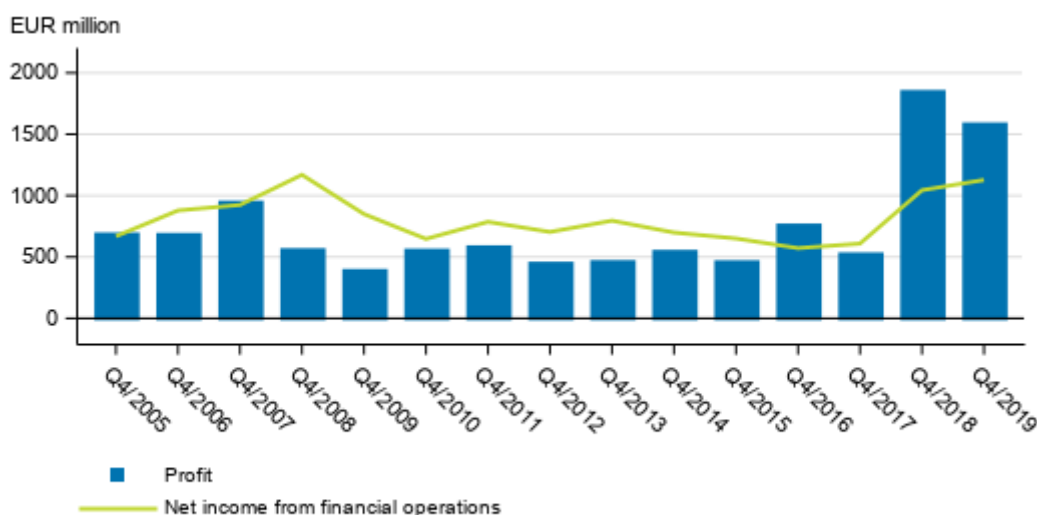
Financial statement statistics on credit institutions

2019, 4th quarter

Operating profit of banks operating in Finland was EUR 1.6 billion in the last quarter of 2019

In the fourth quarter of 2019, the net income from financial operations of credit institutions engaged in banking in Finland amounted to EUR 1.1 billion and their operating profit was EUR 1.6 billion. Finland's banking 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, 4th quarter 2005 to 2019, EUR million



Interest income and expenses

In the fourth 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 EUR 1.1 billion. Compared to the respective quarter in 2018, the net income from financial operations grew by eight per cent, i.e. around EUR 84 million.

Interest income for the whole year 2019 totalled EUR 8.1 billion. The increase from the year before was 16.3 per cent. Banks' total interest expenses amounted to EUR 3.8 billion in 2019, having been EUR 4.2 billion in the previous year. Compared to the previous year, the net income from financial operations grew especially for Finnish commercial banks. 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 EUR 1.4 billion in the fourth quarter. The share of wages and salaries in administrative expenses was 53.7 per cent or around EUR 768 million. There was no change in the share of wages and salaries compared to the corresponding quarter of the previous year.

Operating profit/loss

The operating profit, or profit from continuing operations before taxes, was EUR 1,596 million in the fourth quarter of 2019. The operating profit of banks decreased by 14.2 per cent, or around EUR 265 million, compared to the corresponding period of the previous year. Because of the significant company restructuring, the operating profit of periods after the fourth quarter of 2018 is poorly comparable with the operating profit of earlier periods.

Balance sheet

The aggregate value of the balance sheets of banks was EUR 677 billion at the end of 2019. The aggregate value of the balance sheets increased by 2.4 per cent, or around EUR 16 billion, from the previous year. The share of own equity in the total of the balance sheets was 6.6 per cent, on average, corresponding to around EUR 44 billion. On average, the share of equity in the total of the balance sheets for all banks operating in Finland fell by 0.1 percentage points from one year back.

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Appendix table 1. Profit and loss accounts of banks operating in Finland 1.1.- 31.12.2019, EUR thousands

	1.1.- 31.12.2019				
	Commercial banks	Foreign banks	Co-operative banks total	Savings banks total	Banks total
Interest income	6 329 457	688 174	910 206	211 717	8 139 552
(Interest expenses)	3 503 512	220 184	64 855	26 214	3 814 765
NET INCOME FROM FINANCIAL OPERATIONS	2 825 944	467 990	845 351	185 503	4 324 787
(Expenses on share capital repayable on demand)	..	..	..	..	..
Dividend income	40 177	..	266 666	..	320 350
Fee and comission income	2 722 781	496 319	494 224	130 676	3 844 000
(Fee and comission expenses)	712 871	108 000	65 781	19 744	906 396
Gains or (-) losses on derecognition of financial assets and liabilities not measured at fair value through profit or loss, net	161 399	..	..	1 561	161 326
Gains or (-) losses on financial assets and liabilities held for trading, net	1 096 010	34 357	..	..	1 140 836
Gains or losses on financial assets outside the trading fund that are mandatorily measured at fair value through profit or loss, net	911 798	..	..	41 036	963 101
Gains or (-) losses on financial assets and liabilities designated at fair value through profit or loss, net	-986 689	..	-10 311	..	-997 081
Gains or (-) losses from hedge accounting, net	432	..	325	..	212
Exchange differences [gain or (-) loss], net	-139 685	10 082	-5	60	-129 548
Gains or (-) losses on derecognition of non-financial assets, net	..	-438	..	761	..
Other operating income	676 055	89 378	63 509	17 379	846 321
(Other operating expenses)	81 521	15 628	175 408	49 454	322 011
TOTAL OPERATING INCOME, NET	6 505 882	977 110	1 440 116	315 343	9 238 451
(Administrative expenses)	4 140 484	625 546	796 790	167 119	5 729 940
of which: (Personnel expenses)	2 601 020	268 569	304 816	76 370	3 250 775
of which:(Other administrative expenses)	1 539 464	356 977	491 974	90 749	2 479 165
(Depreciation)	592 638	24 932	23 763	12 682	654 016
Gains or (-) losses caused by changes made, net	..	..	..	..	..
(Provisions or (-) reversal of provisions)	375 369	35 640	149	315	411 472
(Impairment or (-) reversal of impairment on financial assets not measured at fair value through profit or loss)	496 303	89 613	39 156	15 696	640 768
(Impairment or (-) reversal of impairment of investments in subsidiaries, joint ventures and associates)	..	..	..	..	17 688
(Impairment or (-) reversal of impairment on non-financial assets)	738 470	..	7 940	..	752 139
Negative goodwill recognised in profit or loss	..	..	..	..	..
Share of profit or (-) loss in investments in subsidiaries, joint ventures and associates.	..	..	..	..	..

	1.1.- 31.12.2019				
	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	1 892 778	226 938	570 718	114 011	2 804 444
(Tax expense or (-) income related to profit or loss from continuing operations)	216 327	23 571	175 192	43 978	459 068
PROFIT OR (-) LOSS AFTER TAX FROM CONTINUING OPERATIONS	1 676 450	203 367	395 526	70 033	2 345 376
Profit or (-) loss after tax from discontinuing operations	..	..	..	..	..
PROFIT OR (-) LOSS FOR THE YEAR	1 676 450	203 367	395 526	70 033	2 345 376

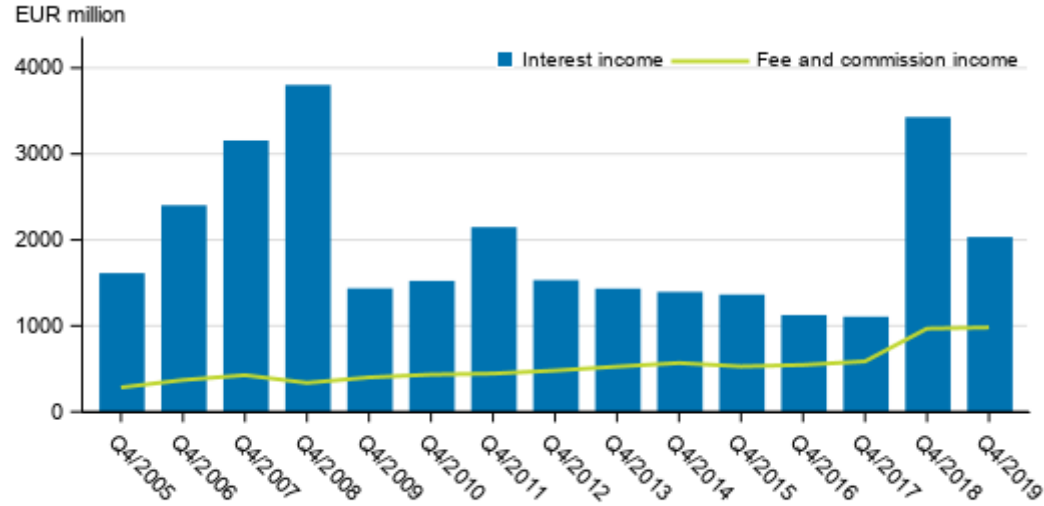
Appendix table 2. Balance sheets of banks operating in Finland 1.1.- 31.12.2019, EUR thousands

	1.1.- 31.12.2019				
	Commercial banks	Foreign banks	Co-operative banks total	Savings banks total	Banks total
ASSETS	.	.	.	.	.
Cash, cash balances at central banks and other demand deposits	55 208 131	48 107 108	1 154 337	595 169	105 064 746
Financial assets held for trading	100 596 490	..	23 732	..	101 808 884
Financial assets outside the trading inventory that are mandatorily measured at fair value through profit or loss	24 831 739	..	..	467 020	25 536 688
Financial assets designated at fair value through profit or loss	..	..	..	..	694 857
Financial assets measured at fair value through other comprehensive income	44 204 357	..	6 140 686	..	51 503 608
Financial liabilities measured at amortised cost	241 080 292	35 680 109	76 782 980	9 988 583	363 531 965
Derivatives - Hedge accounting (assets)	2 742 913	..	235 178	..	3 046 180
Fair value changes of the hedge items in portfolio hedge of interest rate risk (assets)	..	..	..	..	..
Investments in subsidiaries, joint ventures and associates	15 415 855	..	..	15 590	15 680 596
Tangible assets	1 154 874	111 888	609 880	122 183	1 998 826
Intangible assets	1 924 748	15 211	12 204	37 281	1 989 444
Tax assets	807 608	56 021	30 395	3 486	897 510
Other assets	4 477 079	352 645	69 085	26 939	4 925 749
Non-current assets held for sale and transferable item groups	..	..	..	..	..
TOTAL ASSETS	492 968 527	85 988 849	85 310 850	12 482 787	676 751 013
LIABILITIES	.	.	.	.	.
Financial liabilities held for trading	74 515 083	..	111 910	..	75 776 376
Financial liabilities designated at fair value through profit or loss	..	..	..	..	7 408 644
Financial liabilities measured at amortised cost	367 292 760	82 938 115	72 441 250	10 835 390	533 507 516
Derivatives - Hedge accounting (liabilities)	587 978	..	195 524	..	786 246
Fair value changes of the hedge items in portfolio hedge of interest rate risk (liabilities)	1 196 808	..	..	55 505	1 252 313
Provisions	1 130 457	66 806	10 673	1 673	1 209 610
Tax liabilities	620 680	51 960	30 699	9 665	713 004
Share capital repayable on demand	..	..	..	..	..
Other Liabilities	8 687 257	1 111 334	2 382 460	429 366	12 610 417
Liabilities included in disposal groups classified as held for sale	..	..	..	..	..
TOTAL LIABILITIES	461 189 384	85 567 882	75 172 516	11 334 343	633 264 125
Equity	4 880 517	..	3 647 546	..	8 679 584
Share premium	558 792	..	..	..	569 112
Equity instruments issued other than capital	..	..	..	..	..
Other equity	137 890	..	..	..	138 421
Accumulated other comprehensive income	-132 817	..	180 383	..	68 362

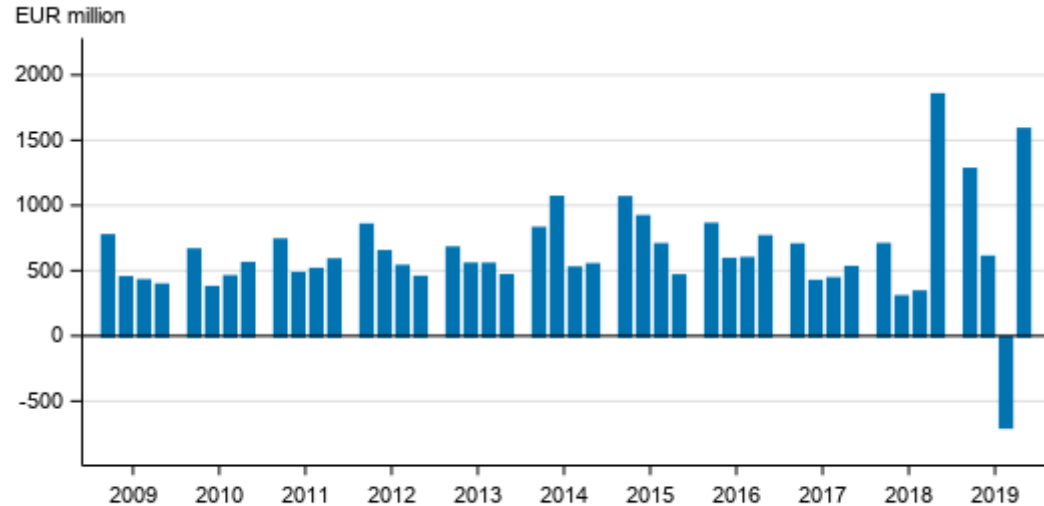
	1.1.- 31.12.2019				
	Commercial banks	Foreign banks	Co-operative banks total	Savings banks total	Banks total
Retained earnings	23 120 193	207 665	3 825 697	551 812	27 705 366
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Other reserves	801 622	..	2 089 182	..	3 262 858
(-) Treasury shares	11 777
Profit or loss allocated to shareholders of the parent company	1 676 450	203 366	395 526	70 033	2 345 376
(-) Interim dividends	..	..	..	..	..
Minority interests (non-controlling owners' interests)	..	..	..	..	..
TOTAL EQUITY	31 779 143	420 968	10 138 334	1 148 444	43 486 889
TOTAL EQUITY AND TOTAL LIABILITIES	492 968 527	85 988 850	85 310 850	12 482 787	676 751 014

Figures

Appendix figure 1. Interest income and commission income of banks operating in Finland, 4th 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