

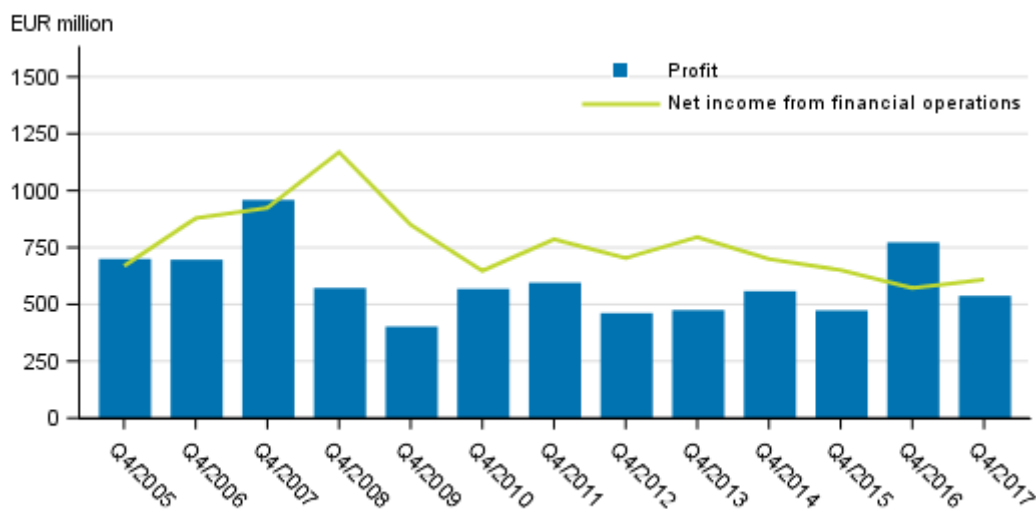
Financial statement statistics on credit institutions

2017, 4th quarter

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

In the fourth quarter of 2017, the net income from financial operations of credit institutions engaged in banking in Finland amounted to EUR 609 million and their operating profit was EUR 537 million. The net income from financial operations went up by EUR 37 million and the operating profit declined by EUR 235 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, 4th quarter 2005 to 2017, EUR million



Interest income and expenses

Credit institutions engaged in banking in Finland accumulated EUR 1.1 billion in interest income in the fourth quarter of 2017, which was EUR 19 million less than one year previously. Interest expenses, in turn, fell by EUR 56 million year-on-year to EUR 497 million. Net income from financial operations calculated as the difference between interest income and expenses grew by EUR 37 million or by around six per cent. Measured in percentages, interest income declined by 1.7 per cent and expenses by 10 per cent.

Interest income for the whole year amounted to EUR 4.6 billion, which was 3.3 per cent less than in 2016. Banks' total interest expenses amounted to EUR 2.2 billion in 2017, having been EUR 2.3 billion in 2016.

Administrative expenses

Administrative expenses are the single largest expenditure item of banks operating in Finland. In the fourth quarter, banks had EUR 763 million in administrative expenses, which was EUR 39 million less than in the year before. Wages and salaries represented 42.7 per cent of administrative expenses. Compared to the fourth quarter of 2016, total wages and salaries decreased by EUR 42 million to EUR 326 million. In the whole year 2017, administrative expenses amounted EUR 2.9 billion. Compared to 2016, administrative expenses decreased by EUR 30 million.

Operating profit

The operating profit, or profit from continuing operations before taxes, was EUR 537 million. Compared with EUR 772 million in the fourth quarter of 2016, the operating profit decreased by EUR 235 million or 30 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. The operating profit of banks generated in 2017 totalled EUR 2.1 billion, which was EUR 0.7 billion less than one year ago.

Balance sheet

The aggregate value of the balance sheets was EUR 350 billion. The balance sheet was 26.7 per cent down from one year ago. The share of own equity in the total of the balance sheets was five per cent or around EUR 17 billion. Banks' own equity declined by EUR 10 billion from the year before.

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 table 1. Profit and loss accounts of banks operating in Finland 1.1.- 31.12.2017, EUR thousands

	1.1.- 31.12.2017				
	Commercial banks	Foreign banks	Co-operative banks total	Savings banks total	Banks total
Interest income	1 956 354	1 553 315	876 443	203 641	4 589 753
Interest expenses	1 180 820	915 715	106 424	38 865	2 241 824
NET INCOME FROM FINANCIAL OPERATIONS	775 534	637 600	770 019	164 776	2 347 928
(Expenses on share capital repayable on demand)	.. ¹⁾
Dividend income	244 821	417	269 520	5 329	520 087
Fee and comission income	604 194	985 842	520 591	110 528	2 221 155
(Fee and comission expenses)	169 795	134 521	62 332	16 947	383 597
Gains or (-) losses on derecognition of financial assets and liabilities not measured at fair value through profit or loss, net	24 323	53 433	29 918	47 329	155 003
Gains or (-) losses on financial assets and liabilities held for trading, net	192 934	-16 164	..	..	177 793
Gains or (-) losses on financial assets and liabilities designated at fair value through profit or loss, net	-263	..	..	320	200
Gains or (-) losses from hedge accounting, net	-1 038	..	..	-139	31 870
Exchange differences [gain or (-) loss], net	2 351	24 419	..	..	26 492
Gains or (-) losses on derecognition of non financial assets, net	..	731	..	..	..
Other operating income	89 791	295 178	97 819	16 334	499 122
(Other operating expenses)	68 829	17 797	159 921	40 579	287 125
TOTAL OPERATING INCOME, NET	1 694 086	1 862 373	1 467 030	286 954	5 310 442
(Administrative expenses)	785 056	1 188 626	744 366	148 219	2 866 268
of which: Wages, salaries and fees (including staff-related cost)	322 156	592 294	333 194	73 032	1 320 677
of which: Other administrative expenses	462 900	596 332	411 172	75 187	1 545 591
(Depreciation)	45 837	52 275	32 705	7 441	138 257
(Provisions or (-) reversal of provisions)	809	14 259	..	..	15 067
(Impairment or (-) reversal of impairment on financial assets not measured at fair value through profit or loss)	18 854	39 137	37 577	14 737	110 305
(Impairment or (-) reversal of impairment of investments in subsidiaries, joint ventures and associates)	..	..	..	..	..
(Impairment or (-) reversal of impairment on non-financial assets)	..	..	54 964	6 492	63 645
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	842 879	577 993	597 417	110 066	2 128 354
(Appropriations)	..	..	..	..	..

	1.1.- 31.12.2017				
	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	622 663	452 896	439 130	79 857	1 594 546
Extraordinary profit or (-) loss after tax	..	..	..	..	..
PROFIT OR (-) LOSS AFTER TAX FROM DISCONTINUING OPERATIONS	..	..	..	..	..
PROFIT OR (-) LOSS FOR THE YEAR	622 663	452 896	439 130	79 857	1 594 546

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.- 31.12.2017, EUR thousands

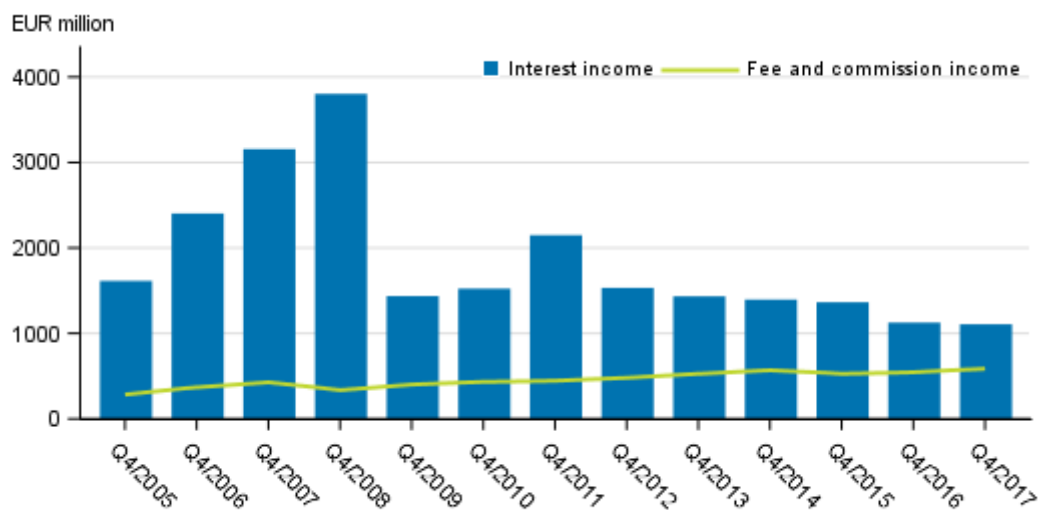
	1.1.- 31.12.2017				
	Commercial banks	Foreign banks	Co-operative banks total	Savings banks total	Banks total
ASSETS					
Cash, cash balances at central banks and other demand deposits	21 645 052	62 010 588	1 817 060	925 502	86 398 202
Financial assets held for trading	8 224 527	4 373 272	..	..¹⁾	12 646 204
Financial assets designated at fair value through profit or loss	..	..	2 082	10 089	550 762
Available-for-sale financial assets	15 484 826	6 763 028	6 473 292	1 542 927	30 264 072
Loans and receivables	62 925 788	77 831 250	63 840 693	8 476 460	213 074 190
Held-to-maturity investments	809 275	..	25 626	..	853 267
Derivatives - Hedge accounting (assets)	284 086	..	..	60 468	471 962
Fair value changes of the hedge items in portfolio hedge of interest rate risk (assets)	..	..	..	..	..
Investments in subsidiaries, joint ventures and associates	1 309 248	..	15 214	10 913	1 343 189
Investments of investment service companies in subsidiaries, joint ventures and associates	..	..	..	..	..
Tangible assets	39 336	89 572	723 488	123 320	975 716
Intangible assets	195 974	520 505	8 270	27 731	752 479
Other assets	1 169 080	699 085	98 119	60 126	2 026 409
Non-current assets held for sale and transferable item groups	..	..	..	..	..
Tax assets	42 444	33 320	40 182	1 451	117 398
TOTAL ASSETS	112 573 611	152 667 403	73 168 228	11 257 352	349 666 595
LIABILITIES					
Financial liabilities held for trading	4 184 776	127 979	..	..	4 355 006
Financial liabilities designated at fair value through profit or loss	..	..	..	..	1 434 374
Financial liabilities measured at amortised cost	96 389 244	149 703 993	61 598 771	9 776 269	317 468 278
Derivatives - Hedge accounting (liabilities)	469 110	..	25 262	..	613 850
Fair value changes of the hedge items in portfolio hedge of interest rate risk (liabilities)	..	..	..	40 600	117 940
Provisions	..	91 532	10 577	..	105 518
Tax liabilities	24 041	71 436	9 026	17 374	121 876
Share capital repayable on demand	..	..	..	..	..
Other Liabilities	4 051 417	1 452 731	2 137 761	414 059	8 055 968
Liabilities included in disposal groups classified as held for sale	..	..	..	..	..
Depreciation difference	..	..	..	..	..
Voluntary provisions	..	..	..	..	..
TOTAL LIABILITIES	106 507 139	151 687 595	63 824 332	10 253 744	332 272 810
Equity	908 140	..	3 514 800	..	4 594 562
Share premium	558 792	..	..	..	569 112
Equity instruments issued other than capital	..	..	..	..	..
Other equity	26 797	..	..	..	27 367
Accumulated other comprehensive income	103 353	..	50 340	..	251 107
Retained earnings	2 651 474	251 635	3 270 417	430 520	6 604 046
Revaluation reserves	..	..	..	..	..
Other reserves	1 197 491	161 636	2 069 211	327 624	3 755 962

	1.1.- 31.12.2017				
	Commercial banks	Foreign banks	Co-operative banks total	Savings banks total	Banks total
(-) Treasury shares	..	..	..	..	..
Profit or loss allocated to shareholders of the parent company	622 663	452 896	439 130	79 857	1 594 546
(-) Interim dividends	..	..	..	..	..
Minority interests (non-controlling owners interests ¹)	..	..	..	..	..
TOTAL EQUITY	6 066 473	979 808	9 343 897	1 003 608	17 393 785
TOTAL EQUITY AND TOTAL LIABILITIES	112 573 611	152 667 403	73 168 228	11 257 352	349 666 595

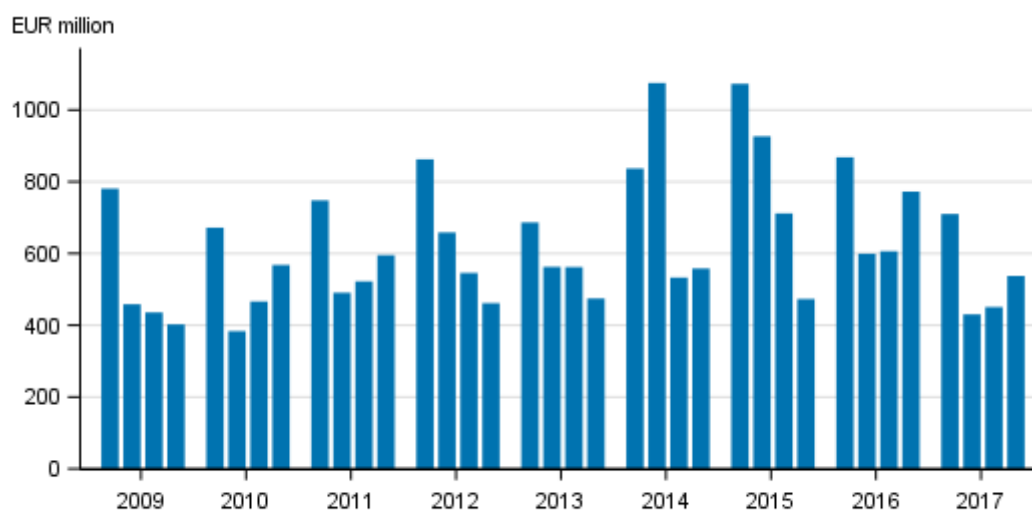
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Figures

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