

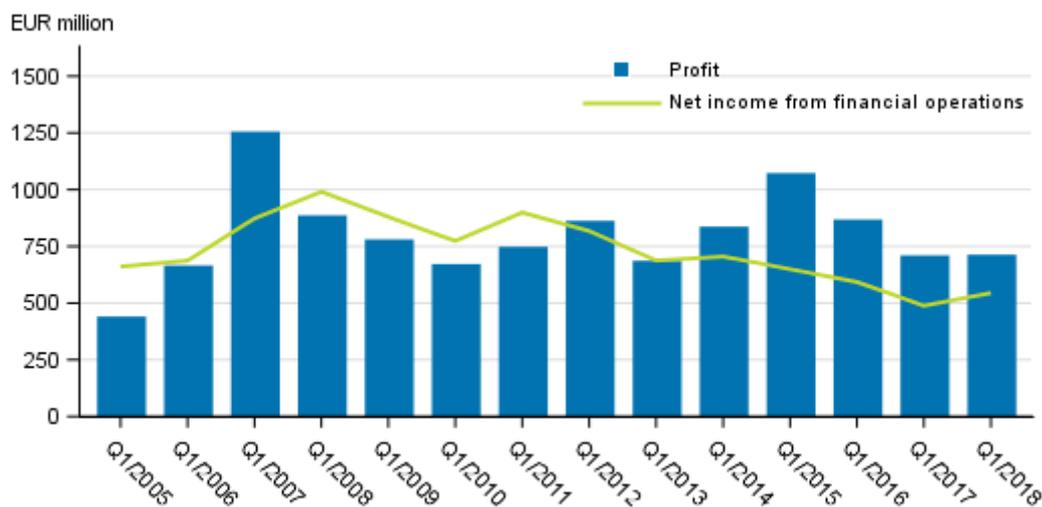
Financial statement statistics on credit institutions

2018, 1st quarter

Net income from financial operations and operating profit of banks operating in Finland grew in the first quarter of 2018

In the first quarter of 2018, the net income from financial operations of credit institutions engaged in banking in Finland amounted to EUR 544 million and their operating profit to EUR 713 million. Compared to the corresponding quarter of the previous year, net income from financial operations increased by EUR 56 million and operating profit by EUR three million.

Net income from financial operations and operating profit of banks operating in Finland, 1st quarter 2005 to 2018, EUR million



Interest income and expenses

In the first quarter of 2018, credit institutions engaged in banking in Finland accumulated EUR 1.2 billion in interest income and EUR 651 million in interest expenses. The net income from financial operations calculated as the difference between these was EUR 544 million. Compared to the corresponding quarter of the year before, net income from financial operations increased by EUR 56 million, that is, around 11.6 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 first quarter, banks had EUR 672 million in administrative expenses, which was EUR 35 million less than in the year before. Wages and salaries represented 47.3 per cent of administrative expenses. Compared to the first quarter of 2017, total wages and salaries decreased by EUR 28 million to EUR 318 million.

Operating profit

The operating profit, or profit from continuing operations before taxes, was EUR 713 million. Compared to the corresponding quarter of the year before, operating profit grew by EUR three 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 359 billion. The balance sheet was 4.3 per cent down from 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 period of the previous quarter, 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 table 1. Profit and loss accounts of banks operating in Finland 1.1.- 31.3.2018, EUR thousands

| | 1.1.- 31.3.2018 | | | | |
|--|------------------|---------------|--------------------------|---------------------|-------------|
| | Commercial banks | Foreign banks | Co-operative banks total | Savings banks total | Banks total |
| Interest income | 368 673 | 559 975 | 216 446 | 50 501 | 1 195 595 |
| (Interest expenses) | 251 322 | 370 887 | 20 221 | 8 709 | 651 140 |
| NET INCOME FROM FINANCIAL OPERATIONS | 117 351 | 189 088 | 196 224 | 41 792 | 544 456 |
| (Expenses on share capital repayable on demand) | .. ¹⁾ | .. | .. | .. | .. |
| Dividend income | 26 202 | .. | 258 469 | 3 097 | 288 060 |
| Fee and comission income | 89 039 | 278 769 | 139 493 | 28 514 | 535 815 |
| (Fee and comission expenses) | 34 505 | 40 349 | 11 209 | 4 271 | 90 334 |
| Gains or (-) losses on derecognition of financial assets and liabilities not measured at fair value through profit or loss, net | 15 097 | 9 165 | 384 | 1 109 | 25 755 |
| Gains or (-) losses on financial assets and liabilities held for trading, net | 109 537 | 14 983 | 1 470 | .. | 125 990 |
| Gains or losses on financial assets outside the trading fund that are mandatorily measured at fair value through profit or loss, net | .. | .. | -182 | -4 231 | -6 346 |
| Gains or (-) losses on financial assets and liabilities designated at fair value through profit or loss, net | 621 | .. | 679 | .. | 1 315 |
| Gains or (-) losses from hedge accounting, net | 1 983 | .. | -24 | 56 | -3 993 |
| Exchange differences [gain or (-) loss], net | -58 899 | 2 607 | 12 | -54 | -56 335 |
| Gains or (-) losses on derecognition of non-financial assets, net | .. | 7 | .. | 444 | .. |
| Other operating income | 14 471 | 50 840 | 14 133 | 3 910 | 83 354 |
| (Other operating expenses) | 28 699 | 4 081 | 44 944 | 10 697 | 88 420 |
| TOTAL OPERATING INCOME, NET | 253 143 | 492 448 | 554 521 | 59 669 | 1 359 781 |
| (Administrative expenses) | 111 903 | 324 405 | 196 466 | 38 771 | 671 546 |
| of which: (Personnel expenses) | 50 774 | 168 177 | 81 164 | 17 712 | 317 827 |
| of which:(Other administrative expenses) | 61 129 | 156 228 | 115 302 | 21 059 | 353 718 |
| (Depreciation) | 11 761 | 15 863 | 7 599 | 2 311 | 37 534 |
| Gains or (-) losses caused by changes made, net | .. | .. | .. | .. | .. |
| (Provisions or (-) reversal of provisions) | .. | .. -4 714 | .. | .. | -4 955 |
| (Impairment or (-) reversal of impairment on financial assets not measured at fair value through profit or loss) | -31 842 | -21 257 | -1 441 | 785 | -53 756 |
| (Impairment or (-) reversal of impairment of investments in subsidiaries, joint ventures and associates) | .. | .. | .. | .. | .. |
| (Impairment or (-) reversal of impairment on non-financial assets) | .. | .. | 391 | .. | 431 |
| 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.- 31.3.2018 | | | | |
|--|------------------|---------------|--------------------------|---------------------|-------------|
| | Commercial banks | Foreign banks | Co-operative banks total | Savings banks total | Banks total |
| PROFIT OR (-) LOSS BEFORE TAX FROM CONTINUING OPERATIONS | 161 562 | 182 150 | 351 506 | 17 802 | 713 020 |
| (Tax expense or (-) income related to profit or loss from continuing operations) | 39 302 | 31 329 | 15 101 | -3 766 | 81 966 |
| PROFIT OR (-) LOSS AFTER TAX FROM CONTINUING OPERATIONS | 122 260 | 150 820 | 336 406 | 21 568 | 631 054 |
| Profit or (-) loss after tax from discontinuing operations | .. | .. | .. | .. | .. |
| PROFIT OR (-) LOSS FOR THE YEAR | 122 260 | 150 820 | 336 406 | 21 568 | 631 054 |

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.- 31.3.2018, EUR thousands

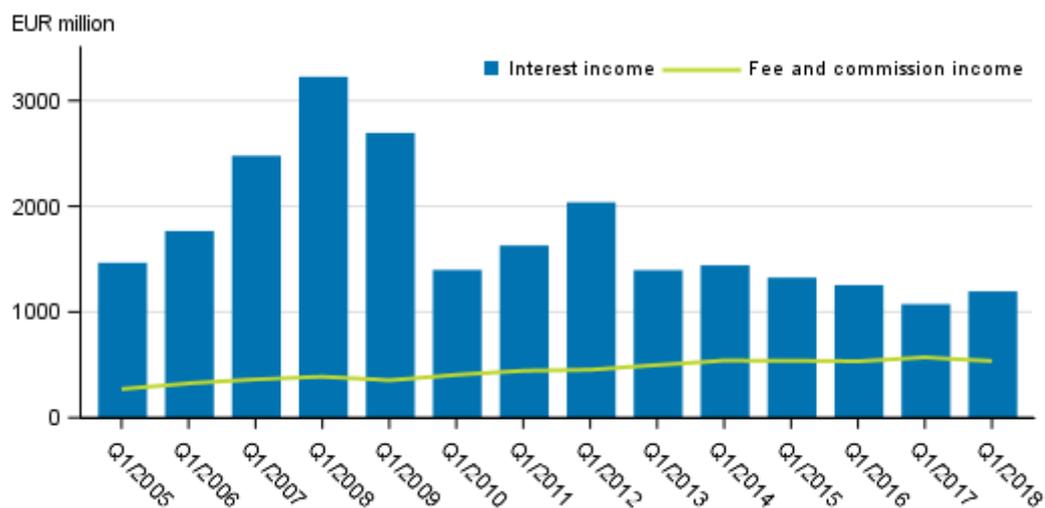
| | 1.1.- 31.3.2018 | | | | |
|---|-------------------|--------------------|--------------------------|---------------------|--------------------|
| | Commercial banks | Foreign banks | Co-operative banks total | Savings banks total | Banks total |
| ASSETS | | | | | |
| Cash, cash balances at central banks and other demand deposits | 14 361 747 | 83 587 423 | 1 532 747 | 715 229 | 100 197 146 |
| Financial assets held for trading | 4 183 409 | 1 235 839 | 81 216 | .. ¹⁾ | 5 500 464 |
| Financial assets outside the trading inventory that are mandatorily measured at fair value through profit or loss | 421 932 | 6 930 088 | 6 127 016 | 627 830 | 14 106 866 |
| Financial assets designated at fair value through profit or loss | .. | .. | 8 289 | .. | 436 006 |
| Financial assets measured at fair value through other comprehensive income | 15 060 499 | .. | 231 368 | 991 927 | 21 578 324 |
| Financial liabilities measured at amortised cost | 46 464 962 | 90 429 623 | 65 410 467 | 8 609 911 | 210 914 964 |
| Derivatives - Hedge accounting (assets) | 253 364 | .. | 72 736 | 53 498 | 452 311 |
| Fair value changes of the hedge items in portfolio hedge of interest rate risk (assets) | .. | .. | .. | .. | .. |
| Investments in subsidiaries, joint ventures and associates | 1 240 249 | 223 268 | 15 286 | 9 896 | 1 488 700 |
| Tangible assets | 27 688 | 101 190 | 715 881 | 123 294 | 968 053 |
| Intangible assets | 211 086 | 544 764 | 8 195 | 31 363 | 795 408 |
| Tax assets | 12 032 | 80 324 | 49 585 | 4 196 | 146 137 |
| Other assets | 1 149 325 | 980 744 | 72 071 | 67 163 | 2 269 304 |
| Non-current assets held for sale and transferable item groups | .. | .. | .. | .. | .. |
| TOTAL ASSETS | 83 573 383 | 189 750 283 | 74 324 859 | 11 234 306 | 358 882 830 |
| LIABILITIES | | | | | |
| Financial liabilities held for trading | 2 993 652 | 1 178 303 | 42 678 | .. | 4 214 633 |
| Financial liabilities designated at fair value through profit or loss | .. | .. | .. | .. | .. |
| Financial liabilities measured at amortised cost | 73 179 569 | 184 590 371 | 62 498 019 | 9 804 934 | 330 072 893 |
| Derivatives - Hedge accounting (liabilities) | 391 445 | .. | 35 399 | 5 493 | 540 205 |
| Fair value changes of the hedge items in portfolio hedge of interest rate risk (liabilities) | .. | .. | .. | 36 058 | 107 039 |
| Provisions | 8 428 | 102 533 | 11 875 | 2 708 | 125 543 |
| Tax liabilities | 26 845 | 74 404 | 13 172 | 11 955 | 126 376 |
| Share capital repayable on demand | .. | .. | .. | .. | .. |
| Other Liabilities | 3 349 449 | 2 596 483 | 2 205 166 | 354 277 | 8 505 375 |
| Liabilities included in disposal groups classified as held for sale | .. | .. | .. | .. | .. |
| TOTAL LIABILITIES | 79 999 605 | 189 074 004 | 64 806 777 | 10 215 425 | 344 095 811 |
| Equity | 802 164 | .. | 3 435 749 | 118 643 | 4 414 535 |
| Share premium | 558 792 | .. | .. | .. | 569 112 |
| Equity instruments issued other than capital | .. | .. | .. | .. | .. |
| Other equity | .. | .. | .. | .. | 25 821 |
| Accumulated other comprehensive income | 74 060 | .. | 35 014 | 17 503 | 171 783 |

| | 1.1.- 31.3.2018 | | | | |
|--|-------------------|--------------------|--------------------------|---------------------|--------------------|
| | Commercial banks | Foreign banks | Co-operative banks total | Savings banks total | Banks total |
| Retained earnings | 1 055 150 | 264 986 | 3 635 164 | 520 084 | 5 475 384 |
| Revaluation reserves | .. | .. | .. | .. | .. |
| Other reserves | 937 925 | 161 636 | 2 075 750 | 330 763 | 3 506 073 |
| (-) Treasury shares | .. | .. | .. | .. | .. |
| Profit or loss allocated to shareholders of the parent company | 122 260 | 150 821 | 336 406 | 21 568 | 631 054 |
| (-) Interim dividends | .. | .. | .. | .. | .. |
| Minority interests (non-controlling owners interests' | .. | .. | .. | .. | .. |
| TOTAL EQUITY | 3 573 778 | 676 279 | 9 518 082 | 1 018 880 | 14 787 019 |
| TOTAL EQUITY AND TOTAL LIABILITIES | 83 573 383 | 189 750 283 | 74 324 859 | 11 234 306 | 358 882 830 |

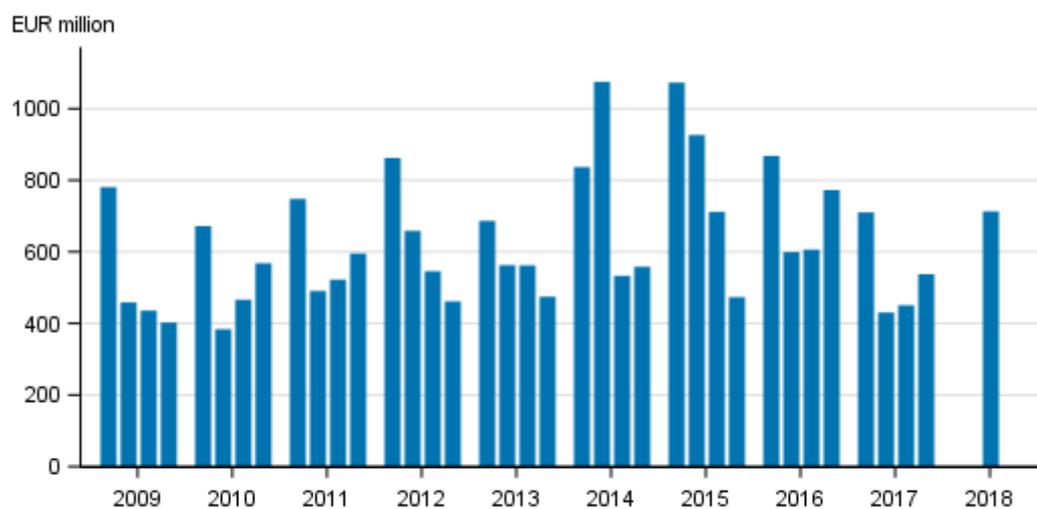
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Figures

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



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



Inquiries

Antti Suutari 029 551 3257
Jarkko Kaunisto 029 551 3551
Director in charge:
Ville Vertanen

rahoitusmarkkinat@stat.fi
www.stat.fi

Source: Credit institutions' annual accounts, Statistics Finland